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# DEFENSE BASE CLOSURE COMMISSION

## 1995 HEARINGS

## BOOK II

9. April 10, 1995 (Albuquerque)
10. April 12, 1995 (Chicago)
11. April 17, 1995
12. April 19, 1995 (Dallas)
13. April 24, 1995 (Delta Junction)
14. April 28, 1995 (San Francisco)
15. May 4, 1995 (Baltimore)
16. May 10, 1995 (Adds Hearing)

**In The Matter Of:**

*Defense Base Closure and Realignment Commission*

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*Hearing Volume Number 1*
*April 10, 1995*

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[1] DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
[2] Albuquerque, New Mexico Regional Hearing
[3] Albuquerque Convention Center
[4] April 20, 1995
[5]
[6] COMMISSIONERS ATTENDING:
[7] Chairman Alan J. Dixon
[8] Commissioner Al Cornella
[9] Commissioner Rebecca Cox
[10] Commissioner S. Lee Kling
[11] Commissioner Benjamin Montoya
[12] Commissioner Josue Robles
[13] Commissioner Wendi Steele
[14]
[15]
[16] TRANSCRIPT OF PROCEEDINGS
[17]
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[1] COMMISSIONER DIXON: Good morning, ladies and
[2] gentlemen, and welcome to the regional hearing of the Defense
[3] Base Closure and Realignment Commission.
[4] My name is Alan Dixon, and I'm chairman of the
[5] Commission, charged with the task of evaluating the
[6] recommendations of the Secretary of Defense regarding the
[7] closure and realignment and military installations in the
[8] United States. Also here with us today are my colleagues
[9] Commissioners Al Cornella, Rebecca Cox, S. Lee Kling, Admiral
[10] Ben Montoya, Wendi Steele, and General Joe Robles.
[11] First, let me thank all the military and civilian
[12] personnel who have assisted during our visits to the many bases
[13] represented at the hearing. We've spent many days looking at
[14] the installations that are on the Secretary's list and asking
[15] questions that will help us make our decisions. The
[16] cooperation we've received has been exemplary, and we thank you
[17] very much.
[18] The main purpose of the base visits we've conducted
[19] is to allow us to see the installations firsthand, and to
[20] address with military personnel the all-important question of
[21] the military value of the base.
[22] In addition to the base visits, the Commission is
[23] conducting a total of 11 regional hearings, of which today's is
[24] the 7th. The main purpose of the regional hearings is to give
[25] members of the communities affected by these closure

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[1] recommendations a chance to express their views. We consider
[2] the interaction with the community to be one of the most
[3] important and valuable parts of our review of the Secretary's
[4] recommendations.
[5] Let me assure you that all of our Commissioners and
[6] our staff are well aware of the huge implications of base
[7] closure on local communities. We are committed to openness in
[8] this process and we are committed to fairness. All the
[9] material we gather, all the information we get from the
[10] Department of Defense and all of our correspondence is open to
[11] the public.
[12] We're faced with a very unpleasant and painful task,
[13] which we intend to carry out as sensitively as we can. Again,
[14] the kind of assistance we've received here is, of course,
[15] greatly appreciated.
[16] Let me tell you how we will proceed here today and
[17] in all of our regional hearings. The Commission, has assigned
[18] a block of time to each state affected by the base closure
[19] list. The overall amount of time was determined by the number
[20] of installations on the list and the amount of job loss. The
[21] limits on time will be strictly enforced. We notified the
[22] appropriate elected officials of this procedure, left it up to
[23] them, working with the local communities to determine how to
[24] fill the block of time.
[25] This morning it's our intention to listen to

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[1] testimony from the states of New Mexico and Utah for a total of
[2] 150 minutes. At the end of the morning presentations we've set
[3] aside a period of 30 minutes for public comment, at which
[4] members of the public may speak. We have provided a sign-up
[5] sheet for this portion of the hearing, and we hope that anyone
[6] who wishes to speak has already signed up. We would ask that
[7] those of you speaking at that time limit yourselves to two
[8] minutes, and that will be strictly enforced.
[9] After the lunch break and beginning at 1:00 p.m. we
[10] will hear from the state of Colorado for 15 minutes, after
[11] which we will again have a 15-minute period for public
[12] comment.
[13] Let me also say, ladies and gentlemen, that the Base
[14] Closure Law has been amended since 1993 to require that anyone
[15] giving testimony before the Commission do so under oath, and so
[16] I will be swearing in witnesses, and that will include
[17] individuals who speak in the public comment portion of the
[18] hearing.
[19] With that, I believe we're ready to begin, and I'm
[20] required to ask each of you distinguished gentlemen to rise and
[21] raise your right hand. All that are going to testify, please
[22] rise and raise your right hand.
[23] (Witnesses were sworn.)
[24] CHAIRMAN DIXON: Thank you very much.
[25] My staff inquires if anybody at this table will be

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testifying. I thank you very much.

You may proceed.

GENERAL MARQUEZ: Thank you, Mr. Chairman. Good morning Mr. Chairman, honorable members of the Base Realignment and Closure Commission. It's my pleasure today to welcome you to Albuquerque on behalf of our Mayor, Martin Chavez; our Governor, Gary Johnson; and our congressional delegation led by Senior Senator, Senator Pete Domenici; Senator Bingaman; and, of course, our Congressman Schiff. It's our pleasure to welcome you here, and we hope you have a pleasant stay.

To get into our presentation, I believe that today, this morning, we are going to take the DOD recommendation to realign major missions at Kirtland Air Force Base, and I believe that when we're through here we will have been able to demonstrate to you very convincingly that this recommendation does, in fact, not comply with any of the criteria of the Base Realignment and Closure Commission; that, in fact, it does violence to each of them; that, in fact, there are no savings associated with this recommendation. And we believe sincerely that some of the major missions and most important missions including that of nuclear surety will be severely compromised by the dismemberment and moving away of very vital elements of that mission.

We also believe that for the other outfits leaving, the operational effectiveness thereto will be severely

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impaired. And finally, if, in fact, the plan goes through, as is envisioned now, the reuse potential for the community of Albuquerque and the State of New Mexico is virtually nonexistent because of the contonement plan.

We would like to tell you one thing: Kirtland Air Force Base is not your standard Air Force Base, instead it is a federal installation. It's a model BRAC federal installation. But because some of you commissioners did not get a chance to visit Kirtland and take a look at the complexity of the mission there, the vastness of the terrain, indeed, the interaction of all the units that are there, all supported by one entity, the 377th Air Base Support Wing.

We would like at this time to show you a short video presentation. We have placed a monitor in front of you there for those who can't see the screen, and would like to run that now. After which, Colonel Charlie Thomas, one of our witnesses, who was a former Air Base Commander, will lead you through a more detailed explanation of the areas involved.

Turn the video on, please.

(A videotape shown.)

COLONEL THOMAS: Good morning, I'm Charlie Thomas. It was my privilege to command Kirtland Air Force Base for three years.

A lot of people came to visit Kirtland. It was always our pleasure to welcome them, as we do you today. One

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of my favorite groups to welcome though, were my peers. At that time they were wing commanders for the military airlift command. I would show them the jigsaw puzzle. We took their bases and, to scale, put them on a map with Kirtland. Each one of these wing commanders had a full set of runways, aircraft, hangars, and all the support facilities to run a major installation, and then I'd very humbly tell them that all 15 major installations fit within ours.

Kirtland is, indeed, a unique installation. I'd like to go to this map now -- and it will be on the slide behind us for the audience, but you won't be able to follow my pointer - and just talk through some of the other reasons why this is a unique installation.

All of you landed over here at Albuquerque International Sunport. Whether you came in on Delta or American or Continental or Southwest, or whether you landed in a military aircraft, the support, the fire crash and rescue for all of those flights are performed by the world's best, United States Air Force at Kirtland.

Your average installation would probably look just like this. The flying facilities that we have now, the runway complex, and that would be your flight training base or your fighter base of today.

But, if I could get you off your aircraft and take a little walk with you, if we walk straight to the east, before

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we got to the far boundary, we would have walked 14 miles. If we walk from the north to the south, we would have gone eight miles. So you have an 82 square mile installation. You also have the largest collection of activities within the Department of Defense, over 150 that are focused here.

Let me talk a little bit to some of the agencies that you will hear about. The Phillips Laboratory is over here in the northwest corner. Also in those areas you expect to find some flying activities. The 58th Special Operations Wing is there, as well as the 150th fighter group of the National Guard which flies F-16s.

You also may not notice that Ross Aviation has a hangar for the Department of Energy; supports all their flights throughout the western United States.

Also Allied Signal has an operation on the flight line supporting transportation safeguards with out weapons in our nuclear community.

If I move over to the industrial area and continue on to the north side of Kirtland, you find the Field Command Defense Nuclear Agency Headquarters, the Air Force Security Police Agency; you find the Air Force Operational Test and Evaluation Center. And, if you go all the way over right near the Eubank gate, you'll find a brand new building that a recent BRAC was built, and it has the Air Force Inspection Agency and the Air Force Safety Agency.

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[1] All of these people came for a reason. The flying
[2] activities came here because of the outstanding weather and
[3] terrain, especially for special operations. All the other
[4] activities came because of weapons, especially the development
[5] of nuclear weapons and what's concentrated here.
[6] Since we have a lot of colored areas, let me just
[7] point out a few of those. Along the airport we have what are
[8] called hot pads; places for the on-loading and off-loading of
[9] weapons or strategic materials that can travel in and out of
[10] this area.
[11] A connection to that is this point right here, the
[12] Kirtland Underground Munitions Storage Complex, a unique
[13] facility. Along the flight line also you will see this red
[14] array area, it says "laser range." That's the airborne laser
[15] aircraft. It's stationed here; continues to operate. Just a
[16] few years ago they set themselves up in this jet aircraft,
[17] fired five missiles at them, they defeated all of them. I
[18] didn't want to be on board that day. But it's a great
[19] capability that continues under the Phillips Laboratory.
[20] The circle in the turquoise color, EMP,
[21] electromagnetic pulse. Again, we can do nuclear simulation.
[22] That's run by the United States Army at White Sands Missile
[23] Range. Again, another connection.
[24] The large circle is the exclusion area for the
[25] Sandia reactor technology and Sandia's tech area 5. So now we

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[1] have the Department of Energy, the Albuquerque Operations
[2] Office and Sandia National Labs coming into the picture who
[3] bring about 10,000 employees to this location.
[4] We are hoping that, in the next few years, that that
[5] reactor will be converted to produce medical isotopes to do the
[6] somewhat - 100 million annual nuclear medicine procedures that
[7] go on in the United States.
[8] The Manzano area, you're probably familiar, is a
[9] previous area of storage. We also have a variety of explosive
[10] test facilities, various circles in here. The long red line,
[11] followed by the beige area off site, is a two mile long sled
[12] track. And when you exceed the speed of sound - we go up to
[13] about mach 6 - you need a large area. So our buffer zone
[14] extends into the state area, and also extends to the south in
[15] our neighboring Isleta Pueblo.
[16] Some of the other things that still continue here,
[17] the Star Fire Optical Range of the Phillips Laboratory, their
[18] high energy research and test facility doing things like plasma
[19] research; what can we do out in space?
[20] If you get to the far east we find firing areas.
[21] All the federal marshalls and police can come into the central
[22] training academy of the Department of Energy. Again, a need
[23] for a safety and a buffer as well as the M-60, which is our
[24] machine gun range available, again, to all the law enforcement
[25] areas.

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[1] We have a large area out here that we call our burn
[2] site, where we can burn and test, not only weapons, but also
[3] things like environmental containers.
[4] We have - the last one I want to mention is a
[5] capable site where we could drop or fire at things. This is a
[6] huge area that you see extends well beyond the base
[7] boundaries. You can see that they've placed themselves kind of
[8] in a noninterference basis. And even if you do these
[9] realignment, every one of these things is still here. All of
[10] these activities are still full.
[11] So what you have done over 50 years is two things.
[12] Number one, you have built the nuclear community here, it is a
[13] recognized national asset. All of the nuclear experience for
[14] those weapons are here. And the second thing I would like to
[15] say is that you have built a model BRAC installation, in that
[16] your objective is to consolidate activities and have one single
[17] military service provide the support. That service is provided
[18] by the United States Air Force and the 377th Air Base Wing that
[19] the intention is to break up.
[20] Lastly, if all of this is occupied, I will just say
[21] it leaves very little for community reuse, and that point will
[22] be reinforced later.
[23] Now to talk about this major federal installation
[24] and the proposal for it, I'd like to return to General Marquez.
[25] **GENERAL MARQUEZ:** Thank you, Charlie. As I said

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[1] at the beginning, when Kirtland Air Force Base appeared on the
[2] closure list, to say we were surprised was an understatement.
[3] As early as 1993, Kirtland Air Force Base was
[4] specifically excluded from the BRAC process by the Department
[5] of Defense, because they said that Kirtland Air Force Base is
[6] essential in supporting several irreplaceable research and
[7] testing facilities that are essential to the Department of
[8] Defense, the Department of Energy, and other government
[9] agencies.
[10] Indeed, as late as this past December, December
[11] 1994, an Air Force Materiel Command Study regarding
[12] consolidation of the space test and experimentation, the
[13] decision was to move those facilities here to strengthen the
[14] Air Force leadership of its DOD space activities. Right here
[15] at Kirtland Air Force Base.
[16] Obviously, the last week in February when we learned
[17] that the Air Force had plans for major realignment up here, we
[18] had to get to work.
[19] As we studied the documentation, some very strange
[20] things appeared to us. We looked at the facility chart. Only
[21] eight months before, each one of our facilities had been
[22] considered model facilities and were rated green. When we
[23] looked at the documentation presented, some of them had slipped
[24] inexplicably into the red category. Similar to as if they had
[25] been subjected to a natural disaster, such as that occurred at

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Homestead Air Force Base in Florida, with a hurricane, or Clark Air Force Base in Guam, with a volcano eruption.

I looked out my window to the west; the 7 volcanoes on our West Mesa are still dormant. We checked with our spoken historians at the pueblos to the south, in Isleta, and the pueblo to the north in Sandia, and there is no recollection of a hurricane ever striking this region.

That drop in the ratings is inexplicable and deterioration cannot occur that fast.

We looked at other things as well. We saw that the decision to realign did not remove a single military mission from this base; that, in fact, by so doing it reaffirmed the military value.

What was proposed is to take away the support structure that provides all this vital support and either transfer it elsewhere or wish it away, taking advantage of procedural - procedural ways to comply with the documentation.

But still we come back to Chairman Dixon's opening statement. The cost to the taxpayer will not be reduced by this.

We'd like to now go into a little bit more about costs. And to do that, I'd like to introduce Mr. John Vuksich - I'm sorry, let me back up, give me a second.

Here is what the realignment does. The realignment

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deactivates the support wing, not one single military mission. It relocates those units there, and 150 other tenants, give or take ten. It places in contonement - which is a military word for fencing it off - the Phillips Laboratory, the 898th Munitions Squadron under storage site, all the Air Reserve and National Guard units, Sandia National Laboratories, and all of the DOE Albuquerque operations.

The proposal purports to save to the U.S. Air Force the cost to implement $277 million. And they contend that that will save annually $62 million. We contend with our analysis that those costs are indeed grossly understated, and that the savings are actually a negative value.

To take you into that process, I will introduce Mr. John Vuksich, who is our cost analysis. John spent several years in the DOD as a cost analysis with PA and E, up in Dr. Chew's office, so he is eminently qualified to handle this during any discussion. Mr. Vuksich.

**MR. VUKSICH:** Good morning. As you look on the chart behind me, what you're going to see is that there are two types of costs that we're going to discuss. There is one-time cost and there are recurring costs, and I'm going to keep the discussion in two clear distinctions.

The one-time cost increases that we've been hearing about in the press, that the Air Force has been expressing to you, are pretty dramatic. They've been climbing vertically.

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But these are not the important numbers. The important numbers are the recurring savings that are going to occur in the long-term because the recurring savings is where the nation is going to save money in this process.

I want to concentrate the discussion on the important part, which is the recurring savings or, in this case, the recurring costs. We believe that the cost estimate that the Air Force has provided is unsupportable, and we believe that the recurring savings of $62 million is, in fact, an additional cost above today of $12.7 million.

Before we go on I want to talk about some of the guidance from the Department of Defense. The Department of Defense instructed the military departments not to consider the cost of BRAC actions to other state or local governments, to other federal agencies. We reject that guidance. We agree with what Chairman Dixon has said.

The Department of Defense has also directed that the military departments maximize consolidation. The Air Force has violated that instruction, and has, in fact, unconsolidated. And we intend to show that the taxpayer is going to pay for that unconsolidation.

Before we actually get into the cost numbers, I want to provide a discussion of the interactions that underlay the cost errors within the proposed realignment cost estimate.

As Colonel Thomas and General Marquez have told you,

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this is Kirtland Air Force Base today, the entire slide. You see on the very left side United States Air Force organizations, 58th Special Operations Wing, AFOTEC. In the lower right you see Department of Defense organizations, such as Field Command Defense Nuclear Agency. And in the upper right you see the non Department of Defense organizations such as Sandia National Laboratories or the Department of Energy's Albuquerque operations office.

In the center you see the 377th Air Base Wing represented by my large green pie. The purpose in being for the 377th Air Base Wing is to provide support necessary for all of the organizations at Kirtland Air Force Base to accomplish their mission. The 377th Air Base Wing is tailored to meet the needs of all of the supported units at Kirtland Air Force Base. Not just U.S. Air Force units, but all of the organizations here.

I show the 377th Air Base Wing as a pie. The Kirtland Air Force Base support pie. And each organization at Kirtland Air Force Base requires a piece of pie to accomplish its mission.

The phantom savings that have been reported for this proposed realignment are due entirely to the elimination of the 377th Air Base Wing. However, the entire Air Base Wing is not going away. Of the 2,458 personnel in the 377th Air Base Wing - and I'm quoting numbers out of the COBRA model - there

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[1] can be some discrepancies of who is actually on the ground -
[2] 1375 will be eliminated. The support personnel from the 377,
[3] the remaining people, those that are not eliminated, are
[4] apportioned to the United States Air Force units that are
[5] departing Kirtland Air Force Base and that are remaining at
[6] Kirtland Air Force Base. Again, this is shown on the left of
[7] the slide with my green and yellow support pieces of pie going
[8] to the units.
[9] In accordance with Air Force instruction 38 101, the
[10] Air Force units that are departing or remaining will receive a
[11] support allocation in manpower that's about ten percent of
[12] their authorized strength.
[13] So, if you have 1,000 people in the supported unit,
[14] the base support structure will get 10 - I'm sorry, 100
[15] people.
[16] Now, I want to talk about the two phenomena that are
[17] going on in this cost estimate. First, unconsolidation; and,
[18] second, cost shifting.
[19] First, the realignment cost estimate asks us to
[20] believe that the three organizations at the lower left of the
[21] chart that are remaining - that are remaining at Kirtland, the
[22] Phillips Laboratory, the 150th Fighter Group, and 898th
[23] Munitions storage - Munitions Support Squadron that handles
[24] the underground storage mission - each of those organizations
[25] is going to set up its own support structure. And they are

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[1] going to do that with a personnel allocation equal to that of
[2] those units going someplace where there is a full-up Air Base
[3] Wing.
[4] We are asked to believe that these units can provide
[5] their own support as cheaply and efficiently as the
[6] consolidated 377th Air Base Wing. Unless there are very
[7] special circumstances, and none have been presented, this is
[8] very unlikely.
[9] The second argument is cost shifting. The Air Force
[10] saving of $62 million comes from the 1375 personnel
[11] eliminated. And that's the part of the pie shown in the lower
[12] right part of the screen that is taken away. It is taken away
[13] from the other organizations at Kirtland Air Force Base: The
[14] Department of Energy, the Department of Defense, the V.A.
[15] Hospital, all of their support is taken away.
[16] None of the Air Force organizations - none of these
[17] non Air Force organizations will get their support, but the
[18] U.S. taxpayer is going to foot the bill for replacing the lost
[19] support that the U.S. Air Force is taking a savings.
[20] And now let's look at some numbers. The proposed
[21] realignment is claimed to have a one-time cost of $277
[22] million. We don't agree. We believe that the one-time cost is
[23] going to be $525 million. This is less than the current Air
[24] Force estimate, which we understand is floating in the 600- to
[25] 700-million-dollar region.

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[1] All of the costs that I'm going to brief today are
[2] found in the books in front of you. The cost summary is found
[3] on page Roman numeral IV, and each cost is discussed in chapter
[4] two, beginning on page 9.
[5] In our cost estimates we have attempted to be
[6] absolutely consistent with the COBRA model. Our desire is to
[7] provide you with cost data that are comparable. We have
[8] generally accepted the U.S. Air Force requirements, how many
[9] square feet per person. We've accepted the cost data for a
[10] civilian employee of $46,000 a year, and we've accepted Air
[11] Force military construction factors of how much ramp space a
[12] C-130 needs.
[13] What you see in the omissions portion of the slide
[14] is the Department of Energy, the Phillips Laboratory, the
[15] underground storage, and 150th Fighter Group having costs.
[16] These costs are for military construction and capital equipment
[17] necessary to break apart Kirtland Air Force Base and build four
[18] separate installations. The proposed realignment's cost
[19] estimate omitted the moving cost of moving the simulators from
[20] the 58th Special Operations Wing and of moving TACCSF. TACCSF
[21] is the Theater Air Command and Control Simulation Facility.
[22] We have a number of disagreements with the Air
[23] Force's estimates and the reason for those are in the book.
[24] The big one, of course, is $75 million for family housing. The
[25] 58th Special Operations Wing is slated to go to Holloman Air

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[1] Force Base. Alamogordo is a rural part of the state. The
[2] German Air Force is arriving, and we simply believe that there
[3] is going to need to be more housing. The Air Force requirement
[4] is 648 units. They are planning on building 100 of those. We
[5] believe that they are going to need all 648 units, and that's
[6] what this cost delta reflects.
[7] Now, the one-time numbers, they're big; they're not
[8] real important, okay. The proposed realignment falsely claims
[9] a recurring savings of $62 million annually. We believe that
[10] that recurring saving is actually a recurring cost, above
[11] today's full-up operating cost, and we believe that cost is
[12] about $12.7 million.
[13] Again, we believe the proposed realignment has cost
[14] shifting, unconsolidation, and omissions in it. If you'll look
[15] at the cost shifting, you see the Department of Energy and non
[16] U.S. Air Force costs. These are primarily personnel costs.
[17] You took 1375 personnel away, and now DOE and the non Air Force
[18] units are going to have to put people back to make up the
[19] support that they still need.
[20] The Veterans' Hospital is a one-of-a-kind model,
[21] example of the integration of a military medical facility with
[22] a veterans' affairs facility. And this has been the way from
[23] the get-go.
[24] When the Air Force leaves - they currently operate
[25] the emergency room - the Veterans' Hospital is going to have

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to replace that operation, and that tag is going to get
assigned to the V.A. It's cost shifting.
A couple of omissions that we found: The plan is to
civilianize the security force for the underground munitions
complex. The cost estimate absolutely ignored those costs.
You've heard some discussions of increased costs for the
civilianization due to OSHA. Those are above and beyond the
chart behind me.
And, finally, there is CHAMPUS. CHAMPUS is the
military health insurance program. Department of Defense
guidance explicitly states, "You will consider the CHAMPUS
shift cost." The input in the COBRA model from the Air Force
is zero. They have ignored this requirement. From data that
we've obtained from the Air Force hospital on the number of
patients they've seen, we've calculated about a $20 million
cost shift to CHAMPUS. Now, there may be some offsets to that
CHAMPUS number. We don't know where the Air Force is
reallocating their medical people that are leaving here, so
it's impossible for us to determine precisely where that's
going.
I want you to look at the Air Force saving of $62
million, and our replacement cost of that saving of $74
million. From my discussion earlier, are we surprised that
after the cost shifting and the unconsolidation that we're
finding an increased cost for the $62 million of support that's

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being taken away. You should feel comfortable that what's
happening is we're just becoming less efficient.
Let me give you a picture of what's really happening
here. The horizontal axis represents a time line, and the
vertical axis is – above that time line, is a cumulative cost
saving, and below it is a cumulative cost. What the proposed
realignment is billed as doing is requiring $277 million one
time to get in the game, and then we're going to save $62
million a year; break even at the five-year mark; and then
beyond that we are going to return $62 million of the public's
treasure to the United States Government.
The reality looks more like this: First, you're
going to have the opportunity to buy into the game at $525
million one time. And, for that investment, you're going to be
permitted to spend an additional $12.7 million more to do this
realignment than you're spending today. We just think this is
folly.
During my presentation I have used Department of
Energy cost numbers, and they are pretty significant. Mr.
Bruce Twining, the manager of the Albuquerque Operations of the
Department of Energy will comment on these estimates.
**MR. TWINING:** Thank you, John. The Department of
Energy did develop these cost numbers in close collaboration
with Sandia National Laboratory, which is our biggest
contractor here on Kirtland Air Force Base.

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Before we started, we reviewed the assumptions with
the Air Force. We have reviewed our final cost estimates with
the Air Force and others. And, given the assumptions, we're
very comfortable with the magnitude of those cost numbers
today.
I should also point out that most of those costs
will come from the same 050 budget account that pays for the
Air Force, and, in fact, all of DOD. Our Secretary of Energy,
Hazel O'Leary, has provided this information to the BRAC
Commission formally, and we continue to work with the Air Force
and refine our planning on this.
**GENERAL MARQUEZ:** Thank you very much, Mr.
Twining. Can you hear me?
Last week the General Accounting Office released
their report on this particular BRAC process. They
specifically mentioned Kirtland. They had two recommendations
for the BRAC. One of them, of course, is to analyze the cost
savings for reality; the other one is to look at the military
impact.
I know you have your own copy, Mr. Chairman, but I
wanted to make sure that you got it, so I'm handing it to you
personally.
That leads us into – leads us into talking about –
a little bit about operational impact. We have significant
operational impact, we believe, and I'd like to introduce now

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Major General Edward Giller.
General Giller is a World War II air combat veteran,
three and a half victories in World War II, a Ph.D. in chemical
engineering; spent 45 years putting this thing together. And I
think he is very well qualified to speak to the operational
degradation that we fear. General Giller.
**GENERAL GILLER:** Thank you, Leo.
The BRAC process primarily seems to be one of cost
savings, but I was very pleased to hear the chairman say that
military missions are obviously of equal if not greater
importance.
Now, the military mission is normally considered to
be a flying outfit in the Air Force of some form, or a specific
Air Force activity, which the Air Force requires, and it has a
support function with it on a base. And to save money and not
lose the mission, you move the mission someplace else on
another base which will take it, and you dissolve the cost of
the base.
That concept will not apply to Kirtland one iota,
because Kirtland is not a standard military base. Let's ask
ourselves, why is Kirtland even here as a military base? You
go back to the Manhattan District when I joined the predecessor
of DNA, and it was decided that Sandia would be constructed
down here in Albuquerque to support Los Alamos, the first
weapon designers. The services would create an interservice

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[1] organization known as DNA today, and they would be responsible
[2] for price service interface with this whole complex, from
[3] design, all the way through to installation, training, and a
[4] whole series of activities. And over the period of years, more
[5] and more units have come here, and more and more activities
[6] have been concentrated.
[7] Now, in the last few years, with downsizing, Cold
[8] War ending, there seems to be – well, we have less to do in
[9] this world. There also is a shortage, I feel, in Washington
[10] now, of policymakers who have any real understanding of the
[11] polit – nuclear interactions that take place in the nuclear
[12] weapons business. Of course, we're going to keep a large
[13] number still. We, obviously, cannot afford to reduce any
[14] activities which lead to any reduction in our confidence in our
[15] stockpile.
[16] My first viewgraph shows a breakdown – in this case
[17] I've listed 14 specific activities that Los Alamos, Sandia, and
[18] the services interact on daily, weekly, and monthly. As you
[19] might see on the top of the list, most of them begin at the
[20] design area, where Sandia and Los Alamos design the weapons,
[21] put in the security functions; they put in use controls so they
[22] [illegible]
[24] end of the line. It's not a physicist's job; it's really the
[25] other end of the job. We have to move these things around. We

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[1] have to put them on systems, so when you build something,
[2] you've got to talk to the guy that's got to carry it in his
[3] airplane and put it on a missile. Then you have all the
[4] paperwork that goes with keeping this stockpile interface up to
[5] speed and running. And then we have to worry about accidents.
[6] We've had a few, but never one with a nuclear yield, which is
[7] certainly a statement as to the competence of the United
[8] States.
[9] And so we have all these activities. Now, we have
[10] some new ones. The next viewgraph shows that in the last few
[11] years we've become very concerned about, properly so,
[12] nonproliferation, Iraq and Korea. This is the third world type
[13] of problems. And, again, you find all of these folks that have
[14] all these subjects that I've just described involved. We have
[15] counter-proliferation, is what do you do when somebody has
[16] proliferated? Now that's another activity in which you have to
[17] involve the nuclear side of the game.
[18] Terrorism. We're not third world terrorism
[19] particularly, but the individual or group terrorism, which we
[20] worry about very much. That requires special activities.
[21] Now, what's also new is the international
[22] cooperation has taken place. The end of the Cold War, we find
[23] ourselves in doing research and development contracts back and
[24] forth with the Soviet Union. Quite a bit of money is flowing
[25] back and forth in the nuclear game. There are other things,

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[1] but primarily that.
[2] NEST is an acronym for the Nuclear Emergency Search
[3] Team, a trained, equipped unit which can go anyplace in the
[4] world to handle an accident or a bomb threat or what have you.
[5] And we're beginning to interact with other countries on this.
[6] And last one is, we're helping the Soviet Union take
[7] apart their stockpile, using American dollars, the Nunn Lugar
[8] appropriation. And that is an amazing amount of interface
[9] between folks.
[10] And let's see how many outfits are involved. The
[11] next viewgraph shows, across the top all of the 14 I just
[12] listed, but down the side you will see the National
[13] Laboratories, Los Alamos, Sandia, three Air Force units, and
[14] two Navy units, and White Sands. And the dots show the
[15] intersections. It shows that the national labs and DNA work in
[16] everything. And if you add the two or three Air Force units
[17] together; they are involved in everything. Not always to the
[18] same degree, obviously, but they have to keep up with it and be
[19] involved.
[20] And so we now go to – I want to go to a concept
[21] using an umbrella. The 377th provides us with the support to
[22] be able to keep all these organizations together. And we've
[23] talked about them. You've got field commands, KUMSC is the
[24] storage unit, and the Air Force units, DOE, Sandia, Phillips,
[25] and White Sands. Those are the same units as before. Today we

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[1] feel that they are pulled together under this umbrella which
[2] provides their support.
[3] But the next viewgraph shows what is proposed is to
[4] split these units and send them different places. Part of the
[5] Air Force is going to Texas, and part of the units are staying
[6] here. But what disturbs me most of all is field command, the
[7] integrator of the Defense Department for all of this goes to
[8] three places: Nevada, Texas and some will stay here. The
[9] logic, which escapes me, and I think is a serious mistake.
[10] One of the other problems of this separation is
[11] people say, "Well, we can use secure video, fax, travel,
[12] telephone or what have you." My experience in this world, you
[13] can check with the laboratories, is this is a very poor
[14] substitute. And what it leads to in the long run is a loss of
[15] corporate memory, a loss of cohesion in these smaller units
[16] away from their daily interaction, and one hell of a lot of
[17] travel, which is quite unnecessary, since they have to do all
[18] these things. And it's our national interest that these people
[19] stay pretty sharp. And so I don't see that the impact on our
[20] mission – not an ordinary military mission, but still the
[21] Department of Defense mission – it's imperative we stay
[22] together.
[23] So now I'd like to present General Scott who will
[24] discuss some of the other operational consequences.
[25] **GENERAL SCOTT:** Thank you, General Giller.

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'd like to address specifically two major
organizations on Kirtland Air Force Base which will suffer
[3] serious operational degradation as a result of the proposed Air
[4] Force realignment. These units have widely varying missions.
[5] The first is the 58th Special Operations Wing. The
[6] 58th Special Operations Wing is a formal school for the Air
[7] Force conducting special operations in combat rescue training
[8] in all models of Air Force helicopters, HC-130, Tanker C-130
[9] and the Combat Talon, MC-130.
[10] This training involves over 60 courses, teaching
[11] some 700 students per year. The training includes initial
[12] qualification, mission qualification, and annual refresher
[13] training.
[14] A major milestone in our nation's special operations
[15] history occurred in April 1980, when we failed to rescue the
[16] hostages from Iran. As a result of that failure, all the
[17] services developed intense programs of reorganization and
[18] revitalization of the special operations forces.
[19] The Air Force had always had a problem lacking a
[20] formal school with which to conduct Air Force special
[21] operations forces. The training had been conducted by
[22] operational units, without adequate courseware or training
[23] aids.
Also, as a result of this intense national
discussion on special operation capability, the Congress

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[1] directed the Department of Defense to establish a unified
[2] command to address the special operations needs and
[3] requirements, and to establish an office in the Secretary of
[4] Defense regarding special operations.
[5] The United States Special Operations Command was
[6] activated in April 1987, and soon after, an office designated
[7] Assistant Secretary of Defense for Special Operations on Low
[8] Intensity Conflict was established.
[9] USSOCOM, under the purview of AST SOLVIC, conducted
[10] a year-long evaluation of Kirtland Air Force Base as a site for
[11] Air Force special operations training. The final event of the
[12] evaluation was intense international exercise which validated
[13] Kirtland Air Force Base as a site for Air Force operational –
[14] special operations training.
[15] New Mexico is an ideal training environment for
[16] special operations forces: A wide variety of terrain, low
[17] level roof over nonpopulated areas; multiple drop zones,
[18] landing zones, and demanding density altitude scenarios.
[19] An important aspect of the 58th Special Operations
[20] Wing capability are their state-of-art simulators. These
[21] simulators have the ability to support classified missions,
support national objectives. The simulators include one
million square miles of visual database covering the major hot
[24] spots of the world. These simulators were used to plan and to
[25] rehearse actual missions at the onset of our participation in

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[1] Desert Storm.
[2] The Air Force has proposed the move of the 58th
[3] Special Operations Wing to a location with inadequate
[4] facilities and inadequate infrastructure. Also, these
[5] sophisticated simulators would have to be moved. The
[6] facilities do not exist. The wing conducts 50 percent of its
[7] training in these simulators, which allow the Air Force to
[8] reduce its flying hour program for training by 30 percent.
[9] Consequently, this move would have to make serious operational
[10] degradation on the readiness of the wing.
[11] During our – as we incur this precarious
[12] international security environment, it's imperative that we
[13] have 100 percent readiness of our special operations forces.
[14] The next unit I will address is the Air Force
[15] Operational Test and Evaluation Center. Established here in
[16] 1974, directed by Congress, the Air Force to have realistic
[17] testing of its weapons systems. It was located at Kirtland
[18] specifically to isolate the unit from the development
[19] commands.
[20] The proposed relocation to Eglin Air Force Base
[21] seriously comprises the independence of the operational test
[22] programs.
[23] The bottom line is, moving AFOTEC to Eglin Air Force
[24] Base is akin to putting the fox in charge of the henhouse.
[25] All units in Kirtland Air Force Base incur

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[1] outstanding community support. Here to address community
[2] issues, Mr. Sherman McCorkle, a life-long businessman from New
[3] Mexico; former chairman of the Greater Albuquerque Chairman of
[4] Commerce.
[5] **MR. McCORKLE:** Thank you, General Scott.
[6] Commissioners, I will not take much of your time
[7] this morning talking about environmental concerns and
[8] opportunities for reuse, because, quite frankly, if
[9] opportunities for reuse are almost nonexistent. And
[10] information about carbon monoxide attainment in the Executive
[11] Committee Minutes of the BRAC appear only to create confusion.
[12] In reading those minutes it would appear that the single issue
[13] that caused Kirtland to be changed from a receiver base to a
[14] reduction base was the comment on 14 December '94 about
[15] Albuquerque being a nonattainment area by EPA standards.
[16] In fact, Albuquerque has met the National Air
[17] Attainment Standards for the past three years. Albuquerque has
[18] asked to be redesignated as an attainment area. The approval
[19] of that request is assured.
[20] In point of fact, not only is growth permitted at
[21] Kirtland Air Force Base in 1995, it has been permitted in '94
[22] and '93 and '92.
[23] I would like to show you a graph that does
[24] demonstrate that in the early '80s, this air shed had some
[25] problems with carbon monoxide attainment. However, the

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[1] Albuquerque and Bernalillo County air shed now is one of the
[2] very few places in the United States that, for the past three
[3] years, has met all attainment requirements.
[4] Colonel Thomas gave you a tour on his map of
[5] Kirtland Air Force Base. Albuquerque, and, in fact, New Mexico
[6] have long supported the military in the federal research
[7] activities as Kirtland, and we will continue to do so.
[8] However, we do want to express our concern today, because it
[9] appears that only about three percent of Kirtland Air Force
[10] Base will be available for reuse or commercial activities.
[11] And, unfortunately, these three percent is essentially the
[12] housing areas, the old base hospital located on Kirtland Air
[13] Force Base, and some ball fields. These areas will cost money
[14] and will not provide any reuse opportunities.
[15] In fact, as we look at the impact on New Mexico,
[16] over the next five to ten years, there will be a negative
[17] economic impact on our community in excess of $5 billion. So
[18] not only will the American taxpayer suffer by this realignment
[19] by paying additional taxes to pay for the realignment, those
[20] citizens in New Mexico will suffer a very severe economic
[21] blow.
[22] With those few words on the environment and on
[23] reuse, I'd like to turn the program back to General Marquez.
[24] **GENERAL MARQUEZ:** Thank you, Mr. McCorkle. As
[25] late as last week, as the Air Force was examining and

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[1] reexamining its numbers, in response to a letter by a
[2] congressional delegation, we received this response from
[3] General Lezy, Director, Legislative Liaison. In fact, where he
[4] says "that the Air Force has no interest whatsoever of pursuing
[5] an action that improperly diminishes security, reduces
[6] operational effectiveness or is not cost effective."
[7] We believe that this morning we have demonstrated
[8] that this action, in fact, does all three of those. It is
[9] costs, not savings; nuclear surety and other operational
[10] effects of missions performed here are going to be severely
[11] impaired or affected adversely. Reuse is virtually
[12] nonexistent.
[13] We maintain that Kirtland Air Force Base, as it
[14] exists, is a model BRAC installation, which is hosting federal
[15] government units and doing a very, very effective job.
[16] When the commanders were queried by Commissioner
[17] Robles and Montoya this week earlier, they all said, of course,
[18] as soldiers, our mission will continue, but they also said, it
[19] will be more difficult and it will cost more. Nobody maintains
[20] that this cannot continue, we just maintain that this action is
[21] not in the best interest of the American taxpayer.
[22] I will tell you Commissioners, that, when this came
[23] about, there was a lot of discussion in this town. A lot of
[24] well-intentioned people, good citizens came forward and said,
[25] "Listen, if, in fact, this proposal is going to save money, if

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[1] it's going to reduce the national deficit, should we not, as
[2] good citizens, step forward and say, 'Yes, it's time for us to
[3] do our part'"?
[4] My response to them was this, after examining the
[5] facts and looking at it, "Yes, in fact," and I will join in
[6] that by our Senior Senator Pete Domenici, who said, If, in
[7] fact, this proposal did that; if, in fact, this proposal did
[8] increase effectiveness of the Air Force and the national
[9] defense; if, in fact, it saved money, neither the Senator nor I
[10] would be standing in front of you now. We would be accepting
[11] it as our due as citizens of this country.
[12] But the facts are not like that. I think we have
[13] showed you that today and we have documentation to back it up
[14] and continue working with your staff to make sure that you get
[15] it and that we examine it in whatever format is required to do
[16] that.
[17] You know, an industry has sprung up in this country
[18] as a result of BRAC. We were deluged, we were deluged by
[19] people calling us from Washington, some saying, "Just send us
[20] half a million dollars and we will guarantee you that we will
[21] take your base off the list. We are so well connected
[22] politically in this town that we can do that."
[23] Our response was, Thank you very much. We do not
[24] like your proposal for two reasons: On the one hand, it
[25] insults my intelligence. But mainly, I believe that it impugns

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[1] the integrity of the commission members, who I believe are
[2] honest men and women, who may have been selected to do this
[3] job; have volunteered a great personal sacrifice, who must
[4] perform this job and make some hard decisions in the harsh
[5] glare of public spotlight, and I believe that, when they
[6] examine the facts, they will do the right thing.
[7] We pray that you give us our due; that you examine
[8] the facts as we presented them; and that you render your
[9] decision.
[10] Mr. Chairman, that concludes our presentation. Are
[11] there any questions?
[12] **COMMISSIONER DIXON:** Do my colleagues have any
[13] questions? Commissioner Kling.
[14] **COMMISSIONER KLING:** Some place I remember in
[15] your presentation that the statement was made that there would
[16] be, in your estimation – 600 additional family units were
[17] going to have to be provided, and that was not included by the
[18] Air Force. Could somebody just elaborate on that a little
[19] bit?
[20] **GENERAL MARQUEZ:** Yes, sir. Mr. Vuksich can
[21] handle that question.
[22] **MR. VUKSICH:** Sir, the Air Force has a stated
[23] requirement of 648 units. That's in their military
[24] construction estimate that created the cost estimate that went
[25] into the COBRA model. That figure is generated by determining

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the number of married people in a unit, specifically, in this case, the 58th Special Operations Wing. And then apportioning
[3] the percentage of married people against that number.
[4] **COMMISSIONER KLING:** But were you saying that was
[5] not in the COBRA?
[6] **MR. VUKSICH:** 100 units are funded in the COBRA
[7] model that creates this estimate; 648 is the stated requirement
[8] from the Air Force.
[9] **COMMISSIONER DIXON:** My colleagues –
[10] **COMMISSIONER KLING:** So you feel that 500
[11] additional – you think that the cost – that's where you got
[12] your 75 million is that there would be 500 additional housing
[13] units not provided for.
[14] **MR. VUKSICH:** The $75 million, sir, is the
[15] increase of 548 housing units.
[16] **COMMISSIONER KLING:** Thank you.
[17] **COMMISSIONER DIXON:** Do my colleagues have any
[18] other questions with the minute and a half remaining.
[19] **COMMISSIONER MONTOYA:** I have one, Mr. Chairman.
[20] General, just a quick question. DOE has validated
[21] their number in terms of budgetary numbers. Have you shared
[22] your proposal with anyone in the Department of Defense up to
[23] now.
**GENERAL MARQUEZ:** No, Admiral, we have not. We may have been in close contact with General Perez and his

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[1] staff, and of course, with the DOE. We've obtained our numbers
[2] mostly from them and done our own analysis, but at this time we
[3] believe that the process called for us to make our presentation
[4] to you and then, in fact, if, in fact, we were cleared with
[5] that we will be happy to discuss it with any agency that's
[6] concerned, and we will provide this information back to you.
[7] **COMMISSIONER MONTOYA:** So I presume, then, that
[8] no one has pushed back and taken issue with your analysis
[9] today.
[10] **GENERAL MARQUEZ:** I will tell you this, sir, in
[11] actual fact, our information trickling in yesterday and this
[12] week, which, however remains unconfirmed is that, in fact, the
[13] number of costs is growing; the savings is actually getting
[14] even less. We are now at a point where the ROI, return on
[15] investment, time period is at infinity and is receding daily.
[16] **COMMISSIONER DIXON:** Thank you very much,
[17] General.
[18] I want to express the personal appreciation for the
[19] Commission for this excellent presentation. Governor Johnson,
[20] we're pleased to have you; the distinguished Senior Senator,
[21] Senator Domenici, we're delighted to have you; your distinguished colleague, Senator Bingaman, we're delighted to have you, sir; Congressman Schiff, I think you're an old
[24] Illinoisan, if I remember correctly, pleased to have you here;
[25] and Mr. Mayor, we're delighted to have you here, Mayor Chavez.

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[1] Thank you very kindly.
[2] (A recess was taken.)
[3] **COMMISSIONER DIXON:** The meeting will come to
[4] order, please.
[5] The great State of Utah is allotted 90 minutes, and
[6] the chair is pleased to recognize the distinguished Governor of
[7] Utah, Governor Leavitt.
[8] May I interrupt for a moment. The chair has
[9] neglected to suggest that it is my responsibility under the
[10] change in the law passed by the last Congress to give the oath
[11] to all those who plan to testify. Would everybody that plans
[12] to testify, please rise and raise your right hand.
[13] (The witnesses were sworn.)
[14] **COMMISSIONER DIXON:** Governor Leavitt, I
[15] apologize for that interruption.
[16] **GOVERNOR LEAVITT:** Thank you, Mr. Chairman.
[17] Mr. Chairman, Commissioners, we appreciate deeply
[18] the opportunity to come and make our case today. With me are
[19] members of the Utah Congressional Delegation, including Senator
[20] Orrin Hatch and Congressman Jim Hansen, both who are well
[21] respected members of Congress, who have strong views and well
[22] respected views of national defense issues. Also Major General
[23] Mike Pavitch, who is the President of the Hill DDO 95, which is
[24] a community-based and group organization that represents Hill
[25] Field in Defense Ogden Depot before this Commission. My chief

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[1] military advisor, retired Major General John Matthews will also
[2] be discussing today matters pertaining to the Dugway Proving
[3] Grounds. We're joined as well by dozens of workers from
[4] Defense Depot Ogden and Dugway, who have come here by their own
[5] expense today to make their support known. They've made the
[6] long trip from Utah at their personal expense and sacrifice to
[7] demonstrate their support. The Mayor of Ogden and Clearfield,
[8] the Chairman of the Weaver County Commission, the President of
[9] the Chambers of Commerce from communities around the area and
[10] dozens of business and community leaders may have also come.
[11] Utah understands the need to downsize defense. We
[12] are not new to this, and we have done our share. We have
[13] dropped, for example, in the last decade from 23rd to 48th in
[14] the defense dollars spent in our state. But this issue today
[15] is not just about Utah; it's obviously about military value and
[16] strategic value and about the Department of Defense.
[17] Today, during our presentation, General Pavitch will
[18] argue that DLA improperly preselected bases that would close.
[19] This will require, we believe, corrective action by the
[20] Commission.
[21] We'll also demonstrate that the Army's proposal to
[22] dramatically scale back Dugway Proving Ground and close the
[23] civilian housing area, known as English Village, was imprudent,
[24] and that General Matthews will demonstrate how the Army's plan
[25] is not supportable.

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[1] Finally, General Pavitch will discuss issues
[2] regarding Hill Air Force Base, the Air Logistics Command, and
[3] the proposal to consolidate tactical missile repair to the
[4] Ogden ALC. Again, we thank you for the opportunity to make our
[5] presentation. I'd now like to recognize General Pavitch for
[6] his presentation on the Defense Ogden Depot.
[7] **COMMISSIONER DIXON:** Thank you very much,
[8] Governor. General Pavitch.
[9] **GENERAL PAVITCH:** Chairman Dixon, members of the
[10] Commission, we appreciate the opportunity on behalf of the
[11] community and the State of Utah to have a few minutes to talk
[12] to you about Defense Depo Ogden. As the Governor said, we know
[13] you have a significant task, and if you don't mind, I'd like to
[14] come over here and talk to you - put me up on the mike - I
[15] feel a little bit more comfortable. And as Commissioner Kling
[16] and Commissioner Steele know, I move around a lot, and I wave
[17] my arms a lot, and I get a little bit emotionally involved in
[18] what I say, but it's because I believe in what I say, and I
[19] believe in the defense of this country, and I believe the
[20] actions that have been taken by DLA diminishes the potential
[21] military value of the distribution system of this United
[22] States.
[23] What we want to show you today is that DLA has
[24] deviated from the decision criteria and the recommendations
[25] that they made to the Secretary; that they did not comply with

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[1] the law, and the fairness that you so greatly stand for,
[2] because they did not treat all the bases equally; and that,
[3] even though they may not have done it knowingly, what they did
[4] do certainly gives the appearance of preselection. Those are
[5] the points that I want to make today.
[6] Now, before I get into that I want to lay a little
[7] bit of foundation about military value. In my 29 years in the
[8] Air Force as an operational commander, I was a big user of the
[9] logistics system. As a logistician, I spent 12 years operating
[10] the logistics systems. The only military value that a
[11] distribution system provides is getting the customer what he
[12] wants, where he wants it, and when he wants it, and doing that
[13] at the lowest possible cost.
[14] Now, all of those factors are collected in the
[15] performance indications by DLA. All of those factors are
[16] available on customer satisfaction and performance. None of
[17] those factors were used in DLA's analysis to come up with their
[18] decision process, and they call impact operational readiness,
[19] and that is certainly a deviation from criteria Number 1.
[20] In the change from the '93 analysis to the '95
[21] analysis, DLA really changed the scope of things, and they very
[22] much downgraded operational efficiencies. Operational
[23] efficiencies, as I just talked about, is the most important
[24] part of the military value equation, and they have made it the
[25] less important part.

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[1] Let me tell you how DLA operates, just so we're on a
[2] common baseline here. DLA gets no appropriated dollars to run
[3] a distribution system. They get the money to run the
[4] distribution system by charging their customers: The Army, the
[5] Navy, and the Air Force. What they are charging their
[6] customers right now is $27.60 for every transaction that takes
[7] place at a distribution depot. There are about 35 million
[8] transactions a year. That's almost a billion dollars that they
[9] are charging the Army, Navy, and the Air Force.
[10] Now, where does that money come from? I built a
[11] simple little model here, what I call the "X, Y, Z model,"
[12] which says, The services get operation and maintenance budget.
[13] That operation and maintenance budget pays for the exercise of
[14] military muscle; that's the steaming of the ships, the
[15] exercising of the soldiers, the flying of the airplanes.
[16] That's real military muscle where you want to spend your
[17] operation and maintenance budget. They also do the maintenance
[18] of their equipment, and that is important to the exercise of
[19] muscle, and then they buy the needed supplies.
[20] If you look at the model, what that tells you, to
[21] get real military value from the distribution system, you want
[22] to drive Y as low as possible, so you provide more dollars
[23] available for the exercise of that muscle. That's real
[24] military value. That is done by using the most cost-effective
[25] depots, or combination of depots, and that gives you what you

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[1] need from a distribution system.
[2] Let's look at how the cost is made up in a
[3] distribution system. What you have are suppliers,
[4] transportation from the suppliers to some intermediate point,
[5] which we call a distribution center or warehouse complex. The
[6] operation of that, transportation from there to various
[7] customers; you don't really know who that customer is going to
[8] be on a particular day or exactly what they want, so we have to
[9] have the intermediate storage. There is also a base
[10] operational support for over and above costs for the operation
[11] of that depot.
[12] Those three costs: Transportation, distribution
[13] depot operations and general and administrative make up the
[14] cost of the distribution system.
[15] In DLA's analysis of military value, the only part
[16] of that cost equation that they used was G & A. They didn't
[17] look at the distribution cost of operations and, in fact,
[18] flatly said they were not going to look at that. How can you
[19] take 50 percent of the cost of the depot operations out of your
[20] analysis and say you have looked at operational efficiency
[21] appropriately?
[22] Besides that, when they looked at Defense Depot
[23] Ogden, they overlooked a very obvious factor, and that is the
[24] fact that Defense Depot Ogden is the largest stand-alone depot
[25] that does what we call reimburseable workload. It's a kind of

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a maintenance workload that they do in conjunction with the warehousing functions. That's about a third of the operation of Defense Depot Ogden. It pays for a good share of that overhead: $10.5 million a year, and it should not be considered in the cost of the depot operations.

DLA took that G & A overhead from the reimburseable account and stacked it on top of the depot, added $10.5 million to the G & A and used that in their discussion of base operational support. That also skewed their application of the sales model.

Now, I'm not going to get into that, but I'd be glad to talk to your staff about that. But that very much skews the sales model and gives you a very different outcome when you operate the sales model, which they say was important to them.

Another opportunity to look at cost efficiency was done by DLA themselves. They commissioned Peat Marwick to do a study. When they were trying to decide California depots, Pennsylvania depots, and Utah depot, where should we put our primary distribution site?

Now, this came about because of a lot of pressure put on them by Congressman Hansen, when he said, "You are not looking at the most cost-effective depot for your primary distribution site; you need to look into that."

They commissioned Peat Marwick to do the study, hopefully to give them information that would refute what

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Congressman Hansen was saying. What happened is the Peat Marwick study came back and demonstrated clearly the Defense Depot Ogden was the most cost efficient of those five depots.

They have written to you and say, "You can't use the Peat Marwick study." What I'm saying is you can. Let's look at what Peat Marwick found out.

The bottom is a quote from Peat Marwick, and it says. Our analysis revealed that binable - fast moving stock - bulk - slow moving stock - and hazardous - slow moving stock - has to be about equal in order to evaluate the depots. The depots that we evaluated: Sharpe, Tracy, Mechanicsburg, Cumberland, and Ogden, we looked at those proportions, and they are within about three percent of each other. They are comparable. So you can look at the total cost of operations - I'm sorry that second line which says total cost should say total lines, which is the operation in and out of the depot, and you can compare the unit cost, and you can see that Ogden is clearly a more cost-efficient depot in that comparison by Peat Marwick.

Peat Marwick also said, you can compare depots by looking at other factors. And those are the other factors that they looked at which they said are comparable.

Now, what Peat Marwick did say in their study and what DLA hangs their hat on is that you can't arbitrarily compare all depots, because if that workload mix isn't close

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together, you won't necessarily get the same answer. But what we found, through the past two years of history, is that, even moving the binable, fast moving stock, from DDOU to the California depots, DDOU is still cheaper than the California depots, using mostly hazardous and slow moving bulk items. And that's a $21 per item cost at Ogden, and a $23 item cost at California right now, according to DLA's records; 21 and change, and 23 and change.

So it is our contention that DLA, when they were making their decision process, were arbitrarily combining Sharpe and Tracy with Mechanicsburg and Susquehanna as an east and west coast depot, inappropriately disregarded evidence that said, you shouldn't do that, you should look at other combinations.

The question is, why would DLA do that? I mean, DLA ought to be trying to drive down that Y cost. Why would they arbitrarily disregard that study? The answer is they had a preconceived concept of operations. Intuitively appealing, we've got to support the west and the east in conflict, so we'll go to the west coast and we'll go to the east coast. Intuitively appealing, unfortunately not substantiated by fact or past operations. They did no analysis to come up with the concept of operations.

Let's review the minutes of what happened, okay? They said, In the beginning, we'll have eight stand-alone

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depots. We'll look at eight stand-along depots in '93; we'll look at eight stand-along depots in '94, and in the March time frame, that's what they were doing. In April, they came up with this concept operations, and they said, We'll arbitrarily combine California and Pennsylvania depots and evaluate them against the other depots.

And then they said, in August, We need to make sure we change our concept of operations so that it doesn't look like we preselected. In fact, let's look at the quotes from their minutes. In April, We need to make sure we craft our concept of operations so it supports our decisions. Then the decision that they reached in April is, We'll combine Sharpe and Tracy and Mechanicsburg and New Cumberland, and we won't review them in the BRAC process. That's what they said in their Executive Committee meeting.

Then in '94, they said, Oh-oh, maybe we've done something wrong. You better make sure you go back and change that concept of operations so it doesn't look like we've preselected.

Let's look at the decision process that DLA went through. No numbers involved; no analysis; just the decision process. Military judgment. Okay. They said, We have about 30 depots, some of them are co-located with other defense installations, and some of them are stand-alone. The first decision was, We'll let the other services decide about the

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[1] co-located depots. If the service decides to close a base, and
[2] we have a depot there, we'll close our depot there. No
[3] analysis as to whether that's right or wrong. Just a
[4] judgment.
[5] So, when they made that decision that took out all
[6] the co-located depots; they didn't have to look at them
[7] anymore. Now they have the eight stand-alone depots. All
[8] right our concept of operation says we're going to combine in
[9] California and combine in Pennsylvania, and evaluate them
[10] against the other four; let's see how that comes out. Well,
[11] that takes them basically out of the process. They said we
[12] weren't going to evaluate them; they didn't really, they just
[13] assigned some numbers that gave them very high military value,
[14] and then took them out of the equation from any further
[15] analysis. That left four.
[16] They made another decision. They said, If we have
[17] an inventory control point at a base, which they do at Richmond
[18] and Columbus, we're going to stay there. So that took those
[19] two off. That left only Ogden and Memphis. Now, surprisingly,
[20] that comes pretty close to the 64 million attainable cubic feet
[21] of space that they were trying to get – net – trying to get
[22] rid of. With no analysis at all, no numbers at all, they've
[23] already reached their decision. It's Ogden and Memphis, it's
[24] obvious.
[25] Now, BRAC law states that everybody needs to be

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[1] treated equally. Every base should be evaluated on its
[2] merits. And not treated as one against two. That didn't
[3] happen. We believe the DLA in what they did violates the BRAC
[4] law.
[5] Now, let's look at some of their other analysis.
[6] They said, What is really important to the Department of
[7] Defense is strategic location. We've got to have our
[8] distribution system in the right place. And also we've got to
[9] look at, how do you take care of military requirements in a
[10] conflict? In other words, it's important to be able to process
[11] wartime requirements. But they – you know, that's right, but
[12] they didn't do any analysis to look at that.
[13] Let's look at strategic location. Okay. Now, this
[14] is a graphic of the distribution system, as it affects the
[15] western United States and the Pacific. If you look at the
[16] suppliers that supply the common materials which DLA uses, you
[17] will see that about 80 to 85 percent of those suppliers are in
[18] the Rust Belt of the United States, the Pennsylvania, Ohio
[19] area. So most of the material comes out of that part of
[20] country and it travels to the west coast. The issue is, where
[21] are you strategically located to distribute that material
[22] best? Just leave that for a minute, Bob. Where are you
[23] strategically located? They said, We need to be in California,
[24] so we're close to the port at Oakland, because Oakland ships to
[25] the Pacific. And we want to be out here at the end of the

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[1] supply line near that port. All right.
[2] The reality of life is every conflict that we've
[3] had, where we've shipped to the Pacific, the port at Oakland
[4] gets backlogged. In fact, they even have contingency plans on
[5] how to go to the ports at Puget Sound and the ports at San
[6] Diego and Los Angeles. And even during Desert Storm they went
[7] to the port in New Orleans. Okay. So where do you want to be
[8] if the port at Oakland gets jammed up. Do you want to be right
[9] at the port of Oakland where they can't take what you're trying
[10] to feed them, or do you want to be at a strategic location,
[11] where you can service all of those ports equally well, cheaper
[12] in transportation costs, because you don't have to do this.
[13] You don't have to go all the way to the end, and then ship,
[14] because each one of those arrows is transportation cost. So
[15] you don't want to be out there. You want to be centrally
[16] located.
[17] The other thing that we need to look at in the
[18] strategic location is the fact of where the customers and
[19] suppliers are. DLA makes a big issue of this. They say, We
[20] want to be near the supplier and the customer. If you look at
[21] the suppliers and customers in their sales model, 88 percent of
[22] the suppliers and 85 percent of the customers are closer to
[23] Ogden than they are to California.
[24] Now, that's where it causes me to be really
[25] suspicious of this sales model. I spent two years in Air Force

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[1] studies of analysis, and what I learned is a healthy respect
[2] for mathematical models that optimize things. If they don't
[3] meet the common sense test, they are probably giving you
[4] erroneous information based on wrong assumptions.
[5] So when you look at the suppliers being closer to
[6] Ogden, and the users being closer to Ogden, that the percentage
[7] rate, there is something wrong with the sales model. That goes
[8] back to that G & A, which I say they stacked on top, and called
[9] the depot operations of Ogden $10.5 million more than they
[10] really were.
[11] What you really want for the strategic location in
[12] the west is someplace where you can ship to the Pacific quickly
[13] in conflict, daily in peacetime operations, but you can easily
[14] reach the entire western United States quickly from.
[15] Let's face it, most of what we distribute in
[16] peacetime operations is in the United States, not overseas.
[17] And, when we go overseas, we need to be able to go overseas
[18] from all the ports available to us equally; not just one. So
[19] that says the strategic location of California doesn't hold
[20] water when you look at the fact of how we operate.
[21] How did things come about when they put the numbers
[22] to their evaluation? They changed the '93 to '95 numbers.
[23] They gave points for a containerization consolidation point;
[24] that basically drove the analysis. I'm going to talk about
[25] that. And they used throughput design capacity improperly.

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They changed the emphasis from '93 to '95 from looking at efficiency expansion capability and excess storage to what are you currently doing and are you a containerization consolidation point or not. And then they defined it; they said, You can only have two containerization consolidation points: Sharpe and New Cumberland.

What is a containerization consolidation point? It's a big warehouse like this, with a lot of doors where you can take shipments and consolidate them together into a specific container and ship that off to the port by rail. Every DLA stand-alone depot has been a containerization consolidation point, can be a containerization consolidation point, and, in fact, because of the deployable medical supply system that is done at DDOU. DDOU is a containerization consolidation point where it ships train loads of hospitals to the ports during conflict.

What they did is they said, You get 100 points if you are; you get zero points if you're not, and we're only going to give those points to California and Pennsylvania; the rest of you are out in the cold. No analysis, no consideration, just military judgment.

Okay, throughput capacity. Remember, they said, It's important to be able to process wartime requirements. That's the throughput capacity of a depot, what it was designed for. What did they use? They said, well, what's your current

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workload? Well, current workload is established by management decision. That has nothing to do with your wartime capability. Your wartime capability is what you were designed for. And they have those numbers, they used them in '93; they just didn't use them in '95.

What would be the outcome in their military value analysis if you gave no points for containerization consolidation point as they did with surface transportation, because everybody has it, and if they used real wartime throughput capacity, what you're designed for, and looked at everybody independently? You get a much different picture of military value than what they tried to show you when they said, well, Sharpe and Tracy and New Cumberland and Mechanicsburg are clearly superior to anything else. Well, the way they've lined up the points, any combination of two depots will be clearly superior to anybody else because you're looking at the current workload. Okay.

So you have this which says things have not been dealt with equally by DLA. Does it make sense to combine two depots for a PDS? There may be some merit in that, and if we look at the western United States, and we use the factors that DLA used, what do we come up with when we make all of the combinations that are possible in the west? When you look at Sharpe and Tracy and then you combine Ogden with either Sharpe or Tracy, you find you have a much better mix, using DLA's

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numbers, a much better mix, 100 points better. Those are discriminators.

There is also other important factors that DLA didn't even consider that would add to that military value. Let's look at some of them. Installation excellence: The definition for installation excellence is outstanding performance over a long period of time with employee participation and cost reductions and continued low cost operations. DLA gave an award for that. They gave it six times, '87 to '93. Only one depot ever won that award in DLA. All six times DDOU won it. DDOU hasn't even been considered by DLA as a primary distribution site. Something is wrong.

Why is DDOU a leader in cost efficiency? Well, if you just look at Utah and California, you get one up front real quick. It cost a dollar an hour less to hire a blue collar worker in Utah than California and that's by law. Okay. So you've got that going for you.

Cheaper transportation is able to be negotiated in Utah than in California because of the interstate and intrastate tariff rates.

You have lower depot operating cost because of the installation excellence that we talked about. And definitely a more productive work force, also talked about in installation excellence. Reimbursable workload, which I told you about, offsets some of that overhead cost. Why not take advantage of

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it? It lets you operate a distribution depot system much more cheaply.

All right, DDOU was designed to be cost efficient. In 1986, DLA said, Let's do a study and determine where the best location would be to put our fast moving binable stocks. Where should we locate all of that to get the most efficient operation? The outcome of that decision was DDOU. Their study said, Put it there. They spent $23 million mechanizing Ogden for binable, fast moving stock, and now they are saying, Well, we don't want to do that anymore; we want to move that someplace else. You can drive down the cost of operations of a depot by moving binable, fast moving stock there, but, if you have mechanized one facility to handle that and you haven't mechanized another facility, you will never get to the low cost that you had where you were mechanized for it. DDOU is mechanized for that.

Another thing that wasn't considered: DLA gave no credit whatsoever for Hill Air Force Base, 12 miles down the road. You know, they said, Well, you don't airlift out of Hill Air Force Base; that's not an APOE. Well, history tells us differently. Desert Storm; Desert Shield; 326,000 pounds by air over the pole baled out Mechanicsburg when they were in trouble. Haiti and Cuba, 927,000 pounds by air.

Hill Air Force Base adds military value to DDOU. It's much closer than trying to go from Sharpe to Tracy to

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[1] Travis and you get C-5s and C-141s in there just as easy as you
[2] get them in Travis.
[3] Depmeds; reimbursable workload. Major issue. The
[4] folks that went out there looked at that. This is a
[5] one-of-a-kind operation. It's treated kind of like a tenant,
[6] but it's really DLA work force. What it is is all the
[7] deployable hospitals that the Army uses when they go on a
[8] humanitarian or a contingency operations, they are shipped out
[9] of there all the time, they are shipped out of there using
[10] containerization consolidation procedures. It is someplace
[11] where the Army wants to stay. We've got a letter from the Army
[12] in your book which says, We want to stay there. It's a reduced
[13] cost operations because it's cheaper there. The humidity is
[14] just what they need for the outside storage where they store
[15] these, and it's costly to move these operations, and it doesn't
[16] need to be moved.
[17] Other tenants that weren't even considered. There
[18] are over 900 people there in the Internal Revenue Service.
[19] That's a major tenant. It's not a DLA office and function, so
[20] they didn't consider it, but somebody in the federal government
[21] is going to have to take care of that tenant. Not even
[22] considered in the DLA analysis. The DLA System Design Center;
[23] that's a knowledge-based function of -- computer folks that do
[24] the computer analysis for many of the important programs for
[25] DLA; those folks are $50,000 and up employees. They are easily

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[1] employable in Utah. That knowledge base will not move. That
[2] will put that design center operation two years, three years
[3] back trying to bring new people in. Even the smart people have
[4] to come up to speed on those systems.
[5] Defense utilization and marketing system. West
[6] regional headquarters. They are at Utah because they support
[7] all the western United States; they need to be centrally
[8] located; they want to be centrally located. They need to be in
[9] Ogden. It's the place to be. It's the hub of the west.
[10] Summary, DDOU cost efficient operations,
[11] demonstrated every time you look at it. It demands that it
[12] should be included in any analysis of a western primary
[13] distribution system. It absolutely demands it. It's criminal
[14] not to look at it.
[15] DDOU provides additional flexibility, strategic
[16] location; we demonstrated that.
[17] The history is that it's a customer of choice, and
[18] any combination with the California depot says, This is your
[19] best combination: DDOU with anybody else. It's sort of like
[20] saying Michael Jordan; if you've got him on your team, you've
[21] got the best team. I would vote for Michael Jordan every day.
[22] "DLA does need to reduce excess warehouse
[23] capacity." There are excesses at Sharpe. If you go there and
[24] look, there is only one building at Sharpe that's worth
[25] anything; it's a 200-million-dollar investment, which is

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[1] costing DLA $10 million a year for the next 12 years in
[2] depreciation. That depreciation has to be picked up in that
[3] cost of operations that goes into that $27.60. What Peat
[4] Marwick says is, you probably ought to sell that, or you ought
[5] to increase its capability, because it's never lived up to the
[6] throughput that it was designed for, because it's not
[7] mechanized properly to handle binable, fast moving items. So
[8] Sharpe is where the excess capability is, and that's where we
[9] think we need to look for DLA's reduction.
[10] We've demonstrated, I think, that they deviated from
[11] the criteria. They didn't select the best military value; they
[12] didn't select the most cost effective operation; they didn't
[13] treat each installation equally, and whether they did it
[14] knowledgeably or not is not my judgment to make. But, as I
[15] read their minutes, and I look at their concept of operations,
[16] I am convinced that behind the brain, so to speak, there is
[17] preselection involved.
[18] Thank you very much. I've talked very fast; haven't
[19] allowed you to answer any questions. I'm available for any
[20] questions that you might have.
[21] **COMMISSIONER DIXON:** I think, if it's all right
[22] with you, we'll wait until the end, General Pavitch, for the
[23] questions. See what time we have left.
[24] **GENERAL PAVITCH:** Thank you very much.
[25] **COMMISSIONER DIXON:** God bless you.

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[1] We're delighted to have Congressman Hansen here.
[2] **CONGRESSMAN HANSEN:** Thank you, Mr. Chairman. We
[3] appreciate being with you; it's good to see you again. We
[4] appreciate very much Commissioners Kling and Steele last week
[5] as they toured Defense Depot Ogden and Dugway Proving Grounds.
[6] Let me start by saying that Utah is no stranger to
[7] this process. Base closures and rumors of base closures are
[8] unfortunately a fact of life for the past several years.
[9] In fact, four years ago we closed Fort Douglas in
[10] Salt Lake.
[11] (Congressman Hansen began his presentation again after
[12] switching microphones.)
[13] **CONGRESSMAN HANSEN:** Well, as I stated, it's a
[14] pleasure to be with you. We appreciated the Commissioner Kling
[15] and Steele last week as they toured the Defense Depot Ogden.
[16] Utah is not a stranger to base closing. We've been
[17] faced with this many times. As an eight-term Congressman,
[18] we've gone through this in front of BRAC Commissions a number
[19] of times.
[20] We closed Fort Douglas four years ago in Salt Lake.
[21] I had a bill in to do that, and I think it was the right thing
[22] to do. We had overcapacity there. Two years ago, we closed
[23] Tooele North, and in that one I don't think it was the right
[24] thing to do. And I always have to smile because I remember the
[25] Commissioners making a big point that all that work was going

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[1] to go to Red River, and, don't worry, it will all be taken care
[2] of, and I'm curious what's going to happen if you close Red
[3] River, but that's your problem, not mine.
[4] As a member of Armed Services Committee in Congress
[5] I personally believe we have come down too far too fast. I
[6] agree with my friend Dick Cheney when he gives an excellent
[7] talk concerning that.
[8] Let's take a look at the Secretary's recommendation
[9] in light of the statutory BRAC selection criteria. The defense
[10] logistic agency recommendation for Defense Depot Ogden is a
[11] clear product of preselection by DLA. A review of Air Force
[12] BCGE minutes shows a substantial deviation from the military
[13] value and return on investment selection criteria by
[14] preselecting double depot combinations as San Joaquin and
[15] Susquehanna and ignoring its own KMPG analysis.
[16] I have represented DDOU in Congress for over 14
[17] years. I know this base very well. I know other DLA depots
[18] well. I candidly doubt that few members of Congress have spent
[19] as much time reviewing the DLA's management decision as I
[20] have.
[21] In my opinion, Ogden has never gotten a fair shake
[22] from DLA in the past few years, and can be shown that Region
[23] West buildup in San Joaquin has come at the expense of Ogden,
[24] and I don't believe that's just coincidental.
[25] I can't help but tell you, Mr. Chairman, and members

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[1] of the committee, less than two years ago, Vice Admiral Straw,
[2] DLA's Director, was in my office to discuss DLA's decision to
[3] create two regions. As you know, in these two locations:
[4] Susquehanna, Pennsylvania, and San Joaquin, California, which
[5] DLA didn't really analyze for BRAC at this time.
[6] At that meeting with Admiral Straw, I questioned the
[7] decision to make San Joaquin, California, the Region West
[8] Headquarters, when Ogden's location and capacity made it a
[9] superior candidate to that of San Joaquin.
[10] I was told by Admiral Straw that it just made
[11] intrinsic sense to put it in California. I pressed the
[12] Admiral. "Give me your analysis of this, Admiral, if you
[13] would, please." I was shocked and surprised that DLA had not
[14] conducted such a study prior to making such a huge decision.
[15] However, Admiral Straw quickly assured me, he said,
[16] "Congressman, don't worry about that. I'll back that up and
[17] give you the facts to support it." That was two years ago.
[18] I'm still waiting for the facts to support that decision.
[19] Admiral Straw also told me later, nevertheless, and
[20] regardless of what bases close in the '95 list, he would not
[21] recommend Ogden DDOU for closure in '95, and he said why. He
[22] said, "because its capacity and it was such an efficient
[23] depot," he said, "I would never put that one on the list." I
[24] have to admit I'm a little shocked when it went on the list.
[25] DLA has done its very own studies of these depots.

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[1] In January 1994 Peat Marwick's study vindicates Ogden as the
[2] most efficient in the DLA. I've been a little upset at the
[3] characterizations of the study by DLA itself on their own
[4] study. It is my view that because this study didn't come out
[5] how DLA wanted it to, they are doing everything in their power
[6] to discount it. I ask you and your staff to review that study
[7] carefully. Ask the people who compiled it for DLA what it
[8] means; they'll tell you. They may also tell you candidly as
[9] they have me that one of the past commanders they told that DLA
[10] would look more favorably on the results of the study if Ogden
[11] came out last. When I heard this, frankly, I was a little
[12] upset and a little outraged. Worse than that, I think it's
[13] dishonest.
[14] Regardless of what you folks do, I'll tell you what
[15] I'm going to do. It's going to be before a committee of the
[16] House on Services Committee and find the discrepancy that we
[17] have here.
[18] The folks at Ogden deserve, and American taxpayers
[19] deserve, better treatment than what DLA is doing to them. DLA
[20] preselected its outcome, and violated the law requiring equal
[21] treatment of all its bases. General Pavitch covered that
[22] earlier.
[23] We're counting on you, the Commission, to be our
[24] court of last resort. You have the power to make things
[25] right. We're counting on you to be fair and we know you will

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[1] be. And we want to help you all we can with any information
[2] you may need.
[3] Now, if I may switch to the Army's recommendation on
[4] Dugway Proving Ground. It's unbelievable. I have great
[5] respect for our military institutions and many of military
[6] leaders are the finest our society is ever to offer, yet when I
[7] see decisions like the Army's on Dugway, it, in my opinion,
[8] verges on incompetence. I shouldn't say that, I guess. It is
[9] proof that the process has got out of reason.
[10] Clearly, the Secretary substantially deviated from
[11] the military value selection criteria in his Dugway
[12] recommendation.
[13] Commissioner Kling and Steele visited Dugway, they
[14] flew the hour flight that it took to get out to that remote
[15] location. That's more than can be said about the decision
[16] makers on Dugway. To the best of my knowledge, neither Army
[17] Secretary Toga West or General Gordon Sullivan has ever visited
[18] Dugway. At OSD, John Deutsch nor Bill Perry has never visited,
[19] nor has Joshua Gotbaum or Bob Baker.
[20] I think that Commissioner Kling summed it up best at
[21] the site visit; he said, "You simply have to see Dugway and its
[22] remoteness to believe it." Once you see it, you can see how
[23] ridiculous it is to expect to – that's my comment there – to
[24] reclose this housing area and still support its vital chemical
[25] and biological defense test missions.

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[1] I hope you folks realize this place is huge. This
[2] is bigger than Rhode Island. It's absolutely one of the
[3] biggest places you ever want to see in your life. And there is
[4] no way – if you close that, you better put a fence around it
[5] and MPs and dogs, because you're not going to let people walk
[6] across that. We had a little boy walk across it one time and
[7] killed himself because of all the armaments and chemical and
[8] things that are there.
[9] When you go out there, there is no gas station;
[10] there is no comfort station; there is no 7-11. What you see is
[11] just 50 miles to the next community, a lot of jackrabbits,
[12] rattlesnakes, a few coyotes, and high mountain passes. That's
[13] a very remote area.
[14] For a service which claims quality of life as a top
[15] priority, the Army sure has struck out here. They are not just
[16] wanting to close military housing, they are killing a
[17] community, and all of this to save about $6 million a year in
[18] base ops cost. That's it; $6 million. While that's a lot of
[19] money to me personally, it's not even budget when it comes to
[20] looking at a 250-billion-dollar defense budget.
[21] Now, when you look at the fact that the Army and
[22] Test Evaluation Command has over $30 million in its
[23] modernization budget for the next two years, it's become clear
[24] that it's simply a question of funding priority. If the Army
[25] cannot afford housing areas, why doesn't it close the housing

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[1] at Aberdeen, Maryland, right next to Baltimore and major
[2] metropolitan areas? What about Yuma, Arizona? In Maryland, I
[3] mean, my gosh, we've got the Chesapeake Bay.
[4] As the Chairman of the Public Lands National Park
[5] and Forest Service Committee in Congress, we're more concerned
[6] about the environment there, and, if I may respectfully say so,
[7] it's a very fragile environment we have in Chesapeake.
[8] Dugway does testing for all of the services, not
[9] just the Army. The Army's Testing and Evaluation Command knows
[10] that Dugway is vital. Chemical and biological testing is DOD's
[11] top priority. So, perhaps the Army believes that, if it offers
[12] Dugway up for realignment, that it will motivate the
[13] administration and Congress to provide additional funding
[14] because of Dugway's high military value, and it certainly looks
[15] that way to me.
[16] The bottom line is that Dugway is vital to our
[17] national security. The Army has vacillated in recent weeks as
[18] to what it will keep and what it will remove from Dugway.
[19] I thought it was interesting, when this list came
[20] out, two days before I'm talking to a four star over at the
[21] Pentagon, and he said, "There is no way in the world we can
[22] close Dugway. It's a national asset. Where in the world could
[23] we find this? There is no place in the Lower 48 we could even
[24] find something like this."
[25] Lo and behold, the next day it comes out it's on the

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[1] list. I called back, and he said, "This is news to me. I've
[2] never heard this before."
[3] So immediately we said, "Let's have Lieutenant
[4] General Coburn come over and talk to me," and Alma Moore, and
[5] the Assistant Secretary Hollis. They came to my office, and
[6] said, "The BRAC Commission" – this is what they said – "This
[7] has got to be a mistake, it can't be right."
[8] And I said, "Would you go before the BRAC Commission
[9] and tell them that? "
[10] They said, "Absolutely, we will."
[11] Mr. Chairman, I sent you a letter to that effect.
[12] And now I know you've had another follow-up letter from the
[13] Army going back the other way. Does the right hand know what
[14] the left hand is doing in this instance?
[15] Let me respectfully say, I would hope that you see
[16] the importance of this base that we have. And, especially, at
[17] a time when chemical and biological warfare and terrorism is so
[18] prevalent in the world today, this base is critical to
[19] America. Please take a look at it. We appreciate it.
[20] At this time I'd like to introduce retired Major
[21] General John Matthews; the former Adjutant General of the Utah
[22] National Guard; Past President of the National Guard
[23] Association, and currently the Chief Military Advisor to
[24] Governor Mike Leavitt. General Matthews will elaborate further
[25] on Dugway's situation.

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[1] Thank you, Mr. Chairman.
[2] **GENERAL MATTHEWS:** Commissioners, thanks for the
[3] opportunity of being here today with you and taking the time to
[4] go over all of these various base closure issues, and
[5] realignment issues. We know that you have a big challenge and
[6] we're grateful to you that you're willing to serve and listen
[7] to our story.
[8] My story is about Dugway Proving Ground, and I'd
[9] like to start out by telling you a little bit about it.
[10] It's over 800,000 acres. As the Congressman said
[11] it's larger than the state of Rhode Island. It's a long ways
[12] to get to Dugway from town. If you want to go from Salt Lake
[13] City, you get in your car and drive for 80 miles. If you
[14] wanted to get to the closest community that's nearby, it would
[15] be Tooele, and it would take you about 45 minutes to get there,
[16] and you would have to drive over a mountain pass, with narrow
[17] roads that are often closed in the wintertime. So it's a
[18] challenge to work at Dugway and live anywhere else.
[19] Because it is so remote, it is so precious to the
[20] Department of Defense. It is a DOD asset and does testing for
[21] all services. The tests include chem-bio defense testing,
[22] equipment shelters, vehicle and aircraft ventilation systems,
[23] and protective clothing. Very important testing.
[24] And just in the recent past a number of new
[25] facilities have been built at Dugway, a $32 million materiel

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[1] test facility, a bio test facility, a BL-3 facility, which, by
[2] the way, if this were moved to Aberdeen, would have to be built
[3] at Aberdeen. And let me just tell you what you do in a BL-3
[4] lab.
[5] A BL-3 safety level implies practices, safety
[6] equipment, and facilities that are applicable for work with
[7] indigenous or exotic agents, where the potential for infection
[8] is real, and the disease may have serious or lethal
[9] consequences. That's what a BL-3 lab is. And the Army's
[10] proposal would require them to try to get permission to build a
[11] BL-3 lab right next to downtown Baltimore.
[12] Now, my wife said that a BL-3 lab sounded a little
[13] bit to her like an oriental brothel, but I don't think that's
[14] what it is. I think it's far more serious than that.
[15] In addition, at Dugway, they have the ability to do
[16] outdoor unconstrained smoke and obscuration testing; the only
[17] place in the country where you can do that.
[18] In the last decade there has been about one half
[19] billion dollars in modernization spent at Dugway Proving
[20] Ground, and part of that has been English Village. English
[21] Village is like an oasis in the desert. I know that our two
[22] commissioners who visited can share that with you. There is a
[23] theater, a bowling alley, a small golf course, a new community
[24] center, a library, a new fitness center - about a $4 million
[25] product - a commissary, a clinic. There are 578 separate

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[1] housing units and bachelor quarters, and the students at that
[2] facility are trained by the Tooele School District, in schools
[3] that were built at the English Village.
[4] Let me just say, if your son or daughter graduated
[5] with a Ph.D. in chemistry or microbiology, and with a new bride
[6] said, "I just got a new job at Dugway Proving Ground. I'm
[7] going to go out there and earn a living." And, oh, by the way,
[8] you're going to live in Salt Lake City, and I'm going to
[9] commute 4 hours a day, and they're going to do tests that take
[10] 12 to 16 hours, so we'll add that 4-hour commute onto the 12 to
[11] 16 hours. How long would it be before that individual would be
[12] finding another job in microbiology or chemistry? That is a
[13] very great concern to the citizens of Utah and to the people
[14] who run Dugway Proving Grounds.
[15] So, therefore, the Army's initial recommendation was
[16] a total shock. It had already been reviewed by the '93 BRAC
[17] and rejected. The Army suggested they were going to do this
[18] testing, BL-3 lab testing at Aberdeen, and they were going to
[19] do smoke and obscuration down in Yuma, Arizona. No
[20] environmental permits for either of those things; hadn't even
[21] started on that process, and then that was going to justify
[22] closing English Village. They were going to have security
[23] only, and you have to have security forever out there as the
[24] Congressman said. You've got to have people - we have to have
[25] security on specific sites that are located as hazardous to the

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[1] population. So all you would have was security there.
[2] And then they were going to go safari testing, by
[3] bringing tests back from Aberdeen or from Yuma to do it at
[4] Dugway, and then, if something goes wrong with the test and
[5] somebody calls up the Governor's officer and says, "What's
[6] going on with this test," somebody at Dugway says, "You'll have
[7] to call Aberdeen, or you'll have to call Yuma, because we don't
[8] deal with that."
[9] This Army proposal reminds us of the process of
[10] loading jackrabbits on a flatcar; it's just one continual
[11] change. The more people we talked to, the more it changed.
[12] Congressman Hansen described to you what's gone on in this
[13] process since he was involved in it.
[14] First, they make the proposal. They wanted to fire
[15] more people than exist out there. And then, after that, they
[16] said, "Well, King's X. We had too many people on the list.
[17] We're going to do new numbers. Now what we're going to do is
[18] take the command and control people out and leave the
[19] testers." What they failed to mention was that the command and
[20] control people do the testing. And, in fact, not only do they
[21] do the testing for that specific mission, but they do for other
[22] missions as well, and, therefore, they would cut the test
[23] ability a substantial amount and lose all of their command and
[24] control, yet still have to do the tests at the same location.
[25] Therefore, they modified again.

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[1] And then finally he talked about General Shane's
[2] letter. Now, I'm a retired general, and I've had to write
[3] letters. I've had to write letters where you say, the cause is
[4] just, that I could do nothing for you, where you express
[5] sympathy, but don't promise anything.
[6] I've never seen a letter like this. This is a
[7] letter that goes in both directions at the same time, and then
[8] says, We've analyzed this; we think our costs were right, we're
[9] right on course. We want to do this or maybe we want to do
[10] that and this is the right course of action. I can't believe
[11] it. You really ought to read that letter. It's a classic.
[12] I'm really glad he signed it and I didn't.
[13] Let me say, finally, that after his letter, the Army
[14] is still trying to determine what they want to do, but, in
[15] fact - in fact, what this amounts to is an attempt to justify
[16] a sufficient relocation to, therefore, justify the closure of
[17] English Village.
[18] Now, after they've admitted their errors, and after
[19] his letter, we need to point out to you an item in your packet
[20] that is very important, and I want to read some of that. Dr.
[21] Phillip R. Coyle, the Director of Operational Test and
[22] Evaluation, and Dr. John A. Burt, the Director of Test Systems
[23] Engineering and Evaluation, wrote a memo to Joshua Gotbaum and
[24] John Deutsch.
[25] Now, remember, these two gentlemen are the leading

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[1] advisors on operational and developmental testing directorship
[2] for Secretary Perry. That's who these people are; that's who's
[3] writing this memo. And what they say is, "There are two major
[4] showstoppers, and one of those showstoppers was the Army's
[5] proposal on Dugway Proving Grounds." They write, "The Army's
[6] proposal to realign Dugway Proving Grounds should be
[7] challenged. Rationale 1. Dugway occupies valuable land and
[8] air space to the test evaluation mission that cannot be
[9] conducted elsewhere without high risk of environmental and
[10] security compromise."
[11] By the way, I went out to a training exercise by the
[12] Utah National Guard's Apache Battalion, and I went into the
[13] tent and stepped on four scorpions on the way over to the
[14] briefing board. That's what's out at Dugway Proving Grounds.
[15] I hope there are no representatives here from the Scorpion
[16] Protection Association.
[17] "Rationale 2. Moving chem-bio agent research to
[18] Aberdeen/Edgewood is high risk. Edgewood is in and near highly
[19] populated areas: Baltimore, and major bodies of water,
[20] Chesapeake Bay, where accidents or miscalculations can result
[21] in environmental impact with little chance for timely
[22] control." No time for control.
[23] "Rationale 3. Costs to duplicate at Edgewood new
[24] facilities currently at Dugway are unnecessary."
[25] "Rationale 4. Since Dugway does chem-bio testing

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[1] for all of the services, each of the services needs to sign off
[2] on the Army's proposal whatever the Army's proposal is, and
[3] agree that they could continue to have their testing needs
[4] met."
[5] They recommended that the Army withdraw its proposal
[6] to change the status of Dugway, and, instead, develop a
[7] proposal to relocate and consolidate all chem-bio testing and
[8] research activities to Dugway.
[9] So, in essence, they said, instead of going this
[10] way, come back this way, bring the stuff to Dugway, don't take
[11] it away.
[12] We can't find any evidence that anything happened
[13] with that memo except it's been ignored. We can't tell
[14] anything that's happened to it.
[15] As a result of this, the Army National Guard in the
[16] State of Utah, which has facilities under contract at English
[17] Village, made a proposal to try to hold onto their facilities,
[18] because they do artillery firing and other activities out
[19] there, in an attempt to keep a portion of English Village open
[20] for their activities. They then were approached by the
[21] citizens of the community and asked if they would assist in
[22] trying to keep the entire facility open. And they estimated it
[23] would cost at least $9.5 million from the Army out front to do
[24] that. The Governor has a task force looking at that, but we
[25] have to tell you that that's a very, very iffy proposal.

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[1] I ran the National Guard for 12 years, and we are
[2] not in the business of running military installations. We
[3] don't have the manpower, and we don't have the financial
[4] support to do that sort of thing. That is not privatization.
[5] The National Guard gets 97 percent of its money from
[6] federal funds. So, therefore, that is an iffy proposal, and
[7] your decision should not be made on the basis that that could
[8] happen.
[9] Finally, I want to call your attention to a letter,
[10] which is in your packet, from Brigadier General Dave Nydham,
[11] U.S. Army Retired, used to be the Commander of Dugway and
[12] retired as the Commander of the Chem-bio Defense Command at
[13] Edgewood, Maryland. It would be hard to find anybody more
[14] expert than Dave Nydham, and he certainly has some information
[15] there that you ought to listen to.
[16] Let me just close with one final statement. Even if
[17] you take English Village off the BRAC list, the Army, unless it
[18] provides the funds, could still close it on its own.
[19] We need English Village open; we need to ensure
[20] that, if this kind of highly sensitive testing is going to go
[21] on in the deserts of Utah, that the Governor could guarantee to
[22] the citizens of Utah that their health is protected. And we
[23] cannot do that if the individuals who are going to do that
[24] testing are the people who cannot get jobs anywhere else, and,
[25] therefore, have to do the commute that would be necessary to

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[1] work at Dugway Proving Ground. That is an unacceptable
[2] situation for the citizens of Utah to live with, and for the
[3] Governor to support.
[4] So we need your help in trying to make sense out of
[5] the madness that's coming out of the Army right now, and to
[6] support the maintenance of the testing activities at Dugway and
[7] English Village.
[8] I appreciate very much your time and your
[9] willingness to listen, and it's my job to introduce, again,
[10] General Pavitch, who is going to talk to you a little bit more.
[11] **COMMISSIONER DIXON:** Thank you, General
[12] Matthews, and we're delighted to hear General Pavitch again.
[13] **GENERAL PAVITCH:** Okay, I'm back. Over here
[14] right in your face. I got a little carried away last time,
[15] spoke a little fast. Like I say, I get enthusiastic about
[16] this, because I think what we're doing is important. I think
[17] we need to make sure we get the right answers.
[18] I'm going to talk to you today about what I think is
[19] another right answer. Not necessarily because it's good for
[20] Utah, but it's good for the Department of Defense, and because
[21] it follows on with a very good initiative that the '93 Base
[22] Closure Commission decided on that we needed to take a step
[23] toward more consolidation and more jointness in the maintenance
[24] of our weapons systems.
[25] Now, I could spend hours and hours and hours up here

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1 talking to you about how Hill Air Force Base is a national
2 asset, how it is the greatest depot in the world; I could show
3 you pictures; I could show you slides. I think probably the
4 best testimony to that comes from the evaluations in the
5 analysis that have been done in preparation for this base
6 closure round.
7 As an installation, a military installation with
8 value for supporting military operational wings, the Air Force
9 rated Hill Air Force Base as a Tier I installation.
10 As a depot, the Air Force rated it as Tier I, as a
11 military depot. And the Joint Cross Service Group agreed with
12 that and rated it as Tier I for the depot. That is the only
13 depot so rated in all of the considerations of air logistics
14 centers done by any evaluation.
15 So it is clear that the Air Force and Joint Cross
16 Service Group for depot maintenance thinks that Hill Air Force
17 Base is an installation that is necessary to satisfy the needs
18 of the United States Air Force and the Department of Defense
19 well into the future. It provides those capabilities.
20 When you combine Hill Air Force Base, Ogden Air
21 Logistics Center, and the Utah Test and Training Range and the
22 unique environment that that provides for military operations,
23 you have an installation that again says, you need to take a
24 look at how we're maximizing the potential at this facility and
25 the potential of this investment. There are great

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1 opportunities for consolidation there.
2 Optimizing these facilities is good business for the
3 Department of Defense. When you decide you're going to stay
4 someplace, if you can maximize what you are doing there to take
5 advantage of the overhead costs that you've invested in
6 operating that installation, that's good business for the
7 Department of Defense. And I've been saying that for a year
8 and a half. That's what DOD needs to use is best business
9 practices.
10 There is a major opportunity here for you folks to
11 take a step in the right direction of doing that, and that's
12 really what I want to talk about.
13 In 1993, the folks that sat in your chairs made a
14 decision that moved in the direction of saying, we ought to do
15 more joint work. They were looking at the tactical missile
16 workload in the Department of Defense, and they said, while
17 they were evaluating the Army and DOD recommendation to close
18 Letterkenny Army Depot, that, maybe there was some merit in
19 trying to consolidate all of this work at one place. They
20 said, we should be more cost efficient and we should be more
21 effective in how we get things done.
22 They looked at an Army audit, which was done in
23 1992, and they said, we can realize the same savings by
24 consolidating tactical mission workload at Letterkenny as we
25 can by closing Letterkenny. But there was a huge caveat

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1 there. They said, if, we move all the workload from the
2 private sector, and all the workload from all the services to
3 that location. At that time it was 2.2 million hours in that
4 study.
5 Since then, that workload of 2.2 million hours has
6 drastically diminished for a lot of good reasons: There have
7 been weapons systems go out; there are not as much operations
8 tempo going on; there is not as much work to do, but also
9 because the services themselves, the Army and the Navy, said,
10 we request a waiver from consolidating this, because we're not
11 sure they can handle it; we're not sure they can handle it.
12 Because there is a lot of problems associated with
13 consolidating this kind of technical workload. You have to
14 have an infrastructure, and you have to have a base that
15 ensures you you can take it on without adversely affecting the
16 operational readiness of the services.
17 Letterkenny is a fine place, as far as I'm
18 concerned, but they just do not have that technical base, and
19 they are running into a lot of problems in trying to bring this
20 off.
21 So what the Army said is, since the workload has
22 diminished, Letterkenny is no longer a viable candidate for
23 this consolidation, and they recommended to the DOD that they
24 disestablish the Army depot there.
25 Here's a graphic of what's happened to the

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1 workload. It shows you what the drastic reduction has been,
2 and it is reduced.
3 DOD said, we agree, we think we should disestablish
4 Letterkenny, and we'll take your recommendation, Army, about
5 how to continue the consolidation of tactical missiles. This
6 is really questionable to me. This is a consolidation. We're
7 going to put guidance and control at Tobyhanna; we're going to
8 leave what's at Anniston and put some more at Anniston; we're
9 going to let the Marines continue to work on the Hawk missile
10 and AUR and storage for the four systems that we have here at
11 Letterkenny, well, we're going to get Letterkenny open, so it
12 can continue to do that.
13 That's really questionable, that last line, when the
14 Army itself has designated Letterkenny a Tier II depot, which
15 means you don't put anything there that you need immediately
16 for combat operations. They're saying, we're going to store
17 our all upground missiles for the Army, Navy, and the Air Force
18 at a depot that does not have the distribution capability or
19 the transportation systems to get those things in the hands of
20 the war fighters when they need them. I think not.
21 I know the Air Force will not store all upgrounds
22 there; they'll store them at Tooele, Anniston, or Red River,
23 depending on what happens at Red River, but definitely not a
24 Tier II depot, because it doesn't have the capability to get
25 the assets in the hands of the war fighter.

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[1] Anyway, that certainly doesn't look like a
[2] consolidation to me. And, basically, it nullifies what the '93
[3] Commission said, is that there are probably some efficiencies
[4] to be gained if we consolidate this.
[5] The Joint Cross Service Group for depot maintenance
[6] said, okay, we understand that 623 hours of workload that
[7] you're talking about, but there are some additional workload
[8] out there. And here is where the additional workload is
[9] associated with tactical missiles; that includes launchers and
[10] vehicles and fuzes and components and some Black World stuff
[11] that's done at Warner Robbins.
[12] So they said, what the real workload is is 791,000
[13] hours, so that's what you ought to look at. And they did a lot
[14] of analysis on that. And the technical review group for the
[15] Joint Cross Service Group on depot maintenance came to the
[16] conclusion that there is only one place where you could
[17] consolidate all of the airborne tactical missiles; that's at
[18] Ogden. And that's in the minutes of their meeting, and we've
[19] included the slide of that minutes in your handout there.
[20] But Hill Air Force Base provides a viable
[21] alternative to what DOD and the Army have offered in this
[22] tactical missile issue. And I bring this up because I think
[23] it's important; I think it's important to do what's right for
[24] DOD.
[25] Hill Air Force Base has over 35 years of missile

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[1] experience. And you're going to see some figures in here that
[2] says it's doing most of the workload already anyway. The
[3] reason being, in the early '70s, the Air Force said, we are
[4] going to consolidate all Air Force missile work at one place.
[5] That's our strategic missile work; that's our tactical missile
[6] work, because there is a great synergy derived by having that
[7] accomplished.
[8] And the missile workload for guidance and control,
[9] which is what gets talked about most, 43 percent of the
[10] guidance and control workload currently done at the Department
[11] of Defense is done at Hill Air Force Base. In addition,
[12] 150,000 hours of launcher and vehicle workload, most of it
[13] vehicle workload is done at Hill Air Force Base.
[14] In '93 Hill Air Force Base wasn't considered because
[15] they said, well, you don't have the vehicle capability there.
[16] Hill Air Force Base takes care of the most sophisticated
[17] vehicles in the service: The launcher and transporter, erector
[18] launcher vehicles for Peacekeeper and for Minute Man. They
[19] have a huge complex there, which your staff is touring today.
[20] They are seeing this and looking at this in detail.
[21] Let's look at just guidance and control, just the
[22] guidance and control workload for tactical missiles. 283,000
[23] hours total, which is a projected workload by 1999. It doesn't
[24] all exist right now.
[25] Hill Air Force Base will produce this year 121,000

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[1] hours of work on guidance and control of tactical missiles;
[2] that's 43 percent of the projected workload to '95.
[3] If you go to Letterkenny, what you will see is that
[4] they have the equipment set up to accomplish 44 – about 44 or
[5] 45,000 hours of production. They are not producing at that
[6] level yet, because of the problems they have. They just have
[7] the equipment set up.
[8] Barstow is working. And the future is either not
[9] here yet or is in the contractor's hands with interim contract
[10] support.
[11] So that's the guidance and control workload right
[12] now. It's clear that Hill Air Force Base is doing the majority
[13] of the work.
[14] The proposal is to move that 121,000 hours to
[15] Letterkenny from '93, and then move it on to Tobyhanna. The
[16] cost to move that workload to Letterkenny is $12 million. Why
[17] do that? That doesn't seem to make any sense.
[18] This is all tactical missile workload: Launchers,
[19] vehicles, guidance and control, all upgrounds, everything
[20] associated with launch control: Vans, all of that stuff,
[21] currently done in existing facilities on all of these
[22] components at Hill Air Force Base.
[23] U.S. Air Force does 730,000 hours of work, the Hill
[24] Air Force Base basically does it all; 98 percent of it. The
[25] DOD does a million six, and 44 percent of that is done at Hill

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[1] Air Force Base.
[2] We already almost have consolidation; it's almost
[3] there. Let's look.
[4] The Air Force has invested in Hill Air Force Base to
[5] put engineering, test, and repair. This is a full-service
[6] operation; this isn't just maintenance of guidance and
[7] control. It's full service, so that you can get the advantage
[8] of the synergy between tactical and strategic missiles. It's
[9] optimized because the same facilities are used, the same
[10] overhead is used in a lot of situation in a lot of cases, and
[11] it really makes good business sense.
[12] Capability exists today to consolidate all tactical
[13] missile work, not just guidance and control, but all tactical
[14] missile work in all of those areas in a full-service missile
[15] support capacity in established existing infrastructure. No
[16] military construction.
[17] There is already a lot of interservicing going on.
[18] In all of these weapons systems in technical and engineering
[19] capacity, in the testing capacity, and in the depot capacity,
[20] the Navy, the Marines and the Air Force are basically working
[21] together already at Hill Air Force Base.
[22] In fact, interesting point, the Navy's Sidewinder
[23] work was to move to Letterkenny. Letterkenny is not ready to
[24] accept it. The Navy contracted with Hill Air Force Base to
[25] accomplish it for them, and it's being done there right now.

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What's in the future? That's important. You know, tactical missiles are an important part of the future defense of this country. Stealth technology is the future, and we see it coming in the tactical missile arena. The air-launch cruise missile is taken care of at Hill Air Force Base, a multimillion dollar facility has been built and is being in operation. It is the only stealth technology maintenance and repair facility that exists in the Department of Defense. It's at Hill Air Force Base.

If you make a decision to consolidate anyplace else, you are making a decision that says, we have got to build another facility to handle stealth technology, because that's the future.

What do we talk about when we mean full-service missile support? Repair, modification and maintenance, that's one thing, but there is management, a total industrial complex, an assessment criteria, which is essential when you're dealing with weapons and munitions, because you've got to be able to assess the shelf life, the grain in the propellant, whether or not the warheads are ready to go. All kinds of things come up.

And to do that assessment correctly, you need the ability to test right next door, the Utah test and training range and facilities that exist. You need to be able to store. There are seven days' worth of munitions storage for conflict on Hill Air Force Base itself. Hill Air Force Base

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was an Army ordinance depot before it was an Air Force Base, or before it was an air logistics center. All of those bunkers exist and are capable of storing. Plus there is a million square feet at Tooele that's open and being used, and the Air Force is already using 40,000 square feet of that to store munitions in, and will continue to do that.

The distribution system; I talked about the distribution system for Defense Depot Ogden. Hill Air Force Base is 12 miles away; has the same distribution system. When I told you about that airlift for Defense Depot Ogden, Hill Air Force Base was moving 4,000 tons plus a day of munitions out of Hill Air Force Base for Desert Storm. That's the capability. Those bunkers are right next to seven hard stands on the runway. You can run the munitions right out of the bunker, right onto the airplanes at Hill Air Force Base.

Disposal is an important thing when you're talking about munitions. The disposal technology that's going on at Hill Air Force Base, both from the air logistics center standpoint and in partnership with the FICOL and Utah State University are demonstrating new technologies in disposal, where you can take the rocket motor propellant, you can turn it into a chemical slurry that can be sold on the open market in a totally environmental benign setup, so you get disposal of this without any environmental impact or cost. Oh, by the way, you turn it into a commercial product that you can make money on

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and then you can reuse the missile cases, so you don't have to buy new missile cases. That's being demonstrated and tested at Hill Air Force Base right now.

So you get a full-service depot; not just someplace like Tobyhanna, which is a communications depot that understands black box communications. You get someplace that has been doing this kind of work and is set up to do it now and in the future.

There is a transition plan in place, and your staff is being briefed on this transition plan, and it's being demonstrated to them. It's being shown where the cost and manpower savings are. And they will come back to you next week with a myriad of information on why this is a good idea. I'm just going to show you a few points here.

The question comes up, if you've got so much at Hill Air Force Base, why did the '92 study say Letterkenny is the place to go? It's an interesting situation. Hill Air Force Base did not participate in the study. The Air Force had one person from Warner Robbins on the study.

Hill Air Force Base got one question. It said, how much floor space are you currently using to do tactical missile guidance and control work? The answer was 56,000 square foot. And they said, well, we need more than that, obviously, Hill Air Force Base is not a candidate. And that's as far as it got looked into.

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Right now, available today, you can expand to over 200,000 square feet of raised floor, clean-room environment, all co-located, doing tactical missile guidance and control work and vehicle work, available today at Hill Air Force Base that exists. Plus, in the downsizing that's going on in the Air Force's recommendation for depots, there is about a million additional square feet that's going to be made available as the manpower is drawn away and there is more square foot area to be worked on. So floor space is certainly not an issue.

The skills are in place. No investment in MILCON. Minor upgrades to electrical systems or air handling systems, depending on how you divide the bays, but it's basically under $20,000 for the whole operation.

The '93 BRAC said we want to do all of this by '99. Hill Air Force not only can meet the '99 schedule; they can beat the '99 schedule. And the reason is, they have people – 121 people already doing this work, already trained. They have no learning curve in many of the weapons systems and very minimal training in others.

The cost savings; we think it's $3 million. Let's look at that. This is over the '93 budget, not the '95 budget; doesn't even look at the '95 budget.

In '93, $51 million were provided for the consolidation of tactical missiles. They spent 16 million at Letterkenny according to the minutes of their working group

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[1] last month. That leaves $35 million.
[2] You can consolidate everything at Hill – and this
[3] is being demonstrated to your staff – for $26 million that is
[4] currently at Letterkenny or programmed to go to Letterkenny.
[5] Plus, you can move the other workload that the Joint Cross
[6] Service Group for depot maintenance identified for $6 million,
[7] which says, for $32 million bucks, I can save $3 million on my
[8] '93 budget, and oh, by the way, I don't have to spend the $50
[9] million that they say is necessary to move to Tobyhanna.
[10] This is part of the transition plan. This is work
[11] that's already in place. That's going on right now. There is
[12] no transition. They can be up and running tomorrow. Hellfire
[13] is a missile that is just like the Maverick. The same
[14] equipment, the same techniques, everything. So that's done
[15] right now.
[16] These are missiles that, basically, you have to move
[17] one or two pieces of support equipment or test equipment in so
[18] that they are on the floor, in the area, in the room. This can
[19] all be integrated within a couple of years, just depending on
[20] what the transition flow of the testing is.
[21] This is kind of the cats and dogs, a lot of vehicle
[22] work. Vehicle work that's going on right now in Building 847.
[23] You can move that in tomorrow. Most of this is easily
[24] acceptable and can definitely be done within the '99 time frame
[25] of the '93 BRAC decision. And we will demonstrate – your

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[1] folks are walking the floor of where this was done. They will
[2] come back with that information.
[3] Transition plan shows that all the skills are in
[4] place to do all of the workload.
[5] All of the facilities are in place, with no MILCON,
[6] to put all the workloads from those installations in those
[7] facilities.
[8] **Summary:** You can do what was decided to be done in
[9] '93, plus what the Joint Cross Service Group recommended be
[10] consolidated for $32 million at Hill Air Force Base.
[11] It makes sense. It's the right thing to do, even
[12] for 791,000 hours, if you can do it someplace that's already
[13] set up to do it. It doesn't make sense, if you're going to try
[14] and create someplace new.
[15] Tobyhanna doesn't work on tactical missile guidance
[16] and control systems, the kind of electronics. As I said, they
[17] are a communications depot. They do some black box work and
[18] some basic electronics, but they don't have the skills to do
[19] this.
[20] **Good example:** Hughes is on contract right now to
[21] train the people at Tobyhanna to accept Sidewinder work. What
[22] Hughes found out – and these are people that are working on
[23] guidance and control system, basically from remove and repair
[24] is that they had to give two weeks of training in basic
[25] electronics before they could get into the unique capabilities

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[1] and characteristics of guidance and control system. That's
[2] nothing against those people; it's just they haven't been
[3] exposed to the kind of technology that's necessary to do all of
[4] this work. And this work is too important to the defense of
[5] this nation to put someplace that will affect the operational
[6] readiness of not being able to bring things up to speed when
[7] they should be brought up to speed.
[8] The Letterkenny issue is already slipping. We're
[9] starting to pay money for the Phoenix and for the Sidewinder
[10] for interim contractor support.
[11] That brings up an interesting point. Let me digress
[12] for just a minute, and I'm almost done.
[13] General Clue talked to you. I know Jim talked, and
[14] he said, this work makes good sense to privatize. You asked
[15] him, did you look at Ogden Air Logistics Center, and he
[16] basically gave you a standard, general answer that says, I
[17] don't really want to answer that question. I want to talk
[18] about privatization. And he said, this is a workload that
[19] ought to be privatized, or could be privatized.
[20] I raise two factors. When we were going to move the
[21] Maverick work from Ogden to Letterkenny, Letterkenny was not
[22] going to be ready to take call of the work that needed to be
[23] done, so we went to Hughes contractor, who built the missile
[24] and said, what will you charge us to do the work that we're
[25] currently doing at Hill Air Force Base? Now, Hill Air Force

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[1] Base is doing it for $4 million. Now, I agree that there is
[2] disparity on costs, you know, how much do you charge for this
[3] and what's your overhead, and how do you compare these costs?
[4] But the contractor proposal was $24 million to do what Hill is
[5] doing for $4 million.
[6] Now, maybe there is a disparity, but it's not that
[7] big. If we privatize this kind of workload, and there is lots
[8] of it coming, we better be ready to shell out big bucks,
[9] because it's going to be expensive.
[10] **Another example:** Modification on aim 9. Ogden is
[11] doing it for half the cost of what the contractor is doing it
[12] for. Documented, half the cost.
[13] So you buy some things when you consolidate. When
[14] you take advantage of an infrastructure that exists, there are
[15] things that should be done on contract and there are wise
[16] things that should be done on contract, and probably a
[17] partnership between the contractors and Hill Air Force Base
[18] would be a very good thing to develop. We've already talked
[19] about doing some things like that with them, but when you're
[20] talking about this kind of workload, it should be consolidated
[21] in one place. It makes sense to do it. Hill Air Force, Ogden
[22] Air Logistics Center provides the opportunity, and it will meet
[23] your BRAC schedule.
[24] Is that my last slide, Bob?
[25] Thank you very much.

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COMMISSIONER DIXON: Thank you very much, General.

And we're delighted, of course, at this time to hear from the distinguished Senior Senator from the great State of Utah, my old friend Senator Orrin Hatch.

SENATOR HATCH: Thank you, Mr. Chairman, members of the Commission. We're honored to be here, and we certainly appreciate the difficulty of your assignments. We understand. And I am going to just express on behalf of all of us the appreciation to have Commissioners Kling and Steele with us last week. They were terrific. They put in a very long, hard day. And we're very appreciative of them.

Let me just make a few points in summary. Utah is important to the Department of Defense. It's a patriotic state. People are willing to take installations there that can't be taken anywhere else; they are willing to do work there that would not be able to be done anywhere else. We have an intelligent, hard working, efficient, and productive work force. We don't think there is any better anywhere in the country, if not the whole world.

Utah has unique geographic and environmental considerations that others just cannot meet; that others don't want to meet. And I might add that we have excellent facilities.

Let me just say, with regard to DDOU, it has a lot

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of capacity to accept storage from other depots around the country. It has the lowest per unit cost. It is considered one of the tops, if not the top in the whole system. It is strategically located in the west. It can serve San Diego cheaper than the California-Sharpe, than that particular depot can. It can do it cheaper, more efficiently, and better. It also is the crossroads of the west, so it serves the east, the south, and the west, in ways that really no other place can do it. It has unique missions. I might say that it's strategically located to do these missions. It's the only place that has the dep meds or the deployable temporary hospitals mission. So we would feel very badly if that was shut down under the circumstances and we would feel that real consideration had not been given.

With regard to Dugway, I just got off the phone just a little while ago with the director of the FBI. I just got off the phone and took the phone call right here at the table from the Majority Leader of the United States Senate. We saw what happened at Oklahoma yesterday. We saw what happened in Japan this last couple of weeks. We're talking about biological and chemical warfare, and we're talking about terrorism on a large scale that is coming to this country. We've been warning about it for a long time. And, in all honesty, the best facility in the world happens to be at Dugway.

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We're not worrying about Dugway being shut down. They can't do it. Nobody else can meet the requisites what we are worried about is people having to travel 90 miles one way, 180 miles a day to get there. We have 1,000 people that literally would have to try to find homes probably 90 miles away, traveling a tremendous distance, over very difficult rural roads, and over a pass that, in the winter, is often covered with ice and snow. It's ridiculous. They'd be spending all their time driving. The costs of just paying the driving expenses, and the other expenses would more than, it seems to me, eat up what it would cost to maintain English Village. So it would be crazy not to maintain it exactly like it is and to continue those processes exactly like they should be.

We might say there is a billion dollars in facilities out there that can't be duplicated anywhere else. And to say that some of these processes have to be transferred to Aberdeen, Maryland, with 27 million people in the immediate facility, and the Chesapeake Bay, as fragile at that it is, with all of the environmental and other permits that would have to be obtained, it could never be obtained back there. It's almost ridiculous. In fact, it is ridiculous. I don't mean to be that tough, but I can't imagine the Army taking the position that it has. And we have to keep that English Village open. $6 million a year, out of a 250 billion dollar budget, for

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procedures and processes that can't be duplicated anywhere else.

With regard to Hill Air Force Base. It's unique; it's the number one depot in the world. There is nobody else that can compete with it from a number one standpoint. It has the Utah Test and Training Range; it has the ICBM, Intercontinental Ballistic Missile Maintenance Mission; it has the Computer Mega Center there. And, as General Pavitch has said, and has emphasized quite well, it has the tactical theater missile program. And all of that program should be consolidated, and it should be consolidated at Hill. It would save us millions and millions of dollars over the years.

I might also just add in closing that Hill's work on the FAA team is the first major interservicing contract with the Navy and may lead to additional Navy work. It's important

I have to say that I don't believe these things can be privatized at anywhere near the efficiency or the productivity that we're doing right now at Hill.

Now, look, your job is difficult. We know it's important, but let me just make this one last point. What we want in Utah is what is in the best interests of the Department of Defense. But we expect fair and equal analysis. It didn't happen last time. We do not feel we received a fair hearing for Ogden DDO. Any analysis has to include the western primary

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[1] defense depots, which include both California and Utah.
[2] Anything less, it seems to us, breaks the law, and we want to
[3] be treated fairly. And, if we are, we don't have to worry
[4] about these bases; they'll be kept intact, and they'll continue
[5] to do an efficient, productive, good job, the best in the world
[6] as they should do, and as we will make sure they do do.
[7] So we want to thank you again. We appreciate being
[8] here with you today. Thanks so much.
[9] **COMMISSIONER DIXON:** Well, thank you, Senator,
[10] and Senator, may I say to you and your colleagues, Governor
[11] Leavitt, Congressman Hansen, certainly, you Senator, and all of
[12] your associates here who have made this fine presentation.
[13] We're indebted to you and obligated to you for this fine
[14] presentation. You may be sure that everything you've said will
[15] be carefully evaluated. And now we are going to have – are
[16] there any questions from my colleagues? Commissioner Steele.
[17] **COMMISSIONER STEELE:** I'll be very brief.
[18] Firstly, just if you could help me understand something. On
[19] Monday, when I asked the Joint Cross Service Group about
[20] consolidating missile work at Ogden, the answer was no. Their
[21] no, as far as you're concerned, is based on poor measuring of
[22] floor space or just a desire to privatize or cost or what?
[23] **GENERAL PAVITCH:** I'll give you an honest answer
[24] I think it's based on interservice politics; that's what I
[25] think it's based on, because anytime you look at what's

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[1] available there, and do an absolutely end-to-end analysis of
[2] what can be consolidated there, and what currently exists, you
[3] really can't come up with any other answer. You really can't
[4] come up with any other answer. There has got to be something
[5] else involved. I mean, why spend $12 million to move work
[6] that's being done cost effectively at one location, to move it
[7] to another, which has been recommended to be closed? At the
[8] minimum, at the minimum, all of the aeronautical missile work
[9] ought to be done at Hill Air Force Base. I mean, it's almost
[10] all being done there now, but at the minimum it ought to be
[11] there. It's a roles and missions issue. It's a roles and
[12] missions issue, is what it gets down to. Those missiles in the
[13] Army is what they fight with and they want to be able to
[14] control the maintenance of them. And I don't blame them for
[15] that, I really don't blame them for that. So that's what I
[16] think the issue is.
[17] **COMMISSIONER DIXON:** Thank you very much,
[18] General. We're going to have a public comment period – did
[19] you have another question, Commissioner?
[20] **COMMISSIONER STEELE:** I did, if that's okay. I'm
[21] sorry.
[22] **COMMISSIONER DIXON:** Yes, we have time for one
[23] more question.
[24] **COMMISSIONER STEELE:** And just to play Devil's
[25] Advocate for a quick second, in your comments about Defense

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[1] Distribution Depot, Ogden, you mentioned how the co-location
[2] with Hill has been official regarding tactical missiles and
[3] other things. Should – and not making any presumptions that
[4] it would close – but, if the depot did close, would that
[5] affect Hill's ability to consolidate missile work?
[6] **GENERAL PAVITCH:** No.
[7] **COMMISSIONER STEELE:** I told you it was quick.
[8] **COMMISSIONER DIXON:** And so was the answer.
[9] Thank you, General.
[10] And now we'll have a public comment period. I want
[11] to again express my appreciation to the distinguished folks
[12] from Utah. Thank you very much.
[13] We have a public comment period, and Admiral Montoya
[14] will preside during the public comment period. Comments by the
[15] public will be limited to two minutes. Admiral Montoya.
[16] **COMMISSIONER MONTOYA:** Thank you, Mr. Chairman,
[17] we're going to start with the Utah delegation first, since
[18] you're here and you're in place. It will be more effective,
[19] and then we'll start – then we'll do the New Mexico
[20] delegation.
[21] Let me begin by reading a prepared statement. As
[22] the Chairman said, we are now ready to set aside that time for
[23] public comment. We've assigned about 30 minutes for this
[24] period, and I believe I have 15 names from the two states.
[25] We've asked everyone to sign up who is going to speak, and they

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[1] have. We've also asked – I repeat, asked them to limit their
[2] time at the microphone to two minutes. We do have a bell
[3] device to remind you when your time is up, and we'll watch that
[4] very strictly.
[5] Let me read the names of those of the Utah
[6] delegation who have requested to speak. And if you'll come
[7] forward and stand near the microphone, I will swear you in, and
[8] then we'll take you in the same order which you signed up. I
[9] have Mr. Rick Winn, Pamela Lanier, Rose Day, Evelyn Dill,
[10] Carolyn Brunson, Ed Nevarez, and Tim Craner.
[11] Would you please raise your right hand.
[12] (The witnesses were sworn.)
[13] **COMMISSIONER MONTOYA:** Very well. Mr. Rick
[14] Winn.
[15] **MR. WINN:** Thank you. Mr. Chairman,
[16] Distinguished Commissioners, during World War II, bases,
[17] factories, and steel mills were located inland for protection.
[18] Why now should our depots be located on the coast, in harm's
[19] way? Why now would the Army's decision of 1940 be wrong? They
[20] decided to locate in the hub of the west for good reasons:
[21] Transportation, safety, and protection of bases and supplies
[22] and costs. For example, has history not given this to be a
[23] wise decision? Will the recommendation of moving to the west
[24] and east coast be a headline in years to come? Just like we're
[25] now reading about Robert MacNamara's belated admission that the

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U.S. persistence in Vietnam was terribly wrong; something that most Americans knew 30 years ago. The same wrong will occur again if we move our depot to our coastal regions, instead of keeping help from harm's way, inland, where, back then, the leaders knew how to protect the U.S. and win wars.

Consider this please? An error doesn't become a mistake until you refuse to correct it. Let's not make a mistake by closing DDOU.

The signatures that I hold are representation from the Defense Depot Ogden employees and community of Utah. But, more importantly, they are the signatures of American taxpayers concerned about the overall effect to their tax dollars should DDOU close.

Also, are the costs, in human terms, worth these closures? The services to our military and civilian communities should certainly be a factor in your decision. Thank you.

**COMMISSIONER MONTOYA:** Thank you. Ms. Pamela Lanier.

**MS. LANIER:** Mr. Chairman, Honorable Commissioners, first, let me explain my outfit. I wear green in support of DDOU's mission, and one that I know we accomplished. The red, white and blue, of course, is for my belief in my country. Both of them together shows that the USA needs DDOU to stay open, to be number one.

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Now, you have just been asked to make a difficult decision. We agree there must be a scale-down in this great nation's military. But, in doing so, is it wise to consider history has proven to repeat itself time and time again. We ask you to base your decision on military value, strategic and geographical location, cost effectiveness, mission and past and present history of merits, leaving politics out. Choosing which facilities to close and which to keep open is somewhat like choosing health and life insurance: You hope you never have to use them, but you hope they are adequate if you do.

Facilities left on our coasts are vulnerable to harm from nations and Mother Nature. The protection of being in the hub of the west, where access to transportation is at its best, where all major freeways and interstate highways intersect, intermediate and railway, airport, Hill Air Force Base combines to make DDOU a wise insurance policy for your dollar and vital to the key in our nation's future, serving military and humanitarian needs.

In closing, let me add a personal experience to my work. I have worked at Defense Depot Ogden for 15 years, but not until I had a son in the Navy, aboard the USS Eisenhower, when Desert Storm and Shield broke out, did I realize how important my job was.

My expertise, and that of my coworkers, enabled DDOU to send much-needed supplies to the soldiers in the desert.

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Their lives depended on us. From atropine for nerve gas attacks, to mobile hospital units, DDOU met their needs with our accuracy and dependability as has always been our trademark.

Thank you very much.

**COMMISSIONER MONTOYA:** Thank you very much. Ms. Rose Day.

**MS. DAY:** Honorable Commissioner and staff. I want to appeal to you, not only as a member of the DDOU work force, but as a mother and a grandmother and a great grandmother.

We're living in a country now, in a world where there is going to be many Hitlers, probably more than we'll ever know, that will arise. And, having been through Pearl Harbor, and seeing my loved ones there, I do not wish to see our country again put in that predicament, where all of our eggs are centered in one basket, on the coast.

DDOU was put where it was as a backup force, as a place where ammunitions and other things could be stored, clothing and electronic equipment could be stored, without deteriorating from the elements.

We have an excellent work force, which has been shown to you. And we have a very educated work force. We have four wonderful universities that are all within a few hundred miles of each other, and they are contributing largely to the

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work force at DDOU.

We have our Hill Air Force Base, we have medical units, and I have worked personally on developing programs, the bar coding for the materiel release documents for pink tickets. We're working now as a task force to bring into computer systems that will, we hope, help everybody. There is a lot of problems in these, and it takes an intelligent work force to work through these problems. These men have presented to you a wonderful reason why you should keep DDOU open, and I echo every one of them.

We've got the best country in the whole world. We've got the best state in the whole world, and I think we've got the best work force. We have always been number one; we'll always do our best, and we will to the ends.

Thank you, sir.

**COMMISSIONER MONTOYA:** Thank you. Ms. Evelyn Dill.

**MS. DILL:** Good morning. Chairman Dixon, Honorable Commission Members, I appreciate your Commission allowing the public to express our facts and statements to you.

For 52 proud years DDOU has served all military services and offered humanitarian assistance worldwide.

Your mission is to achieve real cost savings and avoid duplication of effort. I would submit that DDOU has done

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[1] its share of downsizing and cost containment. Since this
[2] fiscal year end '93, and through June of this year, we will
[3] have achieved significant downsizing, and yet, we are still
[4] getting the supplies to our customers on time. Our number one
[5] quality has not diminished.
[6] You want to avoid – you're interested in avoiding
[7] duplication of effort and cost containment. Listen to this:
[8] DDOU was rated low in their military value because of excess
[9] storage capacity, yet the depot at Tracy is in the process of
[10] building a new storage complex, and it also has plans to build
[11] a hazardous complex in accordance with California's very costly
[12] EPA standards.
[13] Taxpayers have been paying for the Sharpe Army
[14] depot's automated storage facilities for years, and they are
[15] still paying contractors to get the facility to function
[16] properly.
[17] And you need to know that at DDOU our automated
[18] mechanization already will store and retrieve more items than
[19] will be accomplished at Sharpe.
[20] It's time to stop wasting money on white elephant
[21] facilities and new facilities. DLA should make use of their
[22] existing facilities that have already proven their good, such
[23] as DDOU.
[24] We have many people – thank you.
[25] **COMMISSIONER MONTOYA:** Thank you very much.

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[1] Mr. Ted Nevarez.
[2] **MR. NEVAREZ:** Thank you. Mr. Chairman,
[3] Commissioners: My coworkers, the committees on foreclosure
[4] representatives have said a mouthful. I don't know how much
[5] more I can add to all of this except that I honestly feel like
[6] a beat-up Chevy in the midst of Cadillacs, BMWs, looking at a
[7] Governor that could potentially become a president of the
[8] United States of America, a senator that more than likely will
[9] become a Supreme Court Judge, surrounded by generals and
[10] high-ranking officials. I am the face of a man at the other
[11] side of the scale. I am the individual that probably will be
[12] most effected by any closure anywhere probably.
[13] Anyway, in the words of a now famous philosopher,
[14] Momma said, "Life is like a box of chocolates; you never know
[15] what you're going to get." I represent the age group in our
[16] work force in which a new career, after base closure, is
[17] feasible. I'm not afraid of starting over. On the other hand,
[18] I am in the age group which will be greatly impacted the
[19] hardest, with new families, and, of course, new mortgages.
[20] I stand before you in my Kermit the Frog outfit to
[21] somehow convey to you my love, my appreciation, my confidence
[22] and support for DDOU.
[23] My contention is that, if you consider the
[24] information that has been given to you – I'm a little
[25] nervous – in a fair and objective manner, DDOU is number one,

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[1] and has been number one for several years.
[2] In my 15 years as civil service employees, working
[3] in different capacities, job titles, et cetera, I testify to
[4] you that the Defense Depot Ogden is a quality installation.
[5] Finally, I also represent, as I said earlier, the
[6] little guy. The one whom receives everything that perceives or
[7] flows from the top, from the top down, that is. Please put a
[8] face.
[9] **COMMISSIONER MONTOYA:** Thank you, Mr. Nevarez.
[10] Thank you.
[11] And last, Mr. Tim Craner.
[12] **MR. CRANER:** Good morning. Just a brief
[13] statement. As you've seen in the slides, history has shown
[14] DDOU is one of the best depots in the United States. It has
[15] large capacity for expansion that should not be counted against
[16] us. At this day and age, yes, there is no real threat for a
[17] world war. Let's hope that doesn't continue to tomorrow. If
[18] it does, where do we expand to.
[19] In God's infinite wisdom, he placed our heart in the
[20] center of our body. There was a reason for that: It's
[21] efficiency. Why put the heart in the right heel? By not
[22] placing DDOU as the hub of the west and having it remain as a
[23] depot, you're placing the heart in your right heel. It's
[24] stupid to do that.
[25] We've shown efficiency. We've shown the greatest

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[1] work force in DLA. We've got awards for seven years to show
[2] that; then they quit giving awards. The competition just says;
[3] let's forget about it, we cannot compete there.
[4] We have the most educated work force in DLA. We
[5] have the most college graduates, as well as high school
[6] graduates. We have needless to say the most dedicated work
[7] force. We are only the small representation of the depot
[8] that's come here. We put on the green shirts to look like
[9] frogs to draw attention.
[10] Utah is sometimes insignificant in the picture of
[11] the whole United States. You don't hear a great deal about
[12] us. That's good. We're a dedicated work force; we're not
[13] afraid to work; we're not afraid to work for less wages than
[14] other people. Utah building cost index is 93 percent of the
[15] national average. In California it's 126 percent of the
[16] national average. If you want to build something, why not in
[17] Utah and save, what, 35 percent?
[18] Once again, I just want to think thank you. Right
[19] now in BRAC '95 you're considering closure of the best of the
[20] best. This is – I won't say my opinion, but we're cutting
[21] down to only the best will survive. DDOU is that. Thank you.
[22] **COMMISSIONER MONTOYA:** Thank you. And on behalf
[23] of the Commission, I do want to thank all the employees for
[24] coming to New Mexico and showing the support that you do, I'm
[25] sure every day, to your country. Thank you very much. Senator

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atch and delegation from Utah, again, thank you for your
utstanding presentation, and good to see you.

Let me now ask the New Mexico speakers to come forward: Mr. Don Kawal, Ruth Tuiz, Mayor Chavez, Bob Hoffman, Raymond Madison, Jerome Gruber, Mike Vinyard, and Mr. George Pierce.

Will the members of the delegation please raise your right hand.

(The witnesses were sworn.)

**COMMISSIONER MONTOYA:** We'll first start with Mr. Don Kawal, the Chairman of the Greater Albuquerque Chairman of Commerce.

**MR. KAWAL:** Mr. Chairman and members of the BRAC Commission, my name is Don Kawal, Chairman of the Greater Albuquerque Chairman of Commerce, a membership comprised of 2600 members.

Since Kirtland's genesis in March of 1941, Albuquerque and Kirtland Air Force Base have grown together side by side. The relationship has evolved into a special partnership, a partnership that we call a Partnership in Pride. Our Kirtland Partners make a 3.2 billion dollar cash flow contribution to our economy. They are active participants in our community, through activities such as United Way, Scouting, Church, and Habitat for Humanity.

Recently Kirtland volunteers made a significant role

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in painting out graffiti in our community. We of the business community recognize outstanding performance by members of the Kirtland team with $130,000 a year awards program. The Albuquerque community is connected to Kirtland.

We understand that our federal government wants to be more efficient and more productive, and we are willing to accept the consequence. However, we are not convinced that the analysis shows that the proposed realignment results in cost improvements. Those of us in the private sector may have seen significant productivity improvements in recent years, and suggest that our federal government take advantage of the productive workers and the community infrastructure that exists here in Albuquerque.

Lastly, we are sensitive to the fact that our state, California, Pennsylvania, Texas, and many others have faced closures in earlier BRAC grounds, but we are pleased to know that this process is based on facts. The facts are –

**COMMISSIONER MONTOYA:** Thank you, Mr. Kawal, good to see you. Next is the Chair-Elect of the Albuquerque Hispano Chamber of Commerce, Ruth Tuiz.

**MS. TUIZ:** Chairman, and members of the BRAC Commission in New Mexico. My name is Ruth Tuiz. I come to you as chairman elect of the Albuquerque Hispano Chamber of Commerce. We represent more than 1200 small businesses here in the Albuquerque metropolitan area, businesses who contribute

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millions of dollars to the Albuquerque economy each year, and businesses who work as contractors, subcontractors, and who receive significant portions of their business as a result of their very close relationships with Kirtland Air Force Base.

As the State's leading advocate for small businesses, we are extremely concerned about your plans to close Kirtland Air Force Base. We have several options before you for consideration. One of those is the apparent feasibility of positioning the base at a location which can be reused for other purposes. So far a feasibility recovery plan for the base has not been presented, which we believe to be a violation of BRAC criteria. It is our position that reuse is not an option. Kirtland Air Force Base does not have sufficient potential for reuse, as only three percent of the base appears to be available for commercial development. The remaining property is not accessible for reconstructing or redevelopment, because, despite the proposed closure, the federal government continues to own 50 percent of Kirtland Air Force Base even after it's shutdown.

Our plea to you is to consider the 450-million-dollar-per-year impact that Kirtland Air Force Base has on our community. The impact cannot be replaced by attempting to create second-rate alternatives for utilizing the base property.

The State of New Mexico, which already ranks 46th in

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per capita income, cannot afford to lose such a vital contributor to our community. Again, I'd like to repeat, the State of New Mexico, which already ranks 46th in per capita income cannot afford to lose such a vital contributor to our economy. Thank you for the time.

**COMMISSIONER MONTOYA:** Thank you.

Next will be the Mayor of Albuquerque, Martin Chavez.

**MAYOR CHAVEZ:** Mr. Chairman, Commissioners, on behalf of the City of Albuquerque, we are delighted that you chose to hold these hearings in Albuquerque. For our friends from Utah and Colorado, we provided some Utah and Colorado weather for the afternoon perhaps.

I want to speak very briefly as a native son of Albuquerque because I was born and raised within six miles of Kirtland Air Force Base, and we always knew – a secret like this is hard to keep – that we had a substantial stockpile of nuclear weapons, and there has always been a comfort level, because it was safeguarded by the United States military. That's been very significant, because we have had an excellent relationship between the civilian population and the base. And what's proposed here is a complete removal of that military umbrella. And I'm not aware of anywhere in the world where there is that complete civilization of a nuclear stockpile. That may be appropriate, but the concern that I have as a

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[1] native son is that, up until December, as best we can tell from
[2] the Air Force minutes, Albuquerque was the receiving base.
[3] Receiving. It wasn't until they decided that air quality might
[4] be superior to Albuquerque, which that rests on its own merits,
[5] that it was decided that we'd be a giving base. It was decided
[6] to do this substantial conversion.
[7] So what I would suggest to you, if we're going to
[8] have this substantial a complete civilization of a nuclear
[9] stockpile, perhaps more than the eight weeks that went into the
[10] analysis is inadequate. It's a big move.
[11] I spent a week, two weeks ago in Israel with the
[12] Mayor of Oklahoma City and his wife on a tour there, and in
[13] light of what happened yesterday, I'm very nervous as an
[14] Albuquerquean, to see the umbrella lifted from Kirtland Air
[15] Force Base.
[16] We're going to have about 10,000 Albuquerqueans out
[17] on the Plaza for lunchtime. I know you're eating in. It's a
[18] beautiful today. They really love Kirtland, and are
[19] appreciative of our fair city. Thank you.
[20] **COMMISSIONER MONTOYA:** Thank you, Mayor.
[21] Mr. Bob Hoffman, Economic Forum.
[22] **MR. HOFFMAN:** Mr. Chairman, members of the
[23] Commission, I had the privilege of serving in Roswell during
[24] the closure and cutback of Walker Air Force Base, and I know
[25] what a cutback, what a closure can do to a community, not only

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[1] to the community, but to the entire region of the state; the
[2] cut back in employees, cut back in the economy. And we had an
[3] advantage because we did have reuse. But up here, as we look
[4] at Kirtland and what would be left after the change, we
[5] wouldn't have any reuse. We'd have 8,000, and you take a
[6] multiplier of fact, looking at probably 14,000 jobs that we
[7] would have to replace. And we do not have the facilities at
[8] Kirtland that would be able to do this. And then, when you
[9] take a look at the impact in a major city like this of
[10] Albuquerque, that affects the entire State of New Mexico.
[11] Again, it's not just the impact on this city. It's
[12] an impact on the entire economy of New Mexico, because 70
[13] percent of Albuquerque people immigrations come from within the
[14] state; people coming here looking for work, looking for jobs.
[15] We're going to have our hands full trying to replace the jobs
[16] that we're going to lose. But, more importantly, is the
[17] economy, the number of dollars.
[18] New Mexico is located and we're in a situation where
[19] we can't afford this type of loss. And we urge you to
[20] reconsider what you've heard here today and take a look at not
[21] only keeping Kirtland open as it is, but bring other facilities
[22] in here.
[23] We've got a wonderful city that warmly welcomes the
[24] military, and we could expand out there, and we'd like to see
[25] you do that, expand Kirtland Air Force Base and don't take

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[1] anything away. Thank you.
[2] **COMMISSIONER MONTOYA:** Thank you, Mr. Hoffman.
[3] Mr. Raymond Madson.
[4] **MR. MADSON:** Good morning, Mr. Chairman,
[5] Commission members. I'm going to put a little different spin
[6] on things.
[7] In my memory, from World War II on, this country has
[8] realized the value of maintaining an effective military force.
[9] Unfortunately, the life of a military member has several
[10] drawbacks not normally experienced by most individuals in
[11] civilian life. These include relatively low pay, periodic
[12] transfers, which uproot families and send them to non-choice
[13] locations, frequent family separations, and hostile conditions,
[14] danger, numerous other related factors. In order to recruit
[15] the caliber of individuals needed to operate and maintain our
[16] highly technical and sophisticated weapons systems, the
[17] government has offered certain incentives to induce individuals
[18] to accept a career in the military. These inducements
[19] include: Free medical care for life; commissary; base exchange
[20] privileges, space available transfer, housing, welfare
[21] facilities and legal assistance, and other specific benefits.
[22] Most military retirees settle permanently near military
[23] installations such as Kirtland Air Force Base in order take
[24] advantage of the benefits that were promised as an inducement
[25] for their career. I personally retired in the area because of

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[1] the availability of Kirtland Air Force Base.
[2] If Kirtland Air Force Base is closed or downsized to
[3] the point that the government's commitment to retirees cannot
[4] be met, it will result in considerable economic hardship to me
[5] and my family, as well as numerous other retirees that chose
[6] Albuquerque as home because of the base. Therefore, I have
[7] begun an effort to encourage, initiate and/or support
[8] legislation to provide a special cost of living allowance, or
[9] COLA, to all military retirees suffering economic loss as a
[10] result of a base downsizing or closure, and that COLA should be
[11] equal to the increased cost experienced by the individual
[12] retiree as a result of the downsizing. Thank you.
[13] **COMMISSIONER MONTOYA:** Thank you, sir. Thank you
[14] very much.
[15] Mr. Jerome Gruber.
[16] **MR. GRUBER:** Commissioners, I'm a veteran and
[17] concerned citizen, that's all. If, in fact, there is nuclear
[18] weapons stored at Kirtland, please think long and hard about
[19] this and not politically about what you're doing, and who is
[20] the guardian: Civilians or military. I realize cost is in
[21] line, but again think long and hard of what you're doing.
[22] Thank you.
[23] **COMMISSIONER MONTOYA:** Thank you. Mr. Mike
[24] Vinyard.
[25] **MR. VINYARD:** Good morning, distinguished ladies

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nd gentlemen. I represent the Zia Chapter of the Paralyzed Veterans of America.

[3] The proposed downsizing of Kirtland Air Force Base
[4] would have a devastating effect on the members of the disabled
[5] veteran community, many of which are forced to live under the
[6] poverty line and are essentially dependent on the Air Force for
[7] their very existence. Combined base and V.A. resources service
[8] and estimated 28,000 retirees and dependents in and around the
[9] Albuquerque area. Adding in nonretired veterans eligible for
[10] V.A. medical care makes this number even larger. Everyone
[11] would be forced to pay a price if Kirtland is downsized. This
[12] cannot be allowed to happen.

[13] The V.A. and the Air Force have formed a tight bond
[14] in joining to provide high quality medical care to the joint
[15] active duty/retired community. The pilot program combining the
[16] Air Force and V.A. medical centers has been cited nationally as
[17] a stunning success and the way of the future. The synergy
[18] generated by this joint effort has resulted in extremely high
[19] quality medical care being available which has, in turn, drawn
[20] additional veterans into this area.

[21] The proposed reduction in resources at Kirtland will
[22] have a negative ripple effect throughout that entire disabled
[23] veteran community. A reduction in services of at Kirtland Air
Force Base will force many people to turn completely to the
commercial community to seek goods and services. These are

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[1] people that have chosen Albuquerque as their home in part
[2] because the V.A. can meet their needs. Due to the extent of
[3] their disabilities, many of the people are living on budgets
[4] that just don't allow ends to meet. The domino effect of a
[5] reduction in services would ultimately push the brunt of the
[6] impact on those least able to afford it – the disabled
[7] veteran, unable to match salaries with his or her able-bodied
[8] peers. These are the same veterans who gave unselfishly to
[9] their country. Now, due to their situations in life, they will
[10] have to absorb a disproportionate share of the repercussions of
[11] downsizing. This cannot be allowed to happen.

[12] The Veterans Administration, and V.A. Hospital in
[13] particular, are the lifeblood of significant portion of the
[14] local population. Any reduction in base services won't just
[15] mean being inconvenienced. It will mean going without –
[16] without new clothes, without food, and without medical care.
[17] For some, the results will be truly devastating. I implore you
[18] to take rapid and decisive action to prevent any reduction in
[19] the roles and missions of the organizations and personnel at
[20] Kirtland Air Force Base.

[21] Thank you for your time.

**COMMISSIONER MONTOYA:** Thank you.

Mr. George Pierce.

[24] **MR. PIERCE:** They saved the best to last. My
[25] name is George Pierce, and I'm the legislative chairman for the

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[1] Albuquerque Chapter of the Retired Officer's Association.
[2] There are currently 11,000 military retirees in the Albuquerque
[3] area, and we're the ones who went out and got petitions signed
[4] in support of Kirtland. I have with me over 10,000 signatures
[5] on petitions which were gathered by the veterans, by citizens
[6] protesting the realignment of Kirtland. I would like this fact
[7] noted in the record that many citizens are concerned about the
[8] proposed actions at Kirtland. If Kirtland is realigned as
[9] planned, we will lose those facilities which attracted military
[10] retirees to the area. There will be no incentive for retirees
[11] to come to Albuquerque. Not only would Albuquerque lose the
[12] 6,000 plus jobs immediately as a result of the realignment,
[13] there will be a long-range erosion of the local tax base
[14] because of the loss of future military retirees. There will be
[15] no incentive for future retirees to come.

[16] Thank you for your time.

[17] **COMMISSIONER MONTOYA:** Thank you very much. Mr.
[18] Chairman.

[19] **COMMISSIONER DIXON:** I thank Admiral Montoya for
[20] chairing that public comment period. That was very excellent.
[21] We thank you. We're indebted to you for your contribution.

[22] I want to thank Governor Johnson and everyone for
[23] coming here today and making such a fine presentation for the
[24] State of New Mexico.

[25] And we're now going to stand in adjournment until

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[1] 1:00 this afternoon, and at 1:00 this afternoon the State of
[2] Colorado will be here for 55 minutes.

[3] (The noon recess was held.)

[4] **COMMISSIONER DIXON:** Good afternoon, ladies and
[5] gentlemen, and welcome to our afternoon session. I'm Alan
[6] Dixon. With me are my fellow Commissioners, Al Cornella,
[7] Rebecca Cox, S. Lee Kling, Ben Montoya, Josue Robles and Wendi
[8] Steele.

[9] This afternoon we'll hear a presentation from the
[10] State of Colorado which will last for 15 minutes. And as is
[11] the case with all of our regional hearings, the Commission has
[12] given a block of time to each state based on the number of
[13] installations on the list and the job loss. We've left it to
[14] elected officials in the community to decide how to fill the
[15] block of time.

[16] After the Colorado presentation, there will be a
[17] period of 15 minutes for additional public comment. The
[18] persons who wish to speak at that time should sign up now out
[19] in the lobby. They are asked to limit themselves to two
[20] minutes.

[21] We'll be ready to begin the Colorado presentation as
[22] soon as I've sworn the witnesses.

[23] Would all of you that are going to testify please
[24] rise and raise your right hands.

[25] (The witnesses were sworn.)

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[1] COMMISSIONER DIXON: Thank you very much.
[2] We're pleased at this time to recognize the
[3] distinguished Mayor of the City of Aurora, Mayor Paul Tauer.
[4] MAYOR TAUER: Thank you, Mr. Chairman, and we
[5] want to thank the members of the Commission as well, and wish
[6] you a good afternoon. Especially would like to thank
[7] Commissioners Cornella and Kling for coming to visit Fitzsimons
[8] Hospital the other day.
[9] Let me introduce the members of our panel. First of
[10] all, as I mentioned, my name is Paul Tauer, the Mayor of the
[11] City of Aurora. Edna Mosley, an Aurora City Council member.
[12] We also have some other council members here. Actually, almost
[13] half of our council is here with us today. Next is Mr. Dennis
[14] Johnson, the president of Norwest Banks of Aurora. Next to him
[15] is David Pohlman, who is a retired veteran and small
[16] businessman. Next to him is Irene Kornelly, who is
[17] representing Governor Roy Romer. And next to her is Mark
[18] Engman, representing Ben Nighthorse Campbell. And next to him
[19] is Andrew Merritt, representing Senator Hank Brown.
[20] And, without any further ado, we will begin with a
[21] brief video presentation. And during that video presentation,
[22] we will have members of our community bring up over 21,000
[23] signature cards for people all over the United States
[24] supporting Fitzsimons Army Medical Center.
[25] (A videotape was shown.)

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[1] COUNCILWOMAN MOSELY: Mr. Chairman, ladies and
[2] gentlemen of the Commission, I'm very proud to be here today
[3] representing the almost 250,000 citizens of the City of Aurora,
[4] Colorado. I'm especially appreciative of the thousands of
[5] volunteers who have worked so diligently with our elected
[6] local, state, and congressional officials and leaders of our
[7] business community since we first learned that Fitzsimons might
[8] be on this closure list. Hundreds of those volunteers have
[9] traveled to Albuquerque today by various modes of
[10] transportation to show their support for what has truly been a
[11] broad-based community effort.
[12] Mr. Chairman, at this time I would like to ask all
[13] of those wonderful people who came from Aurora, Colorado, to
[14] please stand. Thank you.
[15] Also you have received over 20,000 letters of
[16] support. And I have a few more that were just collected that
[17] we would like to have entered into the record as well.
[18] As a member of the Aurora City Council, I know how
[19] many of my neighbors, friends, and constituents rely on
[20] Fitzsimons for care. In Colorado alone more than 400,000
[21] military veterans rely on Fitzsimons for the care they have
[22] earned and so richly deserve.
[23] Every year Fitzsimons serves up to one million
[24] active duty military personnel, their families and retirees in
[25] 14 states, with a full complement of health care services.

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[1] Nationally, Fitzsimons' 14-state area of responsibility is
[2] larger than any other in the United States. As a result,
[3] closing the hospital will mean transporting patients thousands
[4] of miles away from care. Many retirees have already conceded
[5] that they will be forced to relocate outside of the State of
[6] Colorado in order to be closer to a surviving hospital.
[7] Governor Romer has contacted the governors of 14
[8] states served by Fitz to help determine the effects that
[9] closing the hospital will have upon their constituents, and our
[10] senators and representatives in the Congress have likewise
[11] contacted their colleagues. And earlier the Honorable Senator
[12] Hatch from Utah spoke to you. Senator Hatch has signed that
[13] agreement, because Utah is one of those 14 states.
[14] To close Fitzsimons and require beneficiaries to
[15] travel even further for medical care would be not only a
[16] hardship upon them, but it could be life threatening as well.
[17] This type of long distance care could be especially difficult
[18] for patients who require care for chronic illnesses, such as
[19] kidney dialysis, heart and other cardiac conditions, physical
[20] therapy, and many other types of care that simply cannot be
[21] interrupted.
[22] I think that it is not only ironic, but
[23] unconscionable that, just as our Congress has finished its
[24] first 100 days and completed the work on the "Contract with
[25] America," that we are now breaking our contract with military

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[1] retirees and their families.
[2] In addition to the retention of Fitzsimons being in
[3] our national self-interests, I believe that it is also
[4] important to understand just now vital Fitzsimons is to our
[5] community and our state, and how much would be lost if it were
[6] closed.
[7] For example, Fitzsimons is the second largest
[8] employer in the City of Aurora. It employs 6.9 percent of the
[9] work force in our community. Fitzsimons contributes an annual
[10] total of $802.45 million according to the 1991 figures in
[11] economic benefits to the state and the region. That's almost
[12] one billion dollars, which is approximately 12 percent of the
[13] annual budget that the State of Colorado has adopted for 1996.
[14] Fitzsimons has an annual payroll of $157 million,
[15] and consumers inject $192 million into the local economy as a
[16] result of its presence. The total earnings impact in Aurora
[17] and the Denver metropolitan area is more than $238 million
[18] dollars a year. More than 240 small businesses depend upon
[19] Fitzsimons for their economic survival. This facility spends
[20] almost $52 million a year on local, nonconstruction contracts,
[21] many of which have been awarded to local and area businesses.
[22] The total value of construction contracts for projects either
[23] recently completed or in progress, are planned, is
[24] approximately $283.5 million. And this includes the new child
[25] care center and the updated Oak laboratory, which is going to

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e moved, at additional expense, to Texas.

The total employment directly related to Fitzsimons
[3] and all of the other facilities located there is more than
[4] 7,000 jobs. This figure, now, combined with indirect
[5] employment, increases the total to more than 12,300 people who
[6] depend upon Fitzsimons for their livelihood. The local sales
[7] tax generated is $2.8 million a year with state sales tax
[8] derived, $2.4 million a year, and state income tax generated as
[9] a result of Fitzsimons is $9.3 million.
[10] So you can see easily that the economic impact upon
[11] our community is enormous. And these statistics are very
[12] important, because they illustrate, in black and white terms,
[13] brick and mortar terms, as well as in human terms, what the
[14] loss to our community would be if Fitzsimons were to leave.
[15] This illustration does not intend, however, to
[16] address the many volunteer contributions that active duty and
[17] retired military people bring to our community on a daily
[18] basis. They are members of four churches, and in our PTAs, and
[19] in Boy Scout and Girl Scout groups, and in our service
[20] organizations. They are the volunteers for Meals on Wheels and
[21] the coaches of our youth athletic leagues. They read stories
[22] at our public libraries and serve on our city and state boards
[23] and commissions.

The community at large has reached out to Fitzsimons
mmunity, and we have joined hands together in a mutually-

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[1] beneficial partnership. Aurora Metropolitan Denver, the State
[2] of Colorado, the 14-state region, and indeed our nation will
[3] really care deeply if Fitzsimons is closed.
[4] In the Army's justification for closing Fitzsimons,
[5] they site figures for the projected negative economic impact
[6] that are significantly lower than the ones we know to be true.
[7] How is this possible? Upon the loss of Lowry Air Force Base,
[8] Aurora and Denver together created an innovative and exciting
[9] model redevelopment plan. As a matter of fact, it was one that
[10] was cited by Secretary Perry as being a model.
[11] Closing Fitzsimons would be devastating to our
[12] community. Not only would we lose a valuable economic
[13] generator, but I think, even more importantly, we would lose an
[14] irreplaceable medical facility which is the sole provider of
[15] medical care for a significant portion of our population, the
[16] military retiree community and their families. We can't afford
[17] to do that, nor, in good conscience, should we want to.
[18] Thank you.
[19] **COMMISSIONER DIXON:** Thank you very much, Mrs.
[20] Mosely.
[21] **MR. JOHNSON:** Good afternoon.
**COMMISSIONER DIXON:** Good afternoon, Mr.
hnson.
[24] **MR. JOHNSON:** Mr. Chairman, Commissioners, you
[25] have a most difficult task, and I appreciate you're taking this

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[1] time with us.
[2] Many of the decisions made by the Department of
[3] Defense were made with one consideration paramount. The DOD
[4] and the military services need to retain assets that cannot
[5] easily be replaced; those are large maneuver areas, deep water
[6] ports, and I would submit the ability to conduct telemedicine
[7] from Aurora, Colorado. Uniquely, it is Fitzsimons' location in
[8] the greater Denver area on the 105th meridian that would allow
[9] it to play a key role in the further development of these
[10] technologies. Because of our location, we have the capability
[11] to communicate simultaneously with the European, continental,
[12] and the pacific rim, with a single satellite uplink to a
[13] geosynchronous orbiting satellite. This ability compliments
[14] our defense goal of being able to support two major conflicts
[15] simultaneously, which all but happened recently with events in
[16] Iraq and Korea. No other medical facility can duplicate this
[17] capability.
[18] Businesses which are leaders in the
[19] telecommunications industry, such as Direct TV, TCI, US West,
[20] Hughes, and TRW have all located in Colorado for that very
[21] reason. We believe that the Army should as well. Our
[22] satellite communication potential has the ability to provide
[23] training and guidance to military physicians all over the
[24] globe. Computer simulated virtual reality programs broadcast
[25] to satellites to facilities around the world, the ability to

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[1] downlink the information and use it to conduct advanced
[2] training that was never before possible.
[3] With the addition of the University of Colorado's
[4] medical centers training facilities and capabilities, the
[5] educational prowess Fitzsimons brings to bear is second to
[6] none. We are on the threshold of a new era in military health
[7] care. Fitzsimons has the potential to play a leadership role
[8] in developing new technology areas in telemedicine, which is
[9] unmatched. Telemedicine is the future of military medicine and
[10] has technological applications in the following ways:
[11] Electronic dog tags, personnel status monitoring,
[12] telementoring, telepresent surgery, and many others. These
[13] have been tested real-time, real life, and are now referred to
[14] as remote clinical communications systems.
[15] Our CCS is a state-of-the-art Clinical Consultation
[16] System, which provides the field physician the ability to send,
[17] by satellite or regular telephone services, two-way voice,
[18] facsimilie and high resolution digital images from any location
[19] worldwide, to a medical center. Our CCA enables a physician at
[20] a remote location to consult with a physician at the medical
[21] center and obtain expert advice on management of critical or
[22] unusual cases. It provides a means to augment the medical
[23] staff at the deployed hospital and to prove the high quality of
[24] care already available to our soldiers.
[25] Through improved technology, and sound business

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[1] practices, Fitzsimons has the capabilities of combining the
[2] community's efforts and talents with those of the Army to
[3] improve combat casualty care and provide better health care to
[4] all beneficiaries.
[5] No longer should we talk about peacetime care versus
[6] wartime care. Instead, we should focus our efforts toward
[7] continuous care for our beneficiaries at home and abroad. And
[8] it is Fitzsimons Army Medical Center that I believe can fulfill
[9] this mission better than any other military medical facility.
[10] Thank you.
[11] **COMMISSIONER DIXON:** Thank you very much, Mr.
[12] Johnson.
[13] **MAYOR TAUER:** Mr. Chairman, members of the
[14] Commission, when a person like myself comes before a
[15] decision-making body like this, it is difficult to try and
[16] decide what approach to use: Come hat in hand and beg? That's
[17] not my style. Be insulting, accusatory, inflammatory,
[18] emotional? That's not my style either, although I can do it.
[19] But I'm known for being honest, blunt, and straightforward.
[20] And I don't mean to offend anyone, especially those who are ex-
[21] military personnel on the Commission by some of my remarks, but
[22] I feel that it's absolutely necessary to say what I have to
[23] say.
[24] I am so angry and frustrated at the discrepancies
[25] and the process that has taken place so far, and the

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[1] stonewalling that we have received, that it is really hard for
[2] me not to adopt a different type of approach.
[3] Chairman Dixon, you are reported to have said that
[4] the Commission intends to look very hard at the situation of
[5] garbage in, garbage out. And we hope you do.
[6] Commissioner Cox, you were reported to have
[7] questioned why the Joint Cross Services Group's work did not
[8] get more consideration. We ask the same question. The report
[9] challenged the process and said it was rife with politics.
[10] Only eight months ago the DLA argued for Fitzsimons
[11] as being critical to their mission before a congressional
[12] subcommittee for funding. How could its value have changed so
[13] much in eight months? Although there are 12 major medical
[14] facilities that were looked at by the Joint Cross Services
[15] Group, only three were compared by the Army, and only one was
[16] ever really considered for closure from the very beginning.
[17] I guess I'm grateful to be here before you one more
[18] time to lay out some of the facts and figures that we have, in
[19] a process that we feel that is so flawed that it cannot
[20] legitimately be used to close any base, much less Fitzsimons
[21] Army Medical Center. Even more amazing is the fact that none
[22] of the errors between the raw data that was developed and the
[23] numbers that were given to you, not one of those errors was in
[24] favor of Fitzsimons Army Medical Center. A statistical and
[25] mathematical impossibility that certainly raises the question

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[1] how could this happen. Well, the answer is, that it can't,
[2] unless someone is paying attention to the numbers. And,
[3] certainly, it gives the appearance, to any reasonable person,
[4] that a decision was made first, and then the data assembled to
[5] justify that decision.
[6] Fitzsimons, it's obvious, is very important to us.
[7] You've heard that Fitzsimons serves as active duty, dependent
[8] and retiree population of almost 1 million in 12 states,
[9] covering between a third to a quarter of our country. You've
[10] heard the huge impact it has on our economy. You've heard of
[11] is irreplaceable location for telecommunications and
[12] telemedicine. You've heard us question the fairness of closing
[13] a fourth federal installation in the Denver metropolitan area
[14] in less than a decade.
[15] What you have not heard, and what I will now share
[16] with you is our real concern about the analysis of Fitzsimons.
[17] It contains a series of significant flaws in the methodology,
[18] the process and the data. The flaws, errors, and omissions
[19] that we have found and have outlined in our report are terribly
[20] disappointing to a community that has not only tolerated, and,
[21] even more, accepted the military within its community, but, in
[22] fact, has gone out of its way to welcome the military with open
[23] arms and has embraced them as truly an integral part of us.
[24] It is heart wrenching to now be so obviously
[25] betrayed in a way like we have been and treated the way we feel

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[1] is so shabbily in return.
[2] And you should be disappointed as well, because I
[3] believe that you will conclude, after reviewing our findings,
[4] that you cannot reasonably judge Fitzsimons Army Medical
[5] Center, or for that matter any major medical center, from this
[6] information.
[7] Our concerns fall into four main areas:
[8] Methodology, process, data, and fairness.
[9] To methodology let me mention, number one, square
[10] footage. The most heavily weighted criterion of merit used to
[11] measure a medical facility's total military value is its
[12] physical size. Therefore, according to the Army criteria, if
[13] you took a box of Band-Aids and put it in the Super Dome, and
[14] put a red cross on the side of the Super Dome, it would be
[15] considered a more effective medical facility than the Mayo
[16] Clinic. I changed that just a little bit for you.
[17] Now, in one, we're assessing maneuver kind of
[18] installation, which requires vast amounts of land for armor
[19] exercises, or a depot, which needs considerable room to
[20] maintain, and overall equipment, or a training base, which
[21] requires room to marshal men and materiel, then, using shear
[22] size makes sense, but it makes little sense when they are
[23] evaluating medical treatment facilities. We looked for a
[24] private sector medical company or index which uses the size of
[25] a medical facility as its most important component in the

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quality of care and couldn't find any. I urge you to do so as well, and I expect you will also be unsuccessful in your search.

**Number two:** Temporary buildings. For some inexplicable reason some buildings counted in the square footage calculations and some do not. At Fitzsimons we have buildings with three specific purposes: Health care, instruction, and research. Wooden instructional buildings are considered temporary structures with a life of five years; however, there are wooden instructional buildings with more than 110,000 square feet of usable space that have been in use for up to 50 years, and continue in use today, and yet are not included in the analysis of Fitzsimons. Well, I do not believe square footage is the way to measure the facility's usefulness.

Not counting these facilities is the difference between Fitzsimons rank ahead of Tripler or behind it. The Army's suggestion that wooden constructional buildings are temporary and of no use or no value is simply wrong. And, by not counting them, Fitzsimons' square footage is underestimated by 93 percent.

**Number three:** Deployment formula. Utilization of the same deployment formula for medical as far as for maneuver bases has no relevance to the real world. Medical personnel are deployed through areas of conflict by automobile and by

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air. Patients injured in conflict are transported to hospitals by air. The formula which ranks proximity to air, rail and ship as 30 percent of deployment, and proximity to highway routes as ten percent has absolutely no relevance to Fitzsimons' ability to get personnel to conflict and injured soldiers home for treatment. If this is to be used at all, air should be the top-rated criteria, followed by road, and rail. And ship should not be used at all, or receive minimal consideration.

**Number four:** The use of ports for deployment measure. In addition to the general problems with the deployment measure, utilizing ports is doubly wrong and a particularly bad measure, and detrimental to Fitzsimons' case.

Fitzsimons was located in the center of the country originally for security reasons. It had been open less than a week when the first soldiers injured at Pearl Harbor were brought there for treatment. Fifty years later, the first injured soldiers from Desert Storm were brought to Fitzsimons. Now, the very reason for its existence is being used against it.

**Number five:** Cost per active duty personnel. In comparisons with Walter Reed and Tripler, the cost per person is based on active duty personnel within a 40-mile catchment area. Fitzsimons serves a 12-state area, covering thousands and thousands of square miles. Is Fitzsimons really

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responsible for serving military personnel and their dependents outside of the 40-mile catchment area? Certainly, it is. Why then, aren't they factored into the cost of providing service? Only six percent of Fitzsimons' clients are within the 40-mile catchment area. The two major bases served by Fitzsimons, Fort Carson and Fort Riley, are both outside that 40-mile limit, and they provide two-thirds of the military personnel served by Fitzsimons.

This is perhaps the most ludicrous fallacy of the whole assessment process. Number six: Stand-alone facilities. The Defense Department decided to compare only three stand-alone facilities: Walter Reed, Tripler, and Fitzsimons. Why? Do we provide care differently because of this measure? Of course not.

In fiscal year 1997, it's projected that Fitzsimons will rank either third or fourth in each beneficiary population category of the 12 lead agent regional hospitals. BRAC is supposed to identify excess capacity. Fitzsimons is the only tertiary care facility in a 12-state region. How can that be surplus capacity? If you want to look at surplus capacity, look at the Washington, D.C. area, or the San Antonio area. Again, the methodology is questionable. The Joint Cross Services Group rated all 12 hospitals, and, yes, they recommended closure of Fitzsimons, but they did not adjust the numbers to fit the recommendation. In fact, Fitzsimons ranked

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in the middle of all the 12, with the prospect of moving up by 1997. It makes us wonder why Fitzsimons was selected out of the middle of all those to be the one to be selected, and Tripler, which was at the bottom, was not.

Looking at those, these six issues calls into question the analysis, and, therefore, the recommendation for closure. The hospitals which were evaluated, their size, the buildings counted and not counted, rail, and ship transport, versus air transport of doctors and patients, et cetera. All of this will make it difficult to and bring into question the process as to why Fitzsimons was rated worst of the medical facilities, when, in fact, if you put all these things together, it would have rated first instead of last.

When these flaws are coupled with the fact that there is the 30 percent reduction in the military results in only an eight percent need for military health care, a prudent course of action would be not to close any medical center unless you're provided analyses that will allow meaningful comparisons among comparable facilities. And, yet, I wonder if anything that we show, despite how distorted and accurate or lack of reasonableness or common sense it demonstrates on the part of the Army's decision to close Fitz, will make a difference.

I refer to two recent newspaper articles, one which said – from the GAO – that it has reservations about the

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[1] Army's methodology concerning a few facilities it wants to
[2] close. But Fitzsimons was not one of those. Very strange.
[3] And an article about a hearing that you held on Monday which
[4] said, "Commission members asked few questions about Fitzsimons,
[5] and none said anything to suggest agreement with decision to
[6] close." We hope that that's because it may be too early.
[7] But I'm not finished. Let me go on by addressing
[8] the process. The Health Care Index – the Health Care Index,
[9] HCI used by the Army to measure the cost of providing care at
[10] the three stand-alone facilities supersedes the measures used
[11] by the medical Joint Cross Services Group. While the HCI shows
[12] Fitzsimons is a most expensive facility to provide care by a
[13] wide margin, the Medical Joint Services Group analogous value
[14] shows the three medical centers' cost to be very similar,
[15] except that Fitzsimons is the least expensive, rather than most
[16] expensive of the three facilities on a cost per patient
[17] measure.
[18] We do not have enough data to tell you exactly why
[19] the HCI differs as dramatically as it does from the Joint
[20] Services Group finding, but we have found two questionable
[21] variables. First, the HCI compares different population groups
[22] in its calculations. Second is, the measure itself is
[23] difficult to understand, and leads to widely different costs.
[24] The HCI shows cost differentials between 200 and 400 percent
[25] between Fitzsimons, Walter Reed, and Tripler. The Joint Cross

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[1] Services Group's work finds only a 10.9 percent cost per
[2] patient differential, with Fitzsimons being the least, rather
[3] than most expensive. The Army's valuation neither ignored or
[4] rejected the cost per patient statistics that were generated by
[5] the Medical Joint Cross Services Group, and, instead, used the
[6] Health Care Index.
[7] The decision seems questionable for at least two
[8] reasons. First, straightforward, easy to understand index that
[9] had been tested and retested by an interagency health care
[10] group is dismissed and replaced with a complex internal index.
[11] Second, the HCI comes up with statistics that seem to require
[12] further analysis.
[13] How in the world could either Walter Reed be so
[14] efficient or Fitzsimons be so inefficient that their costs
[15] could vary by 400 percent?
[16] Data, number eight, cost of living. Denver's cost
[17] of living is 27 percent less than Washington's and 29 plus
[18] percent less than Honolulu's. Lower housing costs are 20
[19] percent less than Honolulu, 54 plus percent less than
[20] Washington. The Army has suggested that the cost of providing
[21] medical care and construction is higher in Denver than either
[22] Washington or Honolulu. How can that be true?
[23] Number nine, proximity to the airport. The Army
[24] lists Fitzsimons as being 11 miles away from the airport for
[25] med-vac transport. However, DIA will not be used for – I'm

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[1] sorry Fitzsimons is more than 11 miles from DIA, but DIA will
[2] not be used for air med-vac. That role has been done by
[3] Buckley International Guard Base, and will continue to be, and
[4] Buckley is five miles from Fitzsimons.
[5] While the differences do not seem constant,
[6] generally, it is a difference between being judged equal to the
[7] other facilities or not on this measure.
[8] Number ten, patients at Tripler. When we add the
[9] number of active duty personnel and their dependents who are
[10] eligible to receive care at Tripler, the number of retired
[11] personnel and their dependents who are eligible to receive care
[12] at Tripler, Defense Medical Information Service reports roughly
[13] 15,000 or 83 percent fewer than total used by the Army for
[14] comparison with Fitzsimons. You should want your staff to
[15] double-check these numbers.
[16] **Fairness:** How much is enough? We've –
[17] **COMMISSIONER DIXON:** Mr. Mayor, I don't mean to
[18] interrupt you, sir, but I do want to advise that 40 minutes of
[19] your 55 minutes has been used up. Our timer is not operating
[20] correctly, so I'll be a little lenient. And I apologize for
[21] the interruption.
[22] **MAYOR TAUER:** That's all right. If you don't
[23] take that warning out of my time, I think we'll make it. Thank
[24] you very much. Thank you for warning me.
[25] **COMMISSIONER DIXON:** I promise you the warning

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[1] will not come out of your time.
[2] **MAYOR TAUER:** Thank you. No, I think we will
[3] finish on time. I'm pretty sure, but thank you. I'm supposed
[4] to have the bulk of the presentation. So, thank you.
[5] We have just closed Lowry Air Force Base, the Rocky
[6] Mountain Arsenal and Rocky Flats, and we have heard that
[7] Secretary Perry testified on March 1, 1995, that the Navy did
[8] not include facilities in California that would have been
[9] recommended for closure, were it not for the impact of previous
[10] closures.
[11] And I would suggest that what is fair for California
[12] is fair for Colorado. And Fitzsimons should figure in that
[13] same equation.
[14] **Regional considerations:** Regional aid is the
[15] largest geographic region in the continental United States.
[16] The sparsely populated service area, one such as the one
[17] Fitzsimons oversees, is not justification for reducing the care
[18] to its residents. Fitzsimons serves a larger population than
[19] all but two of the other field agent hospitals. People should
[20] be the major consideration and not some other agenda. There
[21] will be some people served by Fitzsimons that will literally
[22] die sooner if Fitzsimons is closed due to various economic
[23] considerations and hurdles that will be imposed upon them.
[24] **Alternatives:** If the Defense Department wants to
[25] close a medical center, why does it look to coordinate the work

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between almost co-located facilities in Washington and San Antonio, instead of recommending closure of the only facility serving 12 states and the only facility in the United States that will be able to take care - take advantage of telemedicine opportunities - take full advantage, because of its location.

**The savings:** Number 14. The savings of $300 over 20 years, identified by the Army ignored the fact of the need to rehire some civilian personnel. How is it possible to spend $100 million on construction to replace Fitz in various locations with new facilities around the country and not hire new employees? 65 percent of the annual savings is from laying off civilian employees; $200 million a year. That means that they have to operate, if they hire no new civilian employees, three times more efficiently than any medical facility operates today. If they rehire them, they lose that $200 million dollars per year in savings, which eats up all the savings of the 20 years that they have purported in a year and a half. Does it really seem reasonable they won't rehire personnel? I don't think so.

There are studies that have shown over the years that it actually will cost $32 million a year to close Fitzsimons Hospital and provide the same service through the private sector.

And, finally, environmental impacts. Tripler failed

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to report wetlands, and yet received the top score for underreporting. Walter Reed failed to report contaminated sites, and yet received the top score for underreporting.

I'm going to omit a remark; it might be offensive.

Finally, I want to issue a challenge. If you, as the Base Realignment Closure Commission, entrusted with the responsibility of ensuring validity and fairness of the process, want to question us further, after reviewing our entire report - and please do so - or would like to have us debate the Army on any part of the data, you tell us where and when, and we'll be there.

In the old days, when people felt that they were wronged, they had fought a duel. Well, I won't argue whether that was right or wrong in those days, but I think that there is some legitimacy in challenging in the face of wrongdoing. And I think that's very legitimate. And we're issuing one here and now.

Remember what you saw in our video. Ask Commissioner Kling what it was like to be surrounded by Fitz supporters at Fitzsimons. I think I have proven the military value of Fitzsimons. If not, our report certainly will, with actual data. I've shown you why the process is flawed and seemed to be unfair to us. But those people who served our country and decided how and where to live, should help you to take the final step to remove Fitzsimons from the closure

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list. And remember the unfortunate tragedy that occurred just yesterday. And Fitzsimons is capable of responding to such a catastrophe anywhere in a 12-state region.

Thank you.

**CHAIRMAN DIXON:** I thank you very much, Mr. Mayor. Thank you very much. Now there is ten minutes left, and I take note of the fact that there are four of you. I want to be a little lenient, because it's our fault that the timer is not working correctly, but I just want you to know that we are on some limited time.

**MR. POHLMAN:** Thank you.

**COMMISSIONER DIXON:** Glad to have you here, Mr. Pole.

**MR. POHLMAN:** Thank you, Commissioners and Mr. Chairman. I'm going to be very brief. I'm going to talk briefly about methodology which we used in order to conduct the study that we have entered into the record.

**COMMISSIONER DIXON:** Mr. Pohlman, I'm sorry to interrupt. I can't hear you.

**MR. POHLMAN:** Is that better?

I'm going to talk briefly about the methodology used to conduct the study which we have entered into the record.

We reviewed the Army installation assessment based on method, validity, and the mathematics. To be very honest, the mathematics that we looked at were all correct. We didn't

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try - we looked at the cross-correlation between the sites for fairness, validity, and accuracy. Three sites being Walter Reed, Tripler, and Fitzsimons Army Medical Centers. We gathered materials, primarily materials provided for the BRAC Commission by the Army, the data calls that were sent out to the installations to provide raw material that the Army used. We looked at the Joint Cross Service Group's materials, both raw materials and reported materials, memorandums, notes, letters, various spreadsheets. We were able to come up with data runs from the Fitzsimons Army Medical Center, directives and reports. We determined the priorities that the Commission was going to be looking at. Therefore, we spent most of our time looking at the military value assessment. We did look briefly at return on investment, and then briefly on the community impact. We reviewed the process and compared it to the Military Joint Cross Services Group's assessment. We reverse engineered all of the spreadsheets that the Army used in order to come up with the numbers that they came up with; that's the only way. We weren't given the formulas internally that we requested. We reverse engineered the numbers to produce the same. We concentrated upon the DPA models and the COBRA model on the return on investment. We did come up with the same results that they did.

When we added the raw data, we came up with the numbers that you'll see in the report. The numbers, using raw

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[1] data reported to the Army, reversed the decision, placing
[2] Fitzsimons first, Walter Reed in the middle, and Tripler last.
[3] This is somewhat similar to the data provided by the Medical
[4] Joint Cross Services Group, which reported military hospitals
[5] on 14 sites - 12, the 12 regions, the two duplicated sites
[6] within Region 1 and Region 6. In that case, Walter Reed came
[7] out first, Fitzsimons came out 8th, and Tripler came out dead
[8] last.
[9] We could not find any reason numerically, or
[10] supported by the data in the Medical Joint Cross Service Group
[11] report, that supported the conclusion that Fitzsimons should be
[12] closed. Their data did not support that. However, their
[13] conclusion was to close Fitzsimons. The data was at odds with
[14] what they said.
[15] You've already heard about the Army data why it was
[16] at odds. It's contained in the reports. If you have any
[17] questions we'd be glad to answer them.
[18] Thank you.
[19] **COMMISSIONER DIXON:** Thank you very much, Mr.
[20] Pohlman.
[21] **MS. KORNELLY:** I think, in the interest of time,
[22] I will not get up to the podium, if that's all right with you.
[23] I'm here representing Governor Roy Romer from the
[24] State of Colorado. I want to thank Chairman Dixon for giving
[25] us this time to present to you, and the Governor also

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[1] appreciates the time you spent with Mr. Cornella and Mr. Kling
[2] last Friday. I now have a statement which he's requested that
[3] I read into your record.
[4] To Chairman Dixon and to the other members of the
[5] Commission.
[6] I am sorry that I am not able to testify before your
[7] Base Realignment and Closure Commission this afternoon in
[8] Albuquerque. However, Irene Kornelly, the director of my
[9] Office of Statewide Defense Initiatives is present, and I have
[10] asked her to read this letter into the record. Fitzsimons is
[11] very important to me and to the people of Colorado.
[12] Fitzsimons is a vital part of our country's national
[13] defense system. If I believed that Fitzsimons was nothing more
[14] than jobs and money for Colorado, I wouldn't challenge the
[15] Department of Defense's recommendation for closure. I'd tell
[16] you that we are willing to do our share and to take our lumps.
[17] However, the facts, as presented by Mayor Tauer, do not support
[18] this.
[19] Fitzsimons compares favorably with other hospitals
[20] not slated for closure. Of the 12 regional lead agent
[21] hospitals, Fitzsimons is projected in fiscal year '97 to
[22] provide service for the fourth largest active duty population
[23] in the country; to provide service for the third largest
[24] military family population; and to provide service to the third
[25] largest population of other beneficiaries. Additionally,

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[1] Fitzsimons is easily accessible for air and med-vac by virtue
[2] of its proximity to Buckley Air National Guard Base.
[3] Similarly, Fitzsimons continues to play an important
[4] role in the military system.
[5] Just as the first troops injured at Pearl Harbor
[6] were brought to the brand new Fitzsimons in 1941, the first
[7] injured troops from Desert Storm were brought to Fitzsimons 50
[8] years later.
[9] Fitzsimons is one of only 15 hospitals designated
[10] nationally by the Department of Defense to serve as a center
[11] for "Persian Gulf War Syndrome" patients.
[12] Fitzsimons is the leading facility for women's
[13] military medical issues.
[14] And Fitzsimons is positioned to be a leading center
[15] of telemedicine because of Colorado's unique location and the
[16] telecommunications industry that has grown here.
[17] Fitzsimons and the State of Colorado have developed
[18] an important partnership through the University of Colorado
[19] Health Science Center. We have a joint research facility
[20] actually located on the base. Fitzsimons contracts for a
[21] number of services to the medical school. And, additionally,
[22] the joint medical school programs operated by these two
[23] institutions provide cost-effective training that benefits both
[24] military and the state. Fitzsimons is the only accredited
[25] military medical center in the entire Central-Western region of

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[1] the nation. The loss of Fitzsimons would rob the military of
[2] needed resources it could not replace in the other parts of the
[3] country for the same amount of dollars.
[4] While I stand by my previous statement that we must
[5] all do our share to reduce unnecessary government and that
[6] military bases have to meet national defense interests in order
[7] to remain open, I urge you to look at what the metropolitan
[8] area of Denver has had to experience from the federal
[9] government in the last few years.
[10] Number 1, we have just closed Lowry Air Force Base
[11] and we are working very hard for its redevelopment; number two,
[12] we have closed the Rocky Mountain Arsenal, which is an Army
[13] facility, and we will spend at least the next generation to get
[14] it cleaned up enough so that it will ever be usable by the
[15] community, and number three, we've lost the employment and
[16] economic benefits of Rocky Flats and have, once again, been
[17] left with the responsibility of cleanup of this massive site.
[18] In the Navy's testimony before you last month it was
[19] stated that additional facilities in California would have been
[20] recommended for closure were it not for the impact of previous
[21] rounds of base closures. If the Navy spares bases from closure
[22] because an area has done its share and if California can be
[23] spared additional closures because of what it has already
[24] suffered, then it is reasonable for you to consider whether the
[25] Denver metro area and the small State of Colorado should suffer

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an additional economic loss and be committed to use the planning resources necessary to deal with a fourth major closure of a federal installation.

Fitzsimons Army Medical Center is an important part of our country's military medical system and an important part of Colorado. It has proven its military necessity and should continue to play the role it has as a lead hospital for Region 8 providing necessary medical care for active duty and retired military personnel and their families.

Thank you for your consideration of the comments from the Governor. I hope, when you finish consideration of all the information that you have received today, that the Base Closure and Realignment Commission will decide against closing Fitzsimons.

Sincerely, Roy Romer, Governor of Colorado.

**COMMISSIONER DIXON:** Thank you, Mrs. Kornelly. Mr. Engman.

**MR. ENGMAN:** Thank you, Mr. Chairman. I will be brief. I would just like to read a brief statement from Senator Campbell.

I am sorry that I was unable to come here in person today, but I want to underscore my commitment to measure Fitzsimons Army Medical Center. We've all heard about the Black Hole. This isn't just a cute sound byte. This facility is important to the entire Midwest of the United States. I

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would like to enter into the written record a letter to Chairman Dixon signed by eight senators from six states, myself and Senator Brown, along with Senators Dole, Daschle, Baucus, Pressler, Hatch and Simpson. I would also like to enter into the record a letter I received from Senator Dole. In part this letter says: I agree that the loss of this vital facility could be extremely detrimental to the regional defense medical system and undermine cost-effective medical care for thousands of active duty and retired veterans.

The representatives from Aurora have worked incredibly hard, and they make an excellent case for Fitzsimons.

I urge Commissioners to carefully consider their arguments. I would like to address one issue of particular him interest to me. The U.S. Army plans two major chemical weapons incineration sites; this region one near Pueblo, Colorado, one near Tooele, Utah. Those plants bring with them the threat, however small, of exposure to chemical agents like mustard gas and nerve gas. Fitzsimons is the only facility in the region with the capabilities to treat chemical exposure cases due to its important and ongoing work with military personnel suffering from Agent Orange and Persian Gulf Syndrome. I would like to know how the Army plans to keep that kind of expertise readily available if Fitzsimons closes; if we're going to have chemical weapons incinerators in our backyards. I know we all

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have to sacrifice our share in order to cut spending and the deficit. It is also my job to make sure that this BRAC process is fair to my state and constituents, and that the BRAC Commissioners have considered all perspectives.

Thank you very much.

**CHAIRMAN DIXON:** I thank you, Mr. Engman. Mr. Merritt.

**MR. MERRITT:** Mr. Commissioner, Senator Brown asked me to pass on his regrets that he couldn't be here and read the statement real briefly.

Mr. Chairman and members of the Base Closure and Realignment Commission, four separate studies have been conducted to analyze the importance of Fitzsimons Army Medical Center and the most cost-effective means of ensuring the military's medical needs are met. Each study concluded that keep Fitzsimons open and continuing with construction of the new replacement hospital was the least cost alternative.

Specifically, in 1987, the Army conducted an economic analysis after which the Assistant Secretary of Defense for Health Affairs announced a new Fitzsimons would be constructed. In March 1991, another Army economic analysis concluded, "The total savings generated by providing care at Fitzsimons Army Medical Center, as compared to not operating Fitzsimons, are enough to pay back the cost of constructing a new facility." In October and November of '91 a "quick

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response" economic analysis was conducted which reviewed three catchment areas for Fitzsimons, within a 40-mile radius, 100-mile radius and the 12-state regional catchment area, and under no scenario was closure of Fitzsimons him justified.

Finally, BRAC '93 conducted a COBRA computer model cost analysis of Army health service needs and graduate education and did not recommend closure of Fitzsimons. This analysis found economic merit in a reduced patient load at Fitzsimons and found economic merit in the retention of Fitzsimons even when the $390 million replacement hospital project was considered.

Mr. Chairman, the level of scrutiny of the need for this hospital has been intense. For seven years, the requirements have been reviewed and rereviewed. The overwhelming weight of the evidence suggests that Fitzsimons should remain open. We are certain that as the members of the Commission review all of the available data that you will come to the same conclusion.

Thanks in advance for your consideration and for all of your hard work.

**COMMISSIONER DIXON:** I thank you, Mr. Merritt. I thank all of you fine distinguished people from Colorado for your very excellent, helpful presentation. We are indebted to you. Thank you very much.

And now we are going to have eight citizens from the

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[1] great State of Colorado in a public comment period. And if
[2] they'd all come up here, please, we're going to have to swear
[3] you in as well.
[4] Dave Pohlman, Nadine Caldwell, Don Armstrong, Nelson
[5] Soper, Rex Diehl, Adeline Diehl, John Smith, and Edmee Hills.
[6] Could you all come up here, ladies and gentlemen, and raise
[7] your right hand. I'm obligated under the law to do this to
[8] you. And I regret that we impose, but it's part of the law as
[9] you would all readily, I'm sure, understand. Thank you,
[10] folks. Raise your right hands.
[11] (A discussion was held off the record.)
[12] **COMMISSIONER DIXON:** Thank you very much.
[13] Mr. Dave Pohlman, Future of Fitzsimons Initiative.
[14] We've heard Mr. Pohlman before, we're delighted to hear him
[15] again.
[16] **MR. POHLMAN:** Thank you very much for the
[17] opportunity to speak to you Mr. Chairman and Commissioners.
[18] I want to point out that the veterans retirees and
[19] veterans did not create the conclusion or expectation that they
[20] were going to get free medical care. This is something that
[21] was promised to them when they entered the Army. As we have
[22] pointed out in our report, there are numerous instances today
[23] where we see that it is not in fact free. The DOD is promising
[24] to take care of the veterans and retirees, a concept called
[25] Tri-Care. A concept; it is not operational. Based on the

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[1] history of concepts and how far they go, I'm certain that the
[2] costs will not be free. To give an example: If only 50
[3] percent of the eligibles in a 12-state medical region covered
[4] by Fitzsimons Army Medical Center enrollment fees, $63 million
[5] a year. This is not free medical care. Their medical
[6] co-payments, with an average of two patient visits per year,
[7] $3.45 million. This is not free medical care. This is not
[8] what the veterans were promised.
[9] The first – this may be the very first major
[10] medical center closure that I'm aware of. Fitzsimons is in the
[11] middle of a 12-state region which covers almost 800,000
[12] veterans, families, retirees and their families in active
[13] duty. Many of these people are on fixed incomes and have been
[14] for years. They depend upon the military medical care as part
[15] of their retirement plan as they were promised. They can't
[16] afford Tri-Care; they can't afford CHAMPUS. These people will
[17] not attend doctors as incorrectly assumed by the Department of
[18] Defense. Patient loads go down. On CHAMPUS, the reason they
[19] can't afford it, what happens, many times people can't afford
[20] the care don't go when they need to, therefore, making
[21] conditions worse. When they finally get to see a physician,
[22] it's too late, inoperable, and cannot be cured. We do not want
[23] to do this. The patient was promised medical care, we expect
[24] it to –
[25] **COMMISSIONER DIXON:** Thank you, Mr. Pohlman.

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[1] The Honorable Nadine Caldwell, a member of the Aurora City
[2] Council. We are delighted to have you.
[3] **MS. CALDWELL:** Thank you very much. Fitzsimons
[4] is within my ward. I represent 40,000 people, many of whom
[5] bought their homes in my ward to be near Fitzsimons where they
[6] can have medical care and BX and commissary privileges,
[7] services that they were always promised. They made a large
[8] financial commitment to be near Fitz. As you probably know,
[9] Lowry Air Force Base was closed in September 1994. Lowry is
[10] also within my ward, and is only two miles from Fitzsimons.
[11] The closing of Fitzsimons would be a double-whammy that will
[12] totally devastate our community. The combined job loss to
[13] Aurora would be 10,000 jobs, if Fitzsimons also closes.
[14] Commissioners, loss to Aurora – there is no way a
[15] city can overcome that economic loss, and there is no reason a
[16] city should have to bear that burden. We cannot take another
[17] hit.
[18] My husband gave 33 years to his country in military
[19] service, and expected a return on that investment, that
[20] investment return is in serious jeopardy, as it is for all
[21] those retirees in the Aurora-Denver metro area, and the 14
[22] states that Fitz serves.
[23] When Commissioners Kling and Cornella visited Aurora
[24] recently, they witnessed firsthand the support of the community
[25] for Fitzsimons.

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[1] I think testimony was presented today that shows we
[2] have the facts on our side, and it is up to you as
[3] Commissioners to come to an honest and a fair decision, as
[4] stated by Chairman Dixon.
[5] And I'd just like to tell you that closing a
[6] military base is a gut-wrenching, heart-breaking thing that I
[7] hope none of you ever have to go through. And I don't want to
[8] have to go through it again. Thank you.
[9] **CHAIRMAN DIXON:** Thank you, Mrs. Caldwell.
[10] The Honorable Don Armstrong, Colorado State
[11] Representative. We're delighted to see you Representative.
[12] **CONGRESSMAN ARMSTRONG:** Mr. Chairman, Commission
[13] members, I'll be very short and sweet. I am here on behalf of
[14] the Colorado General Assembly. In early February I delivered
[15] House Resolution 1010 to your base closure director to have put
[16] in the records with comments, and I hope those comments and
[17] that House Resolution is within your records. If I may ask –
[18] **COMMISSIONER DIXON:** It is in our library, I
[19] assure you.
[20] **CONGRESSMAN ARMSTRONG:** On behalf of the Colorado
[21] General Assembly, my house district, and my neighborhood, I
[22] plead with you not to close this base.
[23] In closing, as a member of this neighborhood, I was
[24] born and raised there. Please don't devastate our
[25] neighborhood. Thank you.

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COMMISSIONER DIXON: That you Representative Armstrong.

Nelson Soper of the Aurora Veterans' Committee. Mr. Soper, we're honored to have you.

MR. SOPER: Mr. Chairman, Commission members, Fitzsimons to me was like my human service in March '48. July '74, I retired. I got a retirement certificate. My wife, who has Parkinson's disease, also got her certificate. Without Fitzsimons, we would be drastically hurting medicalwise, as our veterans out here who took the trip from Colorado yesterday in a blizzard snowstorm to present our case to the Commission, and hope we can do some good, and we've got to keep fighting. I don't believe in old soldiers never die, they just fade away. To me, that's what Mr. Perry is trying to do.

Thank you.

COMMISSIONER DIXON: Thank you very much, Mr. Soper.

Mr. Rex Diehl, retired military person, and I believe his wife Adeline. We're delighted to have you, Mr. and Mrs. Diehl.

MR. DIEHL: My wife Adeline is here to help prop me up in case I need it.

COMMISSIONER DIXON: She looks like she can handle it. How do you do, Adeline?

MR. DIEHL: I was put on the retirement list some

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20 years ago, and about ten years ago, after I failed a treadmill and some other tests I heard the dreaded words from the cardiologist at Fitzsimons. The words were, "You have heart disease," and then in the paperwork it says, "this obese individual." Well, I knew I put on a little, but that hits you pretty hard.

Anyway, I had quadruple bypass surgery, and about five years ago I felt I wasn't exercising enough maybe, and I started out to Fitzsimons on Mondays, Wednesdays, and Fridays to the cardiac rehab program Phase 3. And this is administered by a number of wonderful and caring cardiac nurses, who have volunteered this duty in addition to their other work in the hospital. Right now, the director is a Lieutenant Colonel Diane Anderson who leaves her family around 6:00 every morning and comes over to the base gym where those of us who have had heart problems, from 30 to 50 of us, walk around the gym. And we have our pulse rate taken, and our pressure – blood pressure. And it's truly a wonderful program. And it consists of men and women who are veterans and their mates and some military widows. And I don't know where these people are going to go if the thing is folded up.

I might just add that we wanted to mention that we have a son who is three years out of medical service and is now serving as an Air Force flight surgeon to a flying squadron in the eastern base, and he's got to go on to advanced training in

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another year. And if they keep cutting back the military medical facilities, I don't see where he has a future in military medicine, and I wish he did.

Thank you.

COMMISSIONER DIXON: Thank you, Mr. Diehl. Mrs. Diehl.

MRS. DIEHL: I only want to add that Fitzsimons is not just a base; it's not just a place for military and everything. It's a family, and they all really, really care.

COMMISSIONER DIXON: God bless you, Mrs. Diehl. John Smith, Retired Military Officers.

MR. SMITH: Thank you, Mr. Chairman. Now that you've heard all speak, I hope that the BRAC members' minds are not dull and you will not stop up your ears. Nor close your eyes. If you have not, then your eyes would see and your ears would hear, and your mind finally would understand that the data which we have presented here should help you in your deliberations to decide the efficacy of maintaining or closing Fitzsimons. Retirees are not here to plead their own selfish interests. We feel that the case that has been made by Mayor Tauer and others should prove that the whole area should be looked at again.

For example, in 1991, the Army itself said that they could save $32 million a year by taking care of beneficiary and military personnel at Fitzsimons, as opposed to letting other

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providers do that through CHAMPUS.

Now, in 1993, the Army is singing another tune. They are saying now that they can save $15 million over 20 years. Even though they know that they are going to spend $49 million a year for increased CHAMPUS costs because of that decision.

Now, let s make one thing perfectly clear: Just like Fitzsimons is cutting back, and the DOD is cutting back, don't you sit there for one minute and think that the hospitals in the Denver area are not also going to cut back.

COMMISSIONER DIXON: Thank you, Mr. Smith. Edmee Hills, National Chair, Veterans Widows International Widows, Inc.

MS. HILLS: Mr. Chairman, members of the Commission, in addition of these oral remarks, I have prepared a written presentation for the benefit of the members of the Commission and have previously provided the BRAC '95 office with several documents in support of my suggestion of realignment for FAMC. I do concur with the decision by both of the Department of the Army and GAO to close Fitzsimons for reasons outlined in my written remarks. However, ever since I was made aware by Mr. Simmons, director of the V.A.-DOD sharing medical office of the act of July of 1983, I have worked on the idea of a V.A.-DOD joint venture, first on Lowry Air Force Base, then now at Fitzsimons.

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[1] I truly believe BRAC '95 should realign FAMC in
[2] combination with that of the Denver V.A. MC into a V.A.-DOD
[3] joint venture, similar as Tripler in Hawaii, which is a
[4] tremendous success. FAMC is, at this time, a state-of-the-art
[5] hospital with top-of-the-line medical equipment, as Mr. Kling
[6] and Mr. Cornella were able to witness last week.
[7] Meanwhile, for different reasons, the Denver V.A. MC
[8] is in dire need to relocate. Everyone would benefit; both the
[9] Veterans and DOD beneficiaries. DECA and MWR facilities would
[10] continue to operate on Fitzsimons; the CHAMPUS headquarters
[11] would not have to relocate elsewhere; and last, but not least,
[12] beaucoup federal dollars would be saved.
[13] As of late, I have been able to gather much –
[14] **COMMISSIONER DIXON:** Thank you, Mrs. Hills.
[15] **MS. HILLS:** Thank you.
[16] **COMMISSIONER DIXON:** Thank you very much.
[17] Ladies and gentlemen, we are indebted to the great
[18] State of Colorado, its distinguished leaders, and this fine
[19] audience for this excellent presentation, and this 7th hearing
[20] of the BRAC Commission is concluded.
[21] (The hearing was concluded.)
[22]
[23]
[24]
[25]

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[1] STATE OF NEW MEXICO )
) ss
[2] COUNTY OF BERNALILLO )
[3]
[4] REPORTER'S CERTIFICATE
[5] I, Jennifer Bean, a Certified Shorthand Reporter and Notary
[6] Public, DO HEREBY CERTIFY that I reported the foregoing hearing
[7] in stenographic shorthand and the foregoing is a true and
[8] correct transcription of the proceeding had upon the taking of
[9] this hearing.
[10]
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Jennifer Bean
[15] Certified Court Reporter #94
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DEFENSE BASE CLOSURE
AND REALIGNMENT COMMISSION

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CHICAGO, ILLINOIS :
REGIONAL HEARING :
- - - - - - - - - - - - - - - - - :

The following transcript of proceedings had in the above-named matter at the Rosemont Convention Center, 5555 River Road, Rosemont, Illinois on the 12th day of April, 1995, 10:00 a.m.

PRESENT:

CHAIRMAN ALAN DIXON
COMMISSIONER WENDI L. STEELE
COMMISSIONER JOSUE (JOE) ROBLES, JR.
COMMISSIONER S. LEE KLING
COMMISSIONER AL CORNELLA



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CHAIRMAN DIXON: Good morning, Ladies and Gentlemen, and welcome to this regional hearing of the Defense Base Closure and Realignment Commission.

My name is Alan Dixon and I am chairman of the Commission and charged with the task of evaluating the recommendations of the Secretary of Defense regarding the closure and realignment of military installations in the United States.

Also, here with us today are my colleagues, Commissioners Al Cornella, Lee Kling and Joe Robles, and I believe we expect Commissioner Wendi Steele very shortly.

First, let me thank all the military and civilian personnel who have assisted us so capably during our visit to military bases represented at this hearing.

We spent many days looking at the installations that are on the secretary's list and asking questions that will help us make our hard decisions. The cooperation we received has been exemplary, and we thank you very much.

The main purpose of the base visits

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we have conducted is to allow us to see the installations first hand and to address with military personnel the all-important question of the military value of the base.

In addition to the base visits, the Commission is conducting a total of 11 regional hearings of which today is the fifth.

The main purpose of the regional hearings is to give members of the communities affected by these closure recommendations a chance to express their views. We consider this interaction with the community to be one of the most important and valuable parts of our review of the Secretary's recommendations.

Let me assure you that all of our Commissioners and staff are well aware of the huge implications of base closures on local communities. We are committed to openness in this process, and we are committed to fairness. All the material we gather, all the information we get from the Department of Defense, all of our correspondence is open to the public.

We are faced with a very unpleasant and painful task, which we intend to carry out as

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sensitively as we can. Again, the kind of assistance we receive here is greatly appreciated.

Now let me tell you how we will proceed here today and in all our regional hearings. The Commission has assigned a block of time to each state affected by the base closure list. The overall amount of time was determined by the number of installations on the list and the amount of job loss. The limit on time will be strictly enforced.

We notified the appropriate elected officials of this procedure and we left it up to them, working with the local communities, to determine how to fill the block of time.

This morning it is our intention to listen to the testimony from the states of Illinois and Missouri for a total of 110 minutes. At the end of the morning presentations, we have set aside a period of 30 minutes for public comments and at which members of the public may speak.

We have provided a sign-up sheet for this portion of the hearing, and we hope that anyone who wishes to speak has already signed up.

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We would ask those of you speaking at that time to limit yourselves to two minutes. There will be an exception to this for ATCOM in St. Louis, which has requested one minute for 15 people. I urge them to understand that one minute is very brief and it will be strictly enforced. That will be the one exception.

After the lunch break, we will hear from the states of Indiana, Kentucky, Michigan Ohio, Wisconsin and Kansas. Those presentations will total 165 minutes, after which we will again have a 30-minute period for public comment.

Let me also say that the Base Closure Law has been amended since 1993 to require that anyone giving testimony before the Commission do so under oath, and so I will be swearing in witnesses, and that will include individuals who speak in the public comment portion of the hearing.

With that, I believe we are ready to begin, and may I say to the senator from Illinois, and lieutenant governor from Illinois, Senator Braun and Lieutenant Governor Kustra, I'm embarrassed by the fact that I have to ask you to

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stand and raise your right hand, along with the other distinguished witnesses, but would you all do that for me, please. Would all of you that are going to testify stand and raise your right hand.

(Witnesses sworn.)

Thank you very much.

And we are privileged to have the Senator from Illinois, Carol Moseley-Braun, to testify for three minutes. Senator Braun?

PRESENTATION

BY

SENATOR MOSELEY-BRAUN:

Thank you very much, Senator Dixon, and Commissioners, I am delighted to be here, and I hope that my testimony will help you to conclude that the Army's recommendation with regard to Charles Melvin Price Support Center and Savanna Army Depot is an error and that that recommendation ought to be rejected and that these facilities not be downsized.

At the outset, I would want to make two references: First, I'd like to submit for the record remarks by Congressman Jerry Costello to the Base Realignment and Closure Commission. I

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1 have two copies of that.
2 (Document tendered.)
3 CHAIRMAN DIXON: That will be admitted to the
4 record.
5 SENATOR MOSELEY-BRAUN: Congressman Costello
6 could not be with us this morning. He regrets
7 that very much, but he wanted his testimony to be
8 of record.
9 Second, Mr. Chairman, with regard
10 to my own testimony, I have a written statement
11 that goes into detail with regard to the issues
12 pertaining to this decision.
13 I submit that in the cases of the
14 Charles Melvin Price Support Center and Savanna
15 Army Depot, the facts do not support the closure
16 of these bases, and the criterion of the BRAC
17 process have not been met.
18 Given the shortness of time, I'll
19 not go through those criterion specifically, but
20 to say, Mr. Chairman, that the Charles Melvin
21 Price Support Center provides administrative and
22 logistical support services to the DOD and other
23 federal government agencies in the St. Louis area.
24 It is home to 436 jobs.

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1 The Department of Defense's
2 recommendation to close Price is related to its
3 decision to relocate the ATCOM from St. Louis;
4 however, you will learn from the subsequent
5 witnesses that ATCOM is not the primary user of
6 Price. ATCOM soldiers occupy 17 percent of
7 military family housing at Price and constitutes
8 only 4 percent of the transportation workload.
9 ATCOM occupies only 21 percent of the
10 administrative space on the installation and it
11 occupies almost none of the warehouse space or
12 open storage facilities.
13 During the Price presentation, you
14 will hear that the Department of Defense's
15 expected savings from closing the base does not
16 take into account many long-term costs.
17 The Army has overestimated the
18 total savings from closing down the military
19 housing units at Price, because most of the
20 residents of this housing are not connected to
21 ATCOM and will not be transferred out of the
22 area. Instead, they will require housing
23 subsidies if they are required to move off the
24 base.

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1 The military's calculations do not
2 take into account there's hundreds of thousands of
3 dollars in revenue the Army takes in each year
4 from renting space to tenants.
5 And, finally, the military did not
6 take into account a General Services
7 Administration estimate that said that renting
8 commercial space in St. Louis to house the Army
9 Publication Center that currently resides at Price
10 would cost about $2 million per year.
11 The Illinois witnesses who will
12 follow me also will present evidence that errors
13 were made in the decision to close the Savanna
14 Army Depot. The depot stores ammunition. It's
15 the home to the U.S. Army Defense Ammunition
16 Center and School, and it employs some 400
17 people.
18 Savanna is being closed because it
19 is being categorized by the Army as a Tier 3
20 caretaker depot, which stores unserviceable
21 ammunition that is slated to be demilitarized or
22 disassembled.
23 The Secretary recommended that all
24 Tier 3 depots closed.

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1 However, the most recent Worldwide
2 Ammunition Storage Program report, prepared for
3 the Joint Logistical Commanders, stated that all
4 depots are full, and that, in fact, there is
5 ammunition now having to be stored outside.
6 So the Army is spending about a
7 hundred million dollars to demilitarize this
8 unserviceable ammunition in 1995, which translates
9 into disassembling about 95,000 short tons of
10 ammunition this year.
11 To begin in 1997, the budget for
12 demilitarization will be decreased by more than
13 two-thirds. The Army is generating about 100,000
14 short tons of ammunition each year for
15 demilitarization.
16 In addition, there are over 800,000
17 short tons of unserviceable ammunition positions
18 to clean up the required -- clean up the base, and
19 an additional $50 million for ground water
20 treatment.
21 Although DOD said that it is
22 obligated for costs to clean up the bases, and
23 does not factor environmental costs into the
24 decision to close a base, in reality, Savanna may

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never be able to house a commercial tenant.

I believe that every part of our federal budget, including the defense budget, needs to be reviewed. The BRAC Commission plays an important role in that process.

As we move forward into the 21st Century, the United States military must become more efficient and more capable of responding to changes in political, military situations worldwide.

I believe though Savanna and Price perform very necessary duties that integrate them into the larger mission of the United States military. The success of the military -- the success of these centers really relates to the concept that the whole is greater than the sum of its parts. There is a synergy between the different bases, personnel, supplies and other parts of this system. Savanna and Price are essential to maintaining that synergy or efficiency, if you will, in a restructured military.

I've spoken a little faster than I had planned to because I didn't want to run out of

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time and, of course, these figures are not of my own calculation, but they come from the staff.

But I wanted to say in closing, Mr. Chairman, that you will hear testimony today about the importance of these installations for this part of the State of Illinois and I believe also the importance of Price and Savanna and to the military mission as a whole.

I encourage the Commission to focus in on the efficiencies and to focus in on the synergy between Savanna and Price and Scott and the other military installations in this part of the world, if you will, in this part of our country, that working together there is an efficiency that can be achieved that is not available if they are separate and split and reduced to their constituent's respect.

Finally, in closing, Mr. Chairman, I want to say that Illinois has really suffered and suffered more than its fair share in terms of decisions for base closings going back in the past, and that perception relates entirely, I think, to what you referenced in your earlier statement about fairness, in terms of the fairness

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of this decision that the BRAC would make.

Now I hope you take into consideration that the State of Illinois has already suffered, has already gone through several base closings over the last decade and that the cumulative effect of that has a negative impact not just on Illinois but on the military mission as a whole.

CHAIRMAN DIXON: Thank you very much, Senator.

SENATOR MOSELEY-BRAUN: Thank you very much.

CHAIRMAN DIXON: Lieutenant Governor Kustra.

SENATOR MOSELEY-BRAUN: I'd like my statement to be submitted to the record.

CHAIRMAN DIXON: Thank you. It will be.

PRESENTATION

BY

LIEUTENANT GOVERNOR KUSTRA:

Thank you very much, Mr. Chairman and Members of the Committee. It's good to see you again. It's always a delight to join my former colleague in the Illinois House, Senator Braun who is now a U.S. Senator.

Of course, I am delighted to be

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here to share a few thoughts with you on this most difficult process and, once again, thanks to the Commission for the opportunity to present our views.

I might also add the governor sends his greetings. He happens to be overseas traveling and could not be with us today, but he certainly echoes the testimony of mine and the senator's.

First of all, let me begin by telling you that we created here in Illinois Operation Salute, which is an attempt by the State of Illinois to gather the resources of this state and to use those resources to provide you, the Members of the Commission, with all of the information you need to make the best decision you possibly can.

I have been privileged to work over the last few weeks with members of the Granite City community, with members of the Savanna community, in support of building a case for the Price Support Center and the Savanna Army Depot. I have come to the conclusion that that is really not all that difficult to do.

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1 I have worked with some fine
2 people, who you will hear from shortly, who happen
3 to have considerable expertise in military
4 affairs, far more knowledgeable than I am on
5 military affairs. I'm confident that when you
6 have heard what they have to say about these two
7 facilities, you will agree, as I have come to the
8 conclusion, that these are, in fact, vital links
9 to our nation's defense.
10 I think Senator Braun makes a good
11 point, and I would only accolade it. The State of
12 Illinois has paid its price. We have paid our
13 price in building this nation's military and we
14 have paid our price in reducing it in size.
15 One only needs to look back on
16 Shanuk (phonetic), Fort Sheridan and the latest
17 Glenview Naval Air Station to know that the State
18 of Illinois has been willing and ready to step
19 forward when we could play our role; however, we
20 have done that, and now we are here today looking
21 across the state that has not been blessed in
22 history with all of the facilities and the bases
23 that some of our friends, I'm told, in the
24 southern states enjoy.

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1 In fact, I remember when I taught
2 American politics, once upon a time, and a man
3 from South Carolina said if he had one more base
4 it would sink the whole State of South Carolina.
5 I don't think we have to worry
6 about the State of Illinois sinking because of
7 military bases. We are lean and mean here in
8 Illinois right now.
9 What we have, we think, is not only
10 important to the community to come before you to
11 make their presentation but, even more
12 importantly, we think that it is vital to the
13 nation's defense.
14 Again, it is my pleasure to work
15 with the people you are about to hear. Thank you
16 so much for having us.
17 CHAIRMAN DIXON: Well, thank you, Governor
18 Kustra. We appreciate those remarks from both you
19 and Senator Braun, and we are pleased to welcome
20 Major General John E. Griffith, U.S. Air Force
21 retired, speaking on behalf of the Charles Melvin
22 Price Support Center.
23 And may I inquire, General
24 Griffith, are you using the entire 22 minutes

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1 allotted to you?
2 MAJOR GENERAL GRIFFITH: Sir, I expect to use
3 12 or 13 minutes for the presentation and then
4 would like to leave the balance for your
5 questions, sir.
6 CHAIRMAN DIXON: There will probably not be
7 questions. If there are any, we'll be delighted
8 to direct them to you.
9 Do you want to allow any of your
10 time to the distinguished chairman of the Madison
11 County Board, Chairman Hagnauer?
12 MAJOR GENERAL GRIFFITH: Chairman Hagnauer's
13 elected not to make a presentation at this time.
14 CHAIRMAN DIXON: I'm sorry to not hear him
15 today. I've listened to the great chairman many
16 times but with great pleasure.
17 Thank you, General Griffith. We
18 are going to present your statement in the record.
19 GENERAL GRIFFITH: Yes, Chairman.
20 CHAIRMAN DIXON: Let the record show the
21 statement of Senator Braun, Lieutenant Governor
22 Kustra and Chairman Hagnauer will all be
23 reproduced in the record. Thank you.
24 General Griffith?

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1 PRESENTATION
2 BY
3 MAJOR GENERAL GRIFFITH:
4 Mr. Chairman, thank you,
5 Commissioners, staff, I, in addition to being
6 joined by Chairman Hagnauer, and I want to
7 acknowledge Mayor Bellcoff of the City of Madison
8 and Brian Lott, who is of Congressman Jerry
9 Costello's staff, who's here this morning.
10 I'm pleased and honored to have
11 been selected to present the community view of the
12 recommended closure of the Price Support Center.
13 My comments this morning will
14 follow the outline that you see here. I will
15 discuss the various aspects of the Army's
16 recommendation, what we think about it and why,
17 some opportunities presented, and our conclusion.
18 The Army recommended -- the Army's
19 recommendation says that the Charles Melvin Price
20 Support Center's mission must be recognized and
21 adequately funded, and we certainly agree with
22 that. This is the Army's recommendation.
23 The Army further states the closure
24 of Price is related to their recommendation to

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1 relocate ATCOM from St. Louis, and a reduction in
2 the Army's presence warrants a corresponding
reduction in the Charles Melvin Price Support
Center.
5 Our colleagues from St. Louis will
6 discuss the reasons ATCOM should not move
7 following our presentations, and we should note
8 that we support their position; however, even if
9 ATCOM should move, this action is, in fact, much
10 more severe than quote, "a corresponding
11 reduction," unquote.
12 We believe the Army's rationale to
13 be flawed, as indicated here, and I will talk to
14 these areas. We will demonstrate the Army
15 deviated substantially from the closure by
16 criteria in several ways.
17 First, the military value of Price
18 is understated because ATCOM is not the primary
19 user. The Army fails to recognize the military
20 logistics value, both to the Army Reserve,
21 National Guard and other defense agencies.
22 In the next few slides we will show
23 just what a small part ATCOM is of the total
mission of Price.

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1 As Senator Braun noted, ATCOM
2 soldiers occupy only 17 percent of the military
3 family housing at Price, and ATCOM constitutes
4 only 4 percent of the transportation workload.
5 ATCOM occupies only 21 percent of the
6 administrative space on the installation and none
7 of the covered warehouse space. ATCOM occupies
8 only one-tenth of one percent of the enclosed
9 warehouse space and uses none of the open storage
10 area.
11 (Whereupon, a side
12 presentation was shown.)
13 I would like to call your attention
14 here to the pie chart on your left and, in
15 particular, to the slice of the pie labeled ILNG,
16 or Illinois National Guard.
17 I have visited recently with the
18 adjutant general of the State of Illinois. He
19 would like to locate more National Guard units at
20 Price rather than be forced out.
The Illinois National Guard will
have a major construction bill to face if they
23 must relocate the unit equipment currently at
24 Price to East St. Louis.

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1 Additionally, the Guard uses Price
2 as a training ground for the heavy equipment
3 operators. No other space is available locally to
4 facilitate that training, and the Army did not
5 include the National Guard in the reserve force
6 concept at Price.
7 We believe the Army seriously
8 understates the military value, and this
9 installation serves a vital support role for the
10 U.S. Army Reserve and the U.S. Army, the U.S. Army
11 National Guard, and other defense agencies, and
12 now there are still others who want to relocate to
13 Price even as the Army wants to close it.
14 As many of you know, St. Louis is
15 the transportation center of the United States.
16 The Charles Melvin Price Support Center is a real
17 crossroads in transportation mode, as indicated on
18 this slide (indicated).
19 It is one of the few remaining
20 military installations with direct on-base rail
21 service and capability and even fewer
22 installations have direct access to our nation's
23 great inland and waterway system.
24 You can see the attitude, the great

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1 location of the Charles Melvin Price Support
2 Center in this photo here, (indicating) and we'll
3 bring the lights up in a few minutes when I want
4 to talk from that chart there as well
5 (indicating).
6 Because of the location, other
7 defense activities have formerly requested space
8 at Price, and it is an example of the Navy's
9 requested over 250,000 square feet of space to
10 relocate the tooling of three models of aircraft.
11 The Navy has also suggested that a
12 joint tooling storage and distribution center be
13 formed at Price. The Air Force already uses the
14 installation to store tooling for the F4 Series
15 aircraft, thus avoiding the rent aircraft
16 manufacturers charge to maintain tooling
17 additional facilities after the production runs
18 are complete.
19 The defense contract management
20 agency wants to move an office of about 180 people
21 to Price, and, finally, the U.S. Coast Guard has
22 purchased 21 acres and will begin construction of
23 an operation and maintenance complex there later
24 this year.

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1 We believe the Army has overstated
2 savings and understated cost, both to the Army and
3 other defense activities.
4 We will offer several examples
5 wherein we believe the COBRA data to be
6 inaccurate.
7 First, in the case of the closure
8 of the military family housing, the Army has
9 claimed a savings of $1.8 million while local data
10 indicates that the annual cost to be only $1
11 million. Further, the Army did not compute the
12 cost of paying the quarters and variable housing
13 allowance for non-ATCOM occupants of military
14 housing who have to move when the facility in the
15 housing complex closes and the cost is almost $ 1
16 1/2 million per year, thus, 2.3 million of the
17 alleged savings is simply not there. The Army did
18 not consider the $700,000 now reserved in
19 reimbursables from tenants.
20 And, finally, on the cost front,
21 the Army did not report the cost of relocating,
22 nor the recurring costs of maintaining these and
23 other operations elsewhere.
24 In another BRAC action, the Army

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1 recommends merging the Army Publication Center in
2 Baltimore with the Army Publication Center in
3 St. Louis.
4 The Army's analysis for that move
5 noted that an additional 90,000 square feet of
6 space will be required at Price. This is at the
7 same time another part of the Army is saying we
8 are going to close Price, in addition to the
9 86,000 square feet of space that St. Louis
10 Publication already occupies at Price.
11 The General Services Administration
12 has informally estimated that obtaining that total
13 amount of space of commercial facilities, that is,
14 the 90,000 and the 86,000 in St. Louis, will cost
15 about $2 million per year. That space simply is
16 not available in any U.S. Government-owned
17 facility.
18 The Secretary of Defense has made
19 military housing a key readiness issue. The
20 military service chiefs have all cited the lack of
21 adequate family housing as a key factor in their
22 recruiting and retention efforts.
23 This quote is from a front page
24 article in the Washington Post of March 7th this

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1 year. Ironically, the article appeared on the
2 very date the Secretary of the Army was testifying
3 before this Commission that the Army wants to
4 close the Price housing.
5 The fact is that the non-ATCOM
6 soldiers in the St. Louis region are equally
7 central to military readiness and reserves
8 continued to be able to live in on-post military
9 family housing.
10 Even if all the ATCOM soldiers
11 occupying housing at Price today are transferred,
12 and those units are filled from non-ATCOM families
13 on the waiting list, there will still be a waiting
14 list of almost one year.
15 So, on the one hand, the Secretary
16 of Defense is saying housing is a readiness issue
17 and, on the other hand, the Army is closing
18 housing developments because they want to transfer
19 17 percent of the occupants.
20 We also do not understand the
21 Army's motive in reducing support to the reserve
22 forces when they rely more and more on those
23 reserves.
24 As we understand the Reserve

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1 Enclave Concept, it would encompass four buildings
2 at about four acres of land with the normal base
3 supports, like transportation, supply support,
4 security and fire protection.
5 I'll talk just for a moment. And,
6 again, you can see the proximity of the Charles
7 Melvin Price Support Center to downtown St. Louis
8 just across the river and to the north of the
9 downtown area, and on this map overhead,
10 (indicating) the black is the boundary of the
11 Charles Melvin Price Support Center located right
12 next to the lowermost lock of the Mississippi
13 River with the main channel of the river out
14 there.
15 The enclave concept is, as we
16 understand it -- and please understand this is a
17 little bit of license on my part in trying to
18 determine exactly what is meant, but the Army has
19 identified two warehouse buildings. There is some
20 office space there, (indicating) a building here,
21 (indicating) and that building has a railroad
22 track in it. One of the units they'll keep at
23 Price is a railroad company. So I presume they
24 want to enclave the railroad access as well.

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1 So that is, as we understand the
2 reserve complex, the reserve enclave. The green
rea there is the commissary. The commissary is
also included in an enclave.
5 The blue area (indicating) is the
6 United States Coast Guard land that they have just
7 acquired with access across the valley to a wharf
8 that they'll house their cutters and the wharf
9 facilities that were washed out in the flood of
10 '93.
11 The orange cast area there is what
12 we understand to be the Defense Logistic Agency,
13 strategic material stockpile enclave.
14 So we have a number of enclaves on
15 this 686 acre facility. This area belongs to
16 Granite City and is their waste water treatment
17 facility (indicating).
18 The Army COBRA data says that the
19 recurring cost to the Army of operating this wharf
20 concept is $105,000 a year. I simply don't know
21 how one does that for that small amount of money.
22 We also think the Army needs to
23 give greater consideration to the quality of life
ssue, both for the soldiers and families of all

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1 the other army and defense commands in the
2 St. Louis region, as well as for the thousands of
3 reservists who train at Price. We just believe
4 those soldiers are deserving of the same kind of
5 consideration.
6 We believe there's a real
7 opportunity for the active Army to continue to be
8 the host of Price and serve the needs of both
9 active Reserve and National Guard Army units in
10 the St. Louis region. Certainly, there's plenty
11 of space to expand. The Army depends more and
12 more upon the Reserve and National Guard forces
13 and again for a wonderful location for logistic
14 operation.
15 Should the active Army not find
16 this suggestion attractive, we believe the U.S.
17 Army Reserve Command should consider assuming
18 command of Price and turning it into a show place
19 and Reserve logistics operations and training,
20 then at least some of the cost of the operations
uld be offset by good business practice.
Certainly, the current tenants of
23 Price are going to have to go somewhere at some
24 cost if Price closes. Why go through such an

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1 exercise?
2 We believe there's a moral
3 obligation to provide active and Reserve soldiers
4 a quality of life service that is provided now for
5 all of those soldiers within the St. Louis region.
6 As we said at the beginning, we
7 believe the rationale is flawed. The Army has
8 overstated the military value -- it has
9 understated the military value. It has overstated
10 savings and understated costs. They have ignored
11 the readiness side of the military family housing
12 and have not considered the opportunities
13 presented.
14 In conclusion, we believe the Army
15 deviated significantly from the established
16 criteria, and we believe that upon further
17 evaluation and examination the Commission will
18 concur with our point of view.
19 Thank you for your time,
20 Mr. Chairman, Commissioners. I will be pleased to
21 respond to your questions, if you have any.
22 CHAIRMAN DIXON: Major General, we thank you
23 for yours. There's 6 minutes and 45 seconds
24 remaining if any of my colleagues have questions.

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1 As I said earlier, usually there
2 are no questions because we make the dissertations
3 as, we go, and Commissioner Lee Kling, I think,
4 spent five hours with you folks down there and I
5 think asked all the questions. He's reported to
6 us.
7 But I do want to pursue the housing
8 thing a moment with you, because I believe you
9 were in Washington when we held the hearing there
10 some weeks ago and Congressman Jerry Costello had
11 written a letter, which I read at that time at the
12 hearing in Washington, which I thought was
13 interesting, in view of the fact that the
14 Washington Post that very day had a front page
15 article about the desperate need for housing for
16 our military people in this country, and at that
17 time the congressman pointed out, as the senator
18 did today and as you did today, that only 17
19 percent of this housing is actually used by the
20 ATCOM personnel.
21 And what is the other 83 percent of
22 the housing personnel there? What constitutes
23 that other 83 percent?
24 MAJOR GENERAL GRIFFITH: Sir, I haven't got

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1 the details there. I'll be glad to provide that
2 for the record.
3 CHAIRMAN DIXON: Just generally, we would
4 like the details for the record.
5 MAJOR GENERAL GRIFFITH: Yes, sir.
6 In general terms, the United States
7 Army Reserve Personnel Center in St. Louis is the
8 largest center of occupants as far as the unit is
9 concerned.
10 You have the Defense Magazine
11 Agency, the various defense logistic agencies, the
12 Coast Guard has a couple of folks there, and
13 there's just a myriad of army commands in the St.
14 Louis region.
15 CHAIRMAN DIXON: ELE, Defense Mapping, Coast
16 Guard, that sort of thing?
17 MAJOR GRIFFITH: The United States Army
18 Personnel Center.
19 CHAIRMAN DIXON: I ask you to provide the
20 staff with that information. There are a number
21 of bases that we are discussing where there are
22 some housing units, and I think we'll want to take
23 a close look at that.
24 MAJOR GENERAL GRIFFITH: Yes, sir.

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1 CHAIRMAN DIXON: Would you do that for us,
2 General Griffith?
3 MAJOR GENERAL GRIFFITH: Yes, indeed, I
4 will.
5 May I also state that hundreds of
6 those units at Price are brand new units. They
7 were completed in 1988 to 1990.
8 CHAIRMAN DIXON: I thank you for supplying
9 that. I neglected to ask how new they were.
10 Those are new units then?
11 MAJOR GENERAL GRIFFITH: Yes, sir. Yes, sir.
12 CHAIRMAN DIXON: Thank you very much.
13 Chairman Hagnauer, you have got
14 anything to add to that?
15 CHAIRMAN HAGNAUER: I have a statement I'm
16 going to read after Missouri is done,
17 Mr. Chairman.
18 CHAIRMAN DIXON: All right. All right.
19 And any other statements either of
20 you have will be reproduced in the record.
21 Does any of my colleagues have any
22 questions of our distinguished gentlemen?
23 (No verbal response.)
24 We thank you, General Griffith.

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1 There are four minutes remaining. Should our
2 friends from the Savanna Army Depot need those
3 extra minutes, they will be allowed.
4 We are delighted to have here
5 Mr. Al Ehringer, Co-Chairman of the Savanna Army
6 Depot Task Force, the former Director of the U.S.
7 Army Defense Ammunition Center, and Ms. Karen
8 Stott, Executive Director of the Savanna Chamber
9 of Commerce.
10 And who wanted to testify or do
11 both of you want to divide the time?
12 MS. STOTT: Both of us will.
13 CHAIRMAN DIXON: And who would like to go
14 first?
15 MR. EHRINGER: I'd like to go first.
16 CHAIRMAN DIXON: Thank you. We're delighted
17 to hear from you.
18 PRESENTATION
19 BY
20 MR. EHRINGER:
21 Commissioners and Chairman Dixon,
22 we'd like to thank you this morning for the
23 opportunity to appear before you, and we have a
24 rather mixed subject.

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1 We have prepared our report in
2 response to the BRAC Commission following the
3 guidelines established for -- the guidelines the
4 BRAC established for preparing the report.
5 Our brief this morning will deviate
6 from that because we're not going to only talk
7 about the Savanna Army Depot and the Defense
8 Ammunition Center, we would like to talk about the
9 national ammunition storage problems, and I might
10 just add that everything in my brief here we have
11 backup data. We have army studies to back up and
12 support what we are to say.
13 I might add that we are not
14 including our personal opinions, and many of us on
15 this study group are people who have spent a
16 lifetime in the field of ammunition and we are
17 retired, but we just didn't work this kind of Army
18 depot. We traveled worldwide. Every one of the
19 people on the study group have practically visited
20 every ammunition depot overseas before they
21 retreated or returned back here. We have visited
22 and are very familiar with every ammunition depot
23 here and in the United States, so this all ties
24 into a real serious national problem.

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We would like to first point out that due to the time restraints that we have we will not go into detailed costs on dollars, but we will give you dollar roll-ups.

We would, first of all, like to commend a basic study that if you gentlemen would have the opportunity we are providing to each one of you as an opportunity to read a study that provides guidelines and the condition of our ammunition stockpile in the United States.

Now we are Army employees; however, the Army is responsible for storing at wholesale ammunition for all the other units, for instance, for the Air Force, for the Navy, for the Marine Corp and the Army. So we are talking about a national storage crises.

In this area there has been a very professional study made by ammunition logistical experts who, under the ILC, have prepared a study called "Wholesale Ammunition Stockpile Program." It's also referred to by the acronym "WASP," and it's dated 1993 -- October of '93.

Now this study is an excellent and highly professional study. We totally support the

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accuracy of what it says and the manner in which it is approached.

It identifies the problem areas. It identifies what might be due to change and assist in the problem and correct it. On the other hand, the Army has prepared studies to implement the closure of certain Army depots.

It is inconceivable that we would want to close any ammunition depots at this time, and we'll give you the facts, and our facts now are not ours. They are Army figures.

There is no excess ammunition storage space in the continental United States. There are 11 ammunition depots currently existing. Three of them are scheduled -- are proposed for closure. The depots proposed are Savannah Illinois; Scheneckady, New York; and Sierra, California.

This shortage of ammunition storage space was identified and forecasted in the 1993 WASP Study. To alleviate, one of the comments in the WASP Study was in part on a very active and vigorous demilitarization program.

Now demilitarization in ammunition

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means that you are rendering the military ordnance incapable of its intended use.

Now the program for FY 94 is funded at $110 million. It is our understanding that this 110 million has not been totally furnished, however, it is -- I think it's in the $95 million figure right now, and we'll show you in just a minute this amount of money, and we have private industry and the ammunition depot all coordinated and all trying to demilitarize ammunition as fast as they can, but the returns from overseas and from the entrenchment of the number of troops, and so, therefore, there are basic loads coming back into the wholesale storage program. It is creating a very, very difficult position.

As of right now, we have absolutely no storage space and, even after spending about $96 million, we have made no inroads into this backlog of ammunition that's scheduled for demilitarization.

The May 1994 Army plan documents that magazine space must be analyzed. First of all, I like to go back to demil. Demil this year is at 96 million with a potential of a 110

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million. Next year it will be reduced to approximately 96 million. The next year it is at 32 million, then through the year 2203 it is cut back down to 35 million.

Well, if we can't breakeven right now with these huge tonnages coming back to the United States and we are not reducing the tonnage, we are in sad, sad shape, and we currently have about 400,000 tons of ammunition scheduled for demilitarization at the depot right now.

There is ammunition, large quantities, large tonnages of ammunition stored outside, which is acceptable, but it's a temporary measure. It's a hazardous type of operation to conduct; however, they thought the demil program will accomplish more demilitarization than it has.

On this reduced funding for the demil Program, at the end of 2003, instead of having 400 or 400,000 tons in storage in the bases here in the United States, we'll have $713,000 tons in storage scheduled for demilitarization we are not keeping up with. It's outgrowing us so very, very rapidly. The program is underfunded.

The place -- the ammunition must be

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1 stored within the constraints of federal law
2 established by the American people of distances.
3 That's why ammunition depots are located, for the
4 most part, at highly remote areas to get them away
5 from the public because of the hazard involved in
6 operations.
7 In May 1994, the Army documents to
8 concurrently realign depot tiers, establishing
9 what they call "Tier-One Depots." This is a
10 concept that is not new.
11 I started back to work in 1941 and
12 after World War II the Ordnance Board -- at that
13 time they called it "lead depot" instead of a Tier
14 One Depot. They called it lead depot, and so --
15 was discontinued because it was found to be
16 faulty.
17 We believe it is still faulty, but
18 the point is with this huge -- why don't we focus
19 our funds, such as we have in our total effort
20 towards Demilitarization, but we want to
21 concurrently also move 2.1 million tons of our
22 national stockpile out of a total of 3.1 million
23 tons.
24 Our national stockpile is 3.1

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1 million tons at this time, but to accomplish this
2 tier, it's going to require a movement of
3 two-thirds of this material (indicating).
4 Now for our purposes and in our
5 study this is an assumption that our study group
6 made. We made the assumption that only 25 percent
7 of that ammunition had to be moved inter-depot and
8 the rest of it would be -- that 75 percent would
9 be intra-depot movement. Our figures are based on
10 that assumption, which may or may not be valid.
11 We do not know.
12 We have determined -- our study
13 group has determined that the cost would be $185
14 million to accomplish this realignment. The Army
15 estimated $22.4 million to accomplish this
16 program. This is all documented in our study.
17 Continental U.S. ammunition space
18 -- ammunition storage space has been adversely
19 impacted by the record rate of ammunition from
20 Europe to Southwest Asia and reduced Army force
21 structure.
22 What is not identified and what has
23 not been placed into this study, that we are aware
24 of, is that the tonnages that will be coming --

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1 excess tonnages coming back from Army units, their
2 basic load and things like that, will be coming
3 into the wholesale Army storage system, and we do
4 not know specifically the material that is coming
5 to the ammunition wholesale system from the Navy
6 and Air Force.
7 So those factors must be factored
8 in, but all they do is to complicate a very
9 grossly overloaded tonnage of ammunition in our 11
10 depots.
11 Now if we close, as proposed, the
12 three tier depots, they store around 450,000 tons
13 of ammunition right now, that would be
14 superimposed on already an overloaded system.
15 Now I like to -- now after saying
16 these things, I like to just mention the fact that
17 we would like to talk about the Savanna Army Depot
18 activity and the U.S. Army Defense Ammunition
19 Center and School.
20 I might add that I was ordered by
21 the chief ordnance from Savanna to come to Savanna
22 in 1950 to establish a school. At that time,
23 ordnance had certain special missions that they
24 assigned to that depot commander at which were not

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1 germane to the depot itself, but they were to
2 support the National Ammunition Program. They
3 were called "Special Missions."
4 I subsequently was in charge of the
5 that area, as well as the school, and then,
6 subsequently, I became the civilian executive to
7 the commanding officer.
8 In 1971, I was selected by the AMC,
9 the Army Material Command, as the first director
10 of the Defense Ammunition Center School, and,
11 subsequently, I have retired from that area.
12 But the facilities in Savanna are
13 unique. It is not a typical ammunition depot, that
14 we have many storage structures there. We have
15 had many facilities that not available at other
16 installations.
17 We have an explosive waste
18 incinerator. There are only three in the United
19 States. This is associated equipment, that is,
20 meets all state and federal government
21 environmental laws and it is built and sitting in
22 standby at the Savanna Army Depot. It has not
23 been work loading. Work loading Savanna with its
24 waste incinerator would aid in reducing the

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1 demil -- the inventory of demil ammunition in the
2 United States.
3 We would like to see that it be
4 utilized to join with private industry and with
5 the other depots. Let's get this stockpile of
6 unwanted ammunition out of waste.
7 We also have the single source only
8 building and facility for the depleted uranium
9 rounds of ammunition, and it's a one-of-a-kind
10 facility. Right now there are 66,700 rounds of
11 depleted uranium ammunition that is scheduled for
12 Demilitarization; however, the facility remains
13 closed. Why? I can't give you an answer, but it,
14 too, should be an active producer and an active
15 member of the total demil effort.
16 The facilities for explosive
17 storage at Savanna are in total compliance with
18 the Department of Defense's explosive safety
19 standards and have been maintained in excellent
20 structural condition.
21 Savanna has been misnomered as
22 having a poor capability to respond to national
23 emergencies. We have documentation to prove that
24 it is the number one depot in the United States in

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1 their response to requisitions.
2 The engineering design of the
3 Savanna Army Depot, which is served at the
4 magazine by both rail and road, contributes to
5 this ability to respond.
6 Savanna Army Depot also is the
7 tenant or has a major tenant, the Savanna U.S.
8 Army Defense Ammunition Center and School.
9 The facilities at Savanna provide
10 an environmental ammunition backup and now use of
11 the ax is not an element for closure but it is for
12 relocation. We'll give you backup information to
13 show you the facilities that are utilized at
14 Savanna therein that it has a campus-like
15 atmosphere for the school. Everything is
16 state-of-the-art facilities. The engineering and
17 pilot model shop is in excellent condition, and I
18 would just like to point out -- I'm going to skip
19 on now because my time is getting away from me.
20 I'd just like to --
21 CHAIRMAN DIXON: Mr. Ehringer, you have three
22 minutes and 48 seconds left. I don't know how much
23 time you are going to allot to Ms. Stott.
24 MR. EHRINGER: A few minutes, sir.

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1 We would like to first say that
2 there's no access ammunition storage space in the
3 national stockpile, that demil stock continues to
4 grow faster and demilitarization is accomplished.
5 Retention of use of the access to Savanna will
6 save $57 billion.
7 The Army has substantially
8 underestimated the cost of moving ammunition from
9 Savanna to relocation to the use of McAlester, and
10 the tiering concept for ammunition should be
11 abolished. The decision to close the Savanna Army
12 Depot and relocate use of that should be reversed.
13 I thank you, sir.
14 CHAIRMAN DIXON: I thank you, Mr. Ehringer.
15 Ms. Stott, we are going to allow
16 you five minutes. We have a little extra time.
17 Will the timer please allot
18 Ms. Stott five minutes.
19 Ms. Stott?
20 MS. STOTT: Thank you. I appreciate that.
21 PRESENTATION
22 BY
23 MS. STOTT:
24 Chairman Dixon, Mr. Kling and

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1 Commissioners, we have no doubt that closing the
2 Savanna Army Depot and moving of USADCS, a very
3 valuable and definitely military valuable asset,
4 will have a very negative effect upon our area.
5 I have a few visuals, particularly
6 I'd like to show you exactly where the Savanna
7 Army Depot is located on the handouts that were
8 being passed around today. We are not there
9 (indicating). We are up in the northern corner of
10 the county of the state. Those two counties, Jo
11 Daviess and Carroll counties, (indicating) will be
12 negatively impacted. And I'd just like to show
13 you in these visuals something of the economic
14 factors that already impacts these areas. The
15 closure of the depot would be superimposed on top
16 of these characteristics.
17 So, first, directly three hours
18 west of us -- we are in a very rural setting and
19 our population has been going down. The census
20 shows that our county lost 11 percent, Jo Daviess
21 County lost 7 percent in the last census. Also,
22 we have not a great diversity in our economic
23 base. We depend a lot on agriculture and we all
24 know the state of agriculture these days.

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1 Also, we are an aging -- we have an
2 aging population. Nearly 20 percent of our
3 population is aging and no longer in the work
4 force. We also have a 20 percent poverty rate in
5 Carroll County at this point before any kind of
6 closure is being proposed.
7 So our premise is that closure in a
8 setting that is rural and remote like this will
9 have a much different impact than a closure of the
10 same kind of facility in urban or suburban areas.
11 We went to Northern Illinois
12 University where the Center for Governmental
13 Studies to help us determine the exact impact on
14 our area to help us do our home work, and these
15 were some of the conclusions that we drew, that
16 there will be a negative impact on four specific
17 areas: the employment, the personal income, the
18 retail activity and the tax revenue. I'd like to
19 talk about each specifically and just highlight
20 the important points.
21 As far as jobs go, we'll lose 624
22 jobs, 400 from the base, 224 spin-offs. That will
23 potentially increase our unemployment rate by 2.8
24 percent, putting our unemployment rate at 610.6

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1 percent -- 10.6 percent, which would be one of the
2 highest unemployment rates in the entire State of
3 Illinois.
4 Another thing that I would like to
5 highlight about the wages, we know that
6 approximately $17 million in wages will be removed
7 from our economy should the base close and move to
8 McAlester, Oklahoma.
9 The highly-skilled and
10 highly-trained people at USDACS at this
11 one-of-a-kind facility in the world pays much
12 higher wages than people in the military.
13 So the kind of wages that are
14 disappearing from our economy are more in the top
15 level, and they represent 10 percent of the total
16 private payroll in our two counties, and as far as
17 other economic activity, we know that we would use
18 345.5 million in sales, 27.1 million as a result
19 of Savanna's closing and use of the USDACS
20 relocating, not that these two concepts have to be
21 tied together, and 8.4 million from other
22 businesses, the spin-off effect. The retail will
23 lose approximately 2 million, and service
24 industries approximately 2 million.

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1 And the final thing that we are
2 going to have time to look at is the loss in tax
3 revenue to the State of Illinois. There will be
4 over a million dollars in tax revenue loss, of
5 course, in sales tax and income tax. The local
6 economy will lose approximately $1 million in
7 property tax and sales tax.
8 We are -- we wouldn't have any
9 local presence without mentioning our schools.
10 Every place that you will visit will have this to
11 say to you, I'm sure, that our schools will lose
12 7 percent of their enrollment.
13 And then we think there's one
14 factor that perhaps you haven't figured into, the
15 return on investment. If USDACS is, in fact,
16 relocated to McAlester, you will probably incur
17 about $14 million in cost to purchase the homes of
18 the USDACS personnel that do relocate provided
19 that that percent to relocate that was predicted
20 in the COBRA data and that will be superimposed on
21 the loss of value that we already see in our land
22 and our buildings. There's already a trend.
23 So it's not highly predicted that
24 we are going to resell these homes without having

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1 to put government investment into shoring up the
2 cost for the use of USDACS people that are moving.
3 I think USDACS people are a very
4 valuable asset to the military. That has not been
5 questioned. You know, USDACS is scheduled to
6 move.
7 I know we have seen data that
8 one-third of the personnel that have retired from
9 USDACS have retired back in our area. There's a
10 certain culture that people have spoken to us
11 about, the culture of those people that work
12 together.
13 So we really encourage BRAC to
14 consider other alternative solutions to this
15 problem that would be more specific to the
16 economic condition that we live in and to the
17 training of our labor force. Please consider
18 alternatives possibly. Thank you.
19 CHAIRMAN DIXON: Thank you, Ms. Stott, and
20 thank you for bringing State Representative Ronald
21 Lawfer here. He's in attendance in the audience
22 and representing Savanna. We appreciate his
23 coming.
24 Ladies and Gentlemen, we appreciate

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your fine outstanding presentations by all of you, as well as Senator Braun and Governor Kustra, and if you have any other information you care to put in the record, please contact our staff and it will be appropriately reproduced in the record. Thank you very much.

State of Missouri is allotted 60 minutes.

(A brief pause.)

Ladies and Gentlemen, we are pleased to have the distinguished representation from Missouri, including Governor Mel Carnahan and the distinguished Mayor of St. Louis, Mayor Freeman Bosley, Jr.

If you will please be seated, we are going to proceed. These distinguished people are entitled to your attention.

The State of Missouri. The Commission is pleased to greet the distinguished governor of the State of Missouri, Mel Carnahan, for four minutes.

Governor Carnahan?

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PRESENTATION
BY
GOVERNOR CARNAHAN:

Senator Dixon, Commissioners, we very much appreciate your granting us this time to --

CHAIRMAN DIXON: Governor -- please stop the clock. We'll start over. I humbly apologize. It's hard for me to remember that I have to swear you all in. I hope you'll take no exception, and would you please raise your -- stand and raise your right hands, all of you.

(Witnesses sworn.)

Thank you, Gentlemen. That's required by federal statute.

Governor Carnahan, we are pleased to have you here, sir. Please proceed. I apologize for the interruption.

GOVERNOR CARNAHAN: I want to thank you for providing us with this time to present our case. I want to thank the Commissioners and the staff for their attention during the site visits both at Fort Leonard Wood and at the Aviation and Troop Command.

Earlier you heard from the Illinois

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delegation regarding the Charles Melvin Price Center, and we, in Missouri, are certainly supportive of their efforts to keep that facility open.

We are here, of course, to address the future of the United States Army installations in Missouri, and so first I would like to have a few important words, and I'll kind of make them a few, about Fort Leonard Wood.

Fort Leonard Wood, as you know, is a state-of-the-art facility set the standard truly for training engineers and not only for the Army but for the whole Department of Defense, and that facility, Fort Leonard Wood, has the facilities and the resources to support additional missions, such as the Army's chemical decontamination training facility that's under consideration.

Yesterday -- and this is the news that I want to present to you -- the Missouri Department of National Resources announced the issuance of two permits and released a third preliminary permit for public comment.

You may notice that this is probably ahead of any schedule that anyone would

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have expected. I'm also advised by the director of the Department of Natural Resources that no hazardous waste permit is required, and this is largely due to the new pollution prevention activities undertaken by the Department of Defense over the last two years.

Every step is being taken to protect the environment but also to insure that the mission transfer contemplated is successful.

Fort Leonard Wood has served as a vital asset to our company's military for over 50 years. We are going to do all we can in our power to see that we serve for many more.

Now I would like to turn our attention to the principal reason we are here today and that is to address the proposed closure of the Aviation and Troop Command, ATCOM, in St. Louis.

First, as governor, as you would expect, I have made economic development the top priority, and I'm working in cooperation with many of the same people that are appearing here today both to create jobs and new businesses and certainly recommend to the retention, and, we

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1 certainly do not want to see the thousand of jobs
2 leave that would be involved.
3 To put this in perspective, ATCOM
4 is a $2 billion industry in Missouri, and so,
5 therefore, of course, closing would be tragic.
6 I would remind you that Missouri
7 and the St. Louis area, in particular, has taken,
8 we believe, more than its share of the burden of
9 defense cuts.
10 When ATCOM was created, as a result
11 of the 1991 base realignment, 500 jobs were lost
12 at that time, and cutbacks in the defense
13 contracts have caused the loss of thousands of
14 jobs at McDonnell Douglas in St. Louis. So we
15 cannot afford to lose ATCOM because too much has
16 already been invested, both financially and
17 socially, but, furthermore, ATCOM will not only
18 hurt -- the closing would hurt Missouri's economy,
19 and this is the part that I think we can address
20 to you, it wouldn't be in the best interest of the
21 military and the best interest of the American
22 taxpayers.
23 The fact is that from aviation
24 services to food, water and clothing, ATCOM

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1 affects every soldier in the Army every day, and
2 the time lost dismantling, relocating and
3 rebuilding ATCOM, is an unnecessary risk and could
4 have an adverse effect on our readiness, but the
5 question that we can, I believe, answer for you
6 that you're asking -- you should ask is does the
7 taxpayer save money by the proposal.
8 Since no one is discussing the
9 elimination of service that ATCOM provides, we are
10 forced to compare the cost of the savings of
11 relocating ATCOM to another facility. One of our
12 findings demonstrate that moving ATCOM would cost
13 the American taxpayer literally tens of millions
14 of dollars.
15 Now here with me today are leaders
16 and experts who are going to present the details
17 of our case. They'll show you, I believe,
18 conclusively why the Army's recommendation is
19 wrong and should be changed by the action of this
20 Commission.
21 We have a strong tradition in
22 Missouri of supporting the military and being a
23 part of the military installations and
24 enterprises. We certainly want to continue that.

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1 So we do appreciate your consideration.
2 I would like to present, if I may,
3 Mr. Chairman, the Mayor of the City of St. Louis,
4 Mayor Freeman Bosley, Jr. He's an energetic and
5 effective mayor for our City of St. Louis and he
6 leads an impressive bipartisan coalition of
7 business, labor, public officials and members of
8 the public, and I believe that you will be
9 impressed both by him and with the very solid
10 analytical case that we can put before you
11 supporting our case to continue keeping ATCOM in
12 St. Louis. Thank you very much.
13 CHAIRMAN DIXON: Thank you very much,
14 Governor. And the Commission, of course, is
15 delighted to welcome the distinguished Mayor of
16 St. Louis, Mayor Freeman Bosley, Jr.
17 PRESENTATION
18 BY
19 MAYOR BOSLEY:
20 Thank you. Thank you very much,
21 Mr. Chairman. Good morning, Members of the
22 Commission. I like to thank you for the
23 opportunity to address you today. I would also
24 like to thank the Commissioners for undertaking

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1 such a difficult and enormous task. Your service
2 is definitely to be commended.
3 I bring you greetings on behalf of
4 the over 2 million people in the St. Louis,
5 metropolitan area, and I'd also like at this time
6 to recognize over 200 ATCOM employees who have
7 taken vacation time to get on a bus at 4 o'clock
8 in the morning to be with us here in Chicago.
9 (Applause.)
10 I firmly believe that ATCOM should
11 be removed from the closure list. Other members
12 of the St. Louis Defense Taste Force will give a
13 far greater detail on our reasons why, but I just
14 want to share some brief observations with you
15 this morning.
16 I'm sure you know of St. Louis'
17 significant history relative to the aviation
18 industry dating back as far as Mr. Charles
19 Lindberg. That presence is underscored by
20 McDonnell Douglas, a world class leader in the
21 aviation industry, who is headquartered in
22 St. Louis.
23 We have a business base and skilled
24 personnel essential to the industry. ATCOM, in

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our view, is efficient because of the support from the local aviation industry. The ability to draw on local expertise is critical to ATCOM's operations. Moving would destroy that relationship.

Closing ATCOM would have a devastating impact on a reasonable economy, which contributes almost $2 billion to the St. Louis, Missouri metropolitan region. Not only would closure have a serious financial impact, but the impact on the work force would be tremendous.

Ninety-five percent of ATCOM's employees are civilians, and the impact is even more detrimental to employees, which constitute 30 percent of the work force, and to women, who constitute 47 percent of the work force. Taken together, minorities and women make up 58 percent of the employee base at ATCOM. Studies have shown most of these employees would not relocate.

ATCOM employees are some of the most highly-trained and most well-educated individuals. The opportunity for professional advancement is excellent.

The Army is one of the institutions

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in this country that has strong -- that has a strong record of improving career opportunities for African Americans and women, especially in urban areas. ATCOM's move would certainly destroy those opportunities.

As mayor of a city, there would be a tremendous impact by closure. I urge you to reject the Army's recommendation.

As a person whose mother was able to put food on our table and pay our mortgage, she received over 25 years of support from ATCOM.

I urge you to consider the positive aspects of remaining in the St. Louis community. As a father who sympathizes with the families impacted by your actions, I urge you to think about the people who are affected by your decision.

I'd like to thank you for the opportunity to present ourselves this morning, and at this time like to introduce Mr. Richard Fleming, who's a chairman of the St. Louis Defense Task Force.

CHAIRMAN DIXON: Thank you very much Mr. Mayor. We are delighted to have Richard C.

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Fleming, the President and CEO of Regional Commerce and Growth Association of St. Louis.

PRESENTATION

BY

MR. FLEMING:

Mr. Chairman, thank you, and I'm delighted. I think I'll take advantage of the podium. Thank you, Mayor Bosley, Chairman Dixon, Commissioners. Thank you for providing this opportunity for us to address the Commission on behalf of the employees of the Army's Aviation and Troop Command, ATCOM, the Program Executive Office, and PPO, and the Systems Integration Management Activity, SIMA, as well as the citizens of the greater St. Louis region in tandem with our Illinois colleagues regarding the Illinois Price Center.

We appreciate the efforts of your Commission and the difficult task that lies before you. We are confident, however, that your deliberations will be fair and objective, and that is why we are here today.

Let me introduce Colonel Philip Hoge, who's joining our delegation and will be

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available to respond with the rest of our delegation to any questions you may have.

Colonel Hoge is the director of the St. Louis Defense Task Force. He's been retired from the Army since 1985, after 31 years of service. His experience includes troop command, research, development and acquisition assignments and as inspector general of the Army Corp. of Engineers.

Also, at the table is an expert witness on the real estate aspects of this proposal, Thomas L. Walker, from the GSA, who I will introduce to you in a few moments.

Mr. Chairman, our team intends to prove to you and your fellow Commissioners, beyond a shadow of a doubt, that the Army's recommendation to disassemble ATCOM is fundamentally flawed, that their cost and savings figures are totally unsupportable and that this recommendation should be rejected on its face.

We'll begin with a brief overview of the Army's recommendation to your Commission regarding ATCOM, then discuss our analysis of the recommendation. We'll review the negative impact

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1 this recommendation will have on the readiness of
2 the aviation fleet and the devastating impact it
3 will have on the work force.
4 Finally, we will conclude with
5 several alternatives that we believe the
6 Commission should seriously consider in its
7 deliberations.
8 The Army is recommending that ATCOM
9 be disassembled, that the facility be vacated and
10 its various missions and functions be moved to
11 sites indicated.
12 Approximately 150 jobs are
13 proposed to be transferred to Natick, Monmouth and
14 Detroit, with the preponderance of jobs, 2400,
15 being proposed to be relocated to Huntsville
16 associated with ATCOM Aviation functions.
17 This is our conclusion regarding
18 the Army's recommendation. We intend to prove it
19 to you here today. We urge the Commission reject
20 the Army's recommendation for nine specific
21 reasons: (1) military value analysis, which is
22 required by the law, is simply not performed for
23 this command; (2) the Army's recommendation
24 contradicts its own stationing strategy; (3) and

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1 (4) its financial figures are wrong understating
2 costs, overstating savings; (5) its
3 recommendation -- in its recommendation, the Army
4 evaluated ATCOM as if it were housed on
5 privately-owned property, not government-owned
6 property; (6) without question, the Army's
7 recommendation will have a severe negative impact
8 on aviation readiness; (7) it is going to result
9 in the decimation of a highly-trained worked
10 force; (8) in our discussion with the financial
11 data, we'll show you that the Army did not
12 evaluate SIMA or the other government activities
13 that are associated with the St. Louis federal
14 center, and (9) and, finally, there are other
15 alternatives, which would truly achieve
16 significant savings without generating increased
17 cost that we believe should be considered by this
18 Commission before making any final decision.
19 The Base Closure Law clearly states
20 that the Defense Department is to make closure of
21 realignment recommendations on the basis of the
22 four structured plan and final criteria for all
23 installations, including leased facilities.
24 The Defense Department identified,

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1 as you know, eight specific criteria and
2 instructed each service to give priority
3 consideration to the first four for evaluating
4 military value. When it came to ATCOM and SIMA,
5 the military value analysis was simply not done.
6 This chart is from the Army's own
7 management control plan. It describes its
8 analytical process (indicating).
9 As you can see, the military value
10 analysis plans were applied at this phase being
11 pointed to of the deliberations (indicating). It
12 is not until a later phase that leased facilities
13 were even incorporated into the process.
14 As you can see, leased facilities
15 were not considered until well after the military
16 value criteria were applied.
17 Through Congressman Gebhardt, we
18 brought this legal issue to the Commission's
19 attention. Questions were asked of the Army at
20 your March 7, 1995 hearing in Washington, D.C.
21 Here are three excerpts from the written
22 response:
23 First they said a thorough analysis
24 of all leased facilities was performed, then they

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1 stated leased facilities, in general, have low
2 military value. Finally, they said the Army's
3 leaders considered the military value of ATCOM in
4 its deliberations. We see no evidence to support
5 that statement.
6 For the Commission's consideration,
7 we offer a sample of four installation charts
8 presented to the Secretary of the Army for his
9 final closure decision.
10 As you can see, each chart has a
11 military value assessment box used for
12 deliberations, except for one, ATCOM. This was
13 the case where all 15 leased facilities that were
14 evaluated by the Army.
15 With that, what are we to conclude
16 about the fair application of military value
17 analysis to ATCOM?
18 The Army's own data and their
19 responses to this Commission leave little doubt
20 that it deviated from the criteria and did not
21 evaluate ATCOM's SIMA military value.
22 In sum, the Army did not treat
23 ATCOM or SIMA fairly and equally as clearly
24 required by the law.

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It should be noted here, Mr. Chairman, that the Army was the only service to take this approach. Both the Navy and the Air Force performed military value analysis of each of their leased facilities.

Next I'd like to focus on the Army's stationing strategy. The Army's recommendation to relocate ATCOM's functions not only contradicts this strategy but actually decreases efficiency. Redstone Arsenal, where the aviation division is proposed to be relocated, does not currently perform any aviation-related functions, including R and D procurement or logistics activity, and, on the other hand, the Army can better achieve its own stationing strategy in St. Louis, which is a world center for the military and civilian aviation industry.

Numerous businesses that supported this industry have located in the 2.5 million population St. Louis metro area and are today providing ATCOM, without standing, products and services.

Moving ATCOM's aviation function to Redstone would terminate the efficiency that has

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been developed and decimate the economic relationship currently enjoyed between the Army, aviation activities and their suppliers.

Beyond Redstone, the Army's recommendation to create the national inventory control point at Natick, Massachusetts, also violates the DOD policy.

Continuing with the issue of efficiency, in 1993 the Army reported ATCOM to be one of the most efficient commodity-oriented installations ranking higher than three of the four proposed installations for current relocation.

As this chart shows, the facility cost per employee is over six times greater at Redstone and 17 times greater at Natick than it is at ATCOM, 1800 per person at ATCOM, $11,000 in Redstone, $32,000 at Natick. I will come back to this issue a bit later.

Criterion one, the military value addressed is of readiness. If history is any indication of future conflicts, aviation is the first asset deployed in time of crises. In the Persian Gulf it was the Army Apache helicopter --

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excuse me -- which fired the first shot beginning our offensive operation.

ATCOM was instrumental in insuring that aviation assets were properly prepared to perform their wartime mission.

We have extensively researched the impact this recommendation would have on aviation readiness. We can report to this Commission today, without hesitation, there will be a severe degradation in operational readiness as a result of this recommendation.

As this chart indicates, a drop of 20 percent in operational readiness is projected, flight safety response time would increase by a hundred percent, and the time required to replenish spare parts would increase by at least 12 months. These figures would be compounded by the loss of the highly-trained St. Louis work force.

On the conservative side of this issue, it has been estimated that it would take longer than five years to recover if this recommendation were to be implemented.

Can we afford a five-year risk for

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those commanders responsible for our national defense?

Let me briefly expand on what Mayor Bosley mentioned on the work force. They are well educated, stable work force with deep roots in the St. Louis community; 30 percent are minority, 47 percent are women.

The area is cost-effective with regard to salaries, and in that ATCOM salaries are 99,000 below the average figure even used in the COBRA model; furthermore, the St. Louis Defense Adjustment Project recently completed a study of McDonnell Douglas' reorganization and concluded that more than 50 percent of those affected did not move from St. Louis, even though they had specific jobs at a relocated site. The Army can expect a similar response to the proposed ATCOM move.

I present this slide to document the point that the personnel reduction number suggested by the Army will result in a significantly negative impact on readiness, which the army has failed to realize.

This chart depicts the Aviation and

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1 Troop Command. Its current strength is 3,268
2 employees, primarily civilian, 2,672 personnel
3 work in these four centers, which is essential to
4 fulfilling the assigned missions of command.
5 The personnel and their mission in
6 the Artic and Wishop (phonetic) Systems have been
7 told they'll be transferred in tact. The other
8 two are waiting notification.
9 There are another 596, as you can
10 see here in the slide (indicating), personnel
11 assigned to the support side of COBRA. The Army
12 states that a total of 1,022 positions will be
13 eliminated when this relocation is effected.
14 So if all 596 support spaces could
15 be eliminated, that would leave 426 spaces that
16 would have to be cut from the very muscle from
17 this organization.
18 It's highly doubtful that the
19 mission requirements could be performed and
20 gaining command without additional full-time
21 highers and/or substantial contracting out to meet
22 that mission.
23 Our conclusion, Mr. Chairman, is no
24 value added from this move; second, implementing

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1 this recommendation is going to decimate a
2 highly-efficient work force, and, finally, with
3 the loss of mission-essential personnel,
4 operational readiness will be negatively impacted.
5 In summary, Mr. Chairman, we
6 believe the Army made its recommendation to move
7 ATCOM and SIMA not on the basis of military value
8 or their own stationing strategy -- excuse me --
9 but solely on the basis of its projected cost and
10 savings analysis, criterion five, which we'll now
11 show you is itself fundamentally flawed
12 (indicating).
13 Let's focus now on the specifics of
14 that criteria, return on investment (indicating).
15 In 1993 the Army in its report to the Base Closure
16 and Realignment Commission stated, and I quote,
17 "The high relocation costs make reassignment of
18 closure of ATCOM impractical and prohibitively
19 expensive." Close quote.
20 Commissioners, I ask you what has
21 changed in the last 24 months to make the moving
22 of ATCOM impracticable or cost-effective? The
23 answer: Nothing. One would think that the Army
24 should have a significant burden of proof to tell

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1 us what has changed.
2 Next, there are the financial
3 figures reported by the Army to the Commission.
4 The Army states that its one-time cost to
5 reallocate the command would be $146 million and
6 another $3.5 million per year to support the move
7 at the gaining (phonetic) higher cost
8 installations. In addition, it claims to save $46
9 million annually and achieve a return on
10 investments in three years.
11 Let's look at the real numbers. It
12 is difficult to understand why in the name of cost
13 savings the Army would make a recommendation that
14 actually increases annual operating costs, but
15 they have.
16 The Army reports that the transfer
17 of ATCOM's functions would actually increase total
18 base operation support costs by $3.5 per year.
19 This increase in cost comes despite the supposed
20 reduction in manpower by 1,022 spaces.
21 Further, in our review of COBRA
22 data, we uncovered four additional critical costs
23 that the Army failed to include.
24 These are construction costs for

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1 relocating SIMA, its automated data processing
2 center estimated to be at least $8.1, another $2.5
3 million to move their ATP equipment, additional
4 construction costs of $21.8 if the Army is to
5 adhere to the March 8, 1995 Army directive to
6 terminate the private leases in Huntsville and
7 move those tenants on to the installation itself,
8 which I will submit, for the record, $10 million
9 to relocate the five orphan tenants, as we refer
10 to them, that remain at the St. Louis center if
11 ATCOM leaves.
12 Aggregating these four unreported
13 costs, the Arm's claim of 146 million of one-time
14 cost is understated by $42 million.
15 This line (indicating) expanded on
16 the point regarding the remaining tenants at the
17 federal center.
18 As GSA will point out in their
19 testimony, once ATCOM moves, the federal center
20 will have to be closed and the remaining tenants
21 relocated. Without question, they will be moved
22 to higher cost privately-owned facilities.
23 Conservatively, this will cost an
24 additional $3 million per year to the U.S.

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taxpayer, an expense the Army did not even consider in its calculations.

Now concerning savings, the Army based all of its supposed savings figures on the elimination of 1,022 personnel spaces. Those savings are reported to be $47 million per year. In our actual analysis, however, of the COBRA data, we found that the Army's baseline was overstated and not reconciled prior to submission.

Based on the four structure plan that ATCOM is presently implementing, we found that they have already reduced dollars by 178 personnel since the data calls were made. In addition, they plan to eliminate another 236 spaces for a total of 414 by the time the ATCOM recommendation would be implemented.

By ignoring this fact in the COBRA, the Army has actually overstated their personnel savings by at least $19 million annually. Operationally, we believe the Army also failed to use a reasonable percentage in the calculation of the number of support overhead personnel that would be transferred.

The Army claimed that less than 10

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percent would be transferred; however, if a more reasonable common standard of support personnel is used, 287 spaces would in-fact be transferred resulting in another $13 million of overstated savings.

Finally, there are 45 personnel spaces that must remain behind to support activities that are unique to the St. Louis region. If ATCOM relocates, these residual area support requirements will continue to exist.

The Army also failed to include these in their data, consequently, overstating savings by another $2 million per year.

Correcting for these personnel inaccuracies, the ATCOM relocation savings are overstated by a total of $34 million, or a whopping 73 percent.

In just a moment you'll hear from Mr. Tom Walker, who's an expert in the area of government leases and who will provide the Commission with specifics regarding the lease cost and savings associated with the ATCOM recommendation.

However, allow me just a moment to

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note that in its deliberations the Army addressed all these leases as if they were privately-owned property and concluded that it would be operationally sound to relocate from leased space to government-owned facilities.

Again, in a brief response, the Army stated that restructuring ATCOM provides a sound opportunity to relocate from leased space to government-owned space.

The flaw in this, however, is that this approach fails to look at property in terms of total financial impact on the U.S. taxpayer inspite of the GAO's specific 1993 recommendation to the Congress and the Commission on this very subject in the Battle Creek, Michigan, BRAC decision.

The point I want to leave you with here is that ATCOM is located in a government-owned facility. If ATCOM is relocated onto a military installation, the burden on the U.S. taxpayer will be even greater.

This chart (indicating) then summarizes the cost and the savings data just addressed. As you can see, if the true figures

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were inserted into the COBRA model, the return on investment is extended from the Army's claim of three years to 52 years.

In addition, we had a financial analyst run the COBRA model with the correct numbers that I previously noted. From a net present value perspective, net present value changes from a $453 million savings over 20 years to an actual loss of $91 million.

In conclusion, this is hardly a justification for the proposed move; however, we recognize that the Army and this Commission legitimately need to reduce costs.

In analyzing the Army's recommendation, we have, in fact, discovered several alternatives that would produce greater savings for Army, as well as for the U.S. taxpayer.

First, continue the downsizing currently underway at ATCOM. As stated earlier, the work force is already scheduled to be reduced by 414 personnel by 1998. That reduction would generate 48 percent of the anticipated savings without forcing the Army to pay the $180 million

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1 in unnecessary transfer costs.
2 Second, the Army should vacate the
3 expensive privately-owned leased facilities that
4 the bases currently propose to receive ATCOM
5 facilities; third, relocate SIMA with the Young
6 building in downtown St. Louis to the St. Louis
7 Federal Center. That move would significantly
8 lower the lease cost; four, create synergy by
9 moving the aviation R & D function to the
10 St. Louis Federal Center.
11 By the same token, don't destroy
12 the synergy that's taken decades to establish
13 between ATCOM and numerous related businesses
14 located in the St. Louis, Missouri metropolitan
15 area.
16 If the Army wants to consolidate
17 activities and reduce the number of installations
18 in inventory, the entire Natick operation should
19 be moved to the St. Louis Federal Center.
20 As Army data concludes, Natick is
21 one of the least efficient commodity-oriented
22 installations. In the 1993 BRAC data, it was
23 ranked at the bottom of the list, but, at the same
24 time, Natick is the tenth most expensive facility,

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1 as I noted earlier, 17 times more costly than
2 ATCOM, to operate.
3 Commissioners, we are aware that no
4 community wants its base closed and each comes to
5 you questioning some aspect of the validity of the
6 COBRA model in their particular case.
7 We are especially sympathetic to
8 your position. When it comes time for you to
9 render your difficult decisions, however, in the
10 case of ATCOM, the arguments against relocating
11 the facility are overwhelming and we believe are
12 rebuttable.
13 There's not a single argument used
14 by the Army to build their case that holds water.
15 There may be an emotional or personal reason
16 inside the Army leadership for relocating ATCOM,
17 but using the BRAC process to accomplish this end
18 is wrong and it doesn't make a good case.
19 We are completely confident the
20 facts we have presented lead to a single and
21 irrefutable conclusion, namely, the recommendation
22 to relocate ATCOM should be categorically
23 rejected.
24 The real bottom line, the real

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1 bottom line proves that the Army recommendation
2 was made without a fair and equitable application
3 for the law itself. It represents a deviation
4 from the Army's own stationing strategy; most
5 importantly, the actual numbers don't add up,
6 costs are understated by 29 percent, and total
7 savings are overstated by 84 percent thereby
8 pushing the return on investments well out past
9 50 years.
10 Finally, a major consequence to our
11 national defense, Mr. Chairman, this
12 recommendation is going to have a grave impact on
13 the operational readiness of the aviation fleet.
14 It's going to create a huge loss of
15 a highly-trained and skilled work force. As a
16 result of this, Mr. Chairman, we urge this
17 Commission to reject the army's recommendation on
18 its face.
19 Mr. Chairman, this concludes my
20 presentation. At this point I would like to
21 introduce with the remaindering of my time Thomas
22 Walker, Assistant Regional Administrator of the
23 Public Building Services of the GSA.
24 He's a professional engineer

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1 possessing a master's in business administration,
2 with extensive military facilities expertise and
3 performed as deputy director for Facilities
4 Management branch of the U.S. Marine Corp. in
5 Washington, D.C., and the Facilities Maintenance
6 Department in Penacola, Florida, and in the
7 Philippines. He's a graduate of the Industrial
8 College of the Armed Forces.
9 Following his presentation,
10 Governor Carnahan and I will be pleased to respond
11 to any questions you may have, as would
12 Mr. Walker. Thank you, Mr. Chairman.
13 CHAIRMAN DIXON: Mr. Fleming, we thank you
14 for your very excellent presentation, and we are
15 pleased and delighted to welcome Thomas Walker,
16 the Assistant Regional Administrator of GSA.
17 PRESENTATION
18 BY
19 MR. WALKER:
20 Good morning. We appreciate the
21 opportunity to appear before the Base Realignment
22 and Closure Commission. First, let me explain why
23 the General Services Administration is here today.
24 While we work well with the

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Congress, the community and the Army, we are here independently as GSA. A career member of the executive service for 22 years in career federal service, I'm here with full knowledge and support of my headquarters.

We recognize the Army has a legal right to consolidate if they prove a given move will result in lower cost and more efficient operation; however, we sincerely believe that the facilities cost is not the issue.

Together with our staff, we have responsibility for over 14 million square feet in 92 government-owned facilities and 300 private sector lease locations in Iowa, Nebraska, Kansas and Missouri.

4300 Goodfellow, which houses ATCOM, is a first-class facility. It's been praised by the public and private sector alike.

In 1994, this facility won the "Suburban Office Park of the Year" award from the midwest region of the Building Owners and Managers Association. In that class it had to compete head-on with the best of the private sector.

A second award is the International

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Facilities Management Association Golden Circle Award given to the Heartland Region of GSA in 1994. It is only the fourth time since 1985 that honor has been given for excellence in facilities management. We were the first government organization ever to receive the award.

We realize there are many issues involved with the proposed move of ATCOM from 4300 Goodfellow. We have come here today to talk about what we know and we know well, government facilities.

I spent my career with the Naval Facilities Engineer Command, United States Marine Corps, and GSA. I have developed an understanding of the costs and concerns related to government real estate assets. The Army's BRAC report and published communications have framed real estate costs as one of the issues driving the transfer of ATCOM from 4300 Goodfellow.

Here's a message we want to convey this afternoon.

The numbers in the COBRA model, and additional cost elements not considered, simply do not support this move from a strictly facilities

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perspective. In fact, it will cost the government over $140 million in increased facilities expenses over the next 10 years.

GSA will focus on our area of expertise. We have isolated all relevant facilities costs in an honest and straightforward way.

The rent my agency charges ATCOM for space at 4300 Goodfellow is $9.60 per square foot. Rents in other private and public sector sites in St. Louis range from $9 to $27 per square foot.

Obviously, the ATCOM rate is at the low end of the range. It's a bargain. But if defense is paying lower rates at lower locations in either GSA-owned private sector-leased space or army-sector sites, then out $9.60 rate wouldn't be the best option.

Defense is renting over a half million square feet from GSA in two private sector buildings just outside the base at Redstone. They're paying $15 per square foot. If the Army has to rent space in private sector buildings in Natick, Massachusetts, the cost would be over $20

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per square foot. In 1999 when a private sector lease is renewed, 500,000 square feet of space in Monmouth, New Jersey, will go over for $20 per square foot.

On Page 115 of the COBRA report, numbers state that the facilities costs are higher at the proposed relocation site than they are in St. Louis.

The report lists facilities costs at the relocation sites at $11 million a year. ATCOM pays $7,600,000 a year at 4300 Goodfellow. That is a net increase of $3.4 million a year.

I will pause to clarify two points raised regarding these numbers. First, ATCOM's annual rent is $10 million. The $7.6 million figure is arrived at by deducting 120,000 square feet for the Defense Mega Center and 120,000 feet for DFAS, neither of which would accompany them to Redstone. $7.6 million reflects the rent which would be exclusive to the move.

Second, the $11 million figure for facilities at the relocation site includes RPMA and BOS costs. I'm not certain it includes full repairs related to the BMAR as I do not have

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1 access to that information; however, GSA rent does
2 include those expenses.
3 The net increase of $3.4 million a
4 year drives the 10 year total up by $34 million.
5 These figures are straight from the COBRA report.
6 On top of that, the COBRA report proposes spending
7 $58,000,000 on MILCON at Redstone.
8 In addition, those costs are even
9 higher than they appear. You have to take into
10 account that the St. Louis ATCOM annual facility
11 cost is housing 1066 more people than Huntsville
12 and doing it at 70 percent of the cost. Adjusting
13 for the change in personnel and higher cost, the
14 annual facility cost per person is $1,850 per
15 person at Goodfellow and $3,594 per person at the
16 main relocation site.
17 There is a major cost element left
18 out of the COBRA model. The cost for SIMA
19 facilities was left off both sides of the
20 equation. There were no savings listed for rent
21 they are paying in St. Louis and no costs listed
22 for facilities at the relocation site. SIMA is
23 paying GSA $3 million per year for 148,000 square
24 feet in the Robert A. Young building in downtown

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1 St. Louis. This would be the savings that they
2 would -- if they were relocated.
3 There are two alternatives to SIMA
4 at the relocation site. One is to construct a new
5 facility to house their administrative offices and
6 high technology computer center. GSA has
7 performed an engineering study based on SIMA's
8 current requirements. The price tax for MILCON at
9 Redstone for a SIMA requirement is estimated to be
10 $36 million. This amount does not include
11 maintenance and operation expenses.
12 The second alternative would
13 require a private sector lease location. Based on
14 SIMA's current mix of space, GSA estimates that
15 the composite rent rate would be $29 per square
16 foot in Huntsville. In St. Louis GSA is charging
17 SIMA $19.95. Even at these rates, the private
18 sector lease would likely be the most
19 cost-effective alternative. Our totals will assume
20 selection of this alternative.
21 The Clinton Administration and the
22 Congress have directed that all federal agencies
23 strive to define ways to secure the lowest costs
24 on behalf of the taxpayers. That challenge

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1 requires us to investigate both the private sector
2 and other federal agencies for services where they
3 are most cost-effective. GSA has provided quality
4 product at the lowest cost available. It is not
5 necessarily a bargain for the Army to own their
6 own space.
7 Some would say the solution would
8 be to turn 4300 Goodfellow over to the Army. We
9 have had discussions exploring such an action .
10 Three reasons make it impractical.
11 First, because of GSA's revolving
12 accounts, the Army would have to transfer over $30
13 million to assume ownership of the complex.
14 Second, there are other non-Defense
15 tenants located at the facility. Traditionally,
16 the Army's facilities structure and mission do not
17 easily support other tenants.
18 And, finally, GSA has provided a
19 more cost-effective facilities program at
20 Goodfellow than any other Army for GSA location of
21 which I am aware. Their costs could actually
22 increase if they were to assume ownership. We do
23 not believe we would be doing Defense or the
24 taxpayers any favors by transferring ownership.

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1 There is a continuing misconception
2 which needs to be addressed. The reference to
3 lease cost at 4300 Goodfellow is simply
4 incorrect. This lease terminology is misleading
5 and inaccurate. This is not a leased facility. I
6 repeat. This is not a leased facility. This is a
7 government-owned complex. In terms of taxpayer
8 interest, there are no differences between a GSA
9 asset and a DOD asset.
10 The 1993 BRAC Commission previously
11 addressed this issue in the Defense Logistics
12 Agency case in Battle Creek, Michigan. They
13 concluded that the costs to GSA and all government
14 assets should be included for the true impact to
15 be accurately assessed.
16 In the case of Battle Creek, this
17 further analysis supported retention of that
18 facility. We believe 4300 Goodfellow is exactly
19 the same situation.
20 To really understand the physical
21 implications of an ATCOM relocation, I would like
22 you to see our exhibit of Goodfellow Center. This
23 is a government complex comprised of six major
24 buildings providing 1.4 million square feet of

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rentable space (indicating). ATCOM, represented in red, is the anchor tenant. They encompass early 80 percent of available space. Their departure would devastate the financial viability of the entire complex. The facility would cost more to operate than it brings in. While we could mitigate some of the operating expense, we cannot completely offset the deficit.

Our second alternative is back fill the vacant space with other tenants. As you can see, massive vacancy presents a tall order. At this time we don't see a viable large scale tenant capable of reversing the revenue versus expense equation. Our asset managers would be left with the common sense decision to move the remaining tenants and dispose of the complex. This impact was ignored by the COBRA report reports.

We estimate it would cost the taxpayers a one-time expense of $10 million to relocate and prepare space for the five remaining Goodfellow tenants. We would like to remind the BRAC Commission that two of those five tenants are Defense entities with very expensive and very specialized space requirements.

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The rent value provided to the five remaining tenants is made possible by the economies of scale at the complex. The $9 per square foot bargain could not be duplicated again by the smaller requirements. Our analysis indicates the rent for Goodfellow orphans would increase by $3 million per year.

Over the last 10 years, the government has invested nearly $150 million to modernize and mechanize this facility. The buildings and the site were custom fitted to ATCOM's evolving missions. As I indicated the low rental rate does not indicate a cut-rate facility.

We know that flexibility is critical to the mission of our defense clients. 4300 Goodfellow and the associated area allows unique flexibility to an anchor tenant.

The six buildings and an additional 300 square feet of defense property at 4800 Goodfellow can be configured for any changes to ATCOM's requirements. The property at4800 Goodfellow could be retrofitted and rented to the military at the same $9.60 rate they are paying here.

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In addition, GSA provided space, an agency has 120-day cancellation rights. This is a major advantage in decreasing staffing environments. A tenant simply notifies GSA of the scope of their space reduction and after 120 days the cost of the space becomes GSA's responsibility. No such opportunity exists if the DOD were to own their own buildings or rent from the private sector.

Because of these and other considerations, 4300 Goodfellow offers value, quality and flexibility.

I want to outline the facilities costs over a 10-year window. The COBRA report indicates a $3.4 million increase in annual facility costs for ATCOM at the proposed sites. That's 34 million over ten years.

Next, GSA estimates the one-time move alteration costs for the remaining tenants at $10 million. GSA estimates remaining tenants will face aggregate rent increases of 3 million per year. That is $30 million over 10 years.

The ultimate result of the ATCOM move would be to abandon an award winning federal

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complex only the build a brand new one for $58 million.

The SIMA move would result in a net facilities increase of $1.3 million a year at the relocation site. That would be $13 million over ten years.

If you add those numbers, you are left with the true 10-year impact of the ATCOM move from a facilities perspective. If this is about real estate, numbers clearly indicate that it's a greater taxpayer value for defense to remain in St. Louis.

From a strictly facilities perspective, the relocation of SIMA and ATCOM will cost $145 million over a ten year period. This, of course, is a higher number than that presented to Commissioners Dixon and Kling in St. Louis on April 1st. The additional cost reflects the inclusion of SIMA in our analysis.

4300 Goodfellow is truly a government asset. The cost to operate and maintain this facility is a real bargain for ATCOM, as is SIMA space in the Robert A. Young building.

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1 We realize the Army may disagree
2 with our figures. My staff and I have honestly
3 tried to isolate the realistic facilities cost as
4 best we can. Luckily, this Commission will have
5 the opportunity to verify data from all concerned
6 parties. We are confident our calculations will
7 stand the scrutiny of this review.
8 We thank you for your time and
9 consideration.
10 CHAIRMAN DIXON: Well, we thank you very much
11 for that very fine presentation, Mr. Walker, and
12 on behalf of Commissioner Kling and myself who
13 spent a Saturday afternoon with all of you in
14 St. Louis.
15 We thank you all for what, in
16 effect, has been two very fine presentations.
17 Now we have some time for a Q and
18 A. As I indicated earlier to the Illinois group,
19 there very rarely are any questions from the
20 Commissioners, because we all do the visitations,
21 but I think General Robles may have some
22 questions, and I want to recognize the
23 distinguished Commissioner, General Robles.
24 COMMISSIONER ROBLES: Thank you, Mr. Chairman.

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1 My question is directed to you, Governor
2 Carnahan. You may have these numbers at your
3 fingertips.
4 As you know, one of the central
5 issues in relocating the chemical defense training
6 facility at Fort Leonard Wood are a lot has been
7 said and written and speculated. You told us that
8 two permits had been granted recently --
9 GOVERNOR CARNAHAN: That's correct.
10 COMMISSIONER ROBLES: -- and one was just
11 recently released.
12 Could you just further clarify,
13 first of all, are those the only three permits
14 required to move that facility and operate that
15 facility at Fort Leonard Wood and, secondly, what
16 kind of permits? Are these construction permits?
17 Operations permits? Are they about water or
18 sewer, so that, for the record, we know exactly
19 and get this permit issue on the table so there's
20 no more speculation about whether the permits will
21 or will not be granted and whether the permits can
22 be accomplished in time to move the facility?
23 GOVERNOR CARNAHAN: I like to be permitted to
24 call the director of our Department of Natural

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1 Resources. You may wish to swear him if that's
2 part of your procedure. I think he could be much
3 more precise than I.
4 (Witness sworn.)
5 COMMISSIONER ROBLES: And, sir, would you
6 state your name and address.
7 DIRECTOR SHORR: My name is David Shorr. I'm
8 Director of the Department of Natural Resources.
9 My address is 200 Jefferson Street, Jefferson,
10 Missouri.
11 COMMISSIONER ROBLES: Thank you.
12 DIRECTOR SHORR: To answer your question,
13 Mr. Commissioner, three permits are required by
14 the City of Missouri: A permit for air
15 construction for the CDTF, which is the Chemical
16 Decontamination Training Facility; a water permit
17 for the base, and a permit for the smoke school,
18 which is going -- which was issued as a PSD permit
19 application to significantly deteriorate the air
20 around the area of Fort Leonard Wood. So there's
21 three permits required a hazardous waste permit is
22 required for the thirty-fourth thousand time.
23 Okay. Any other questions?
24 CHAIRMAN DIXON: I thank the general for

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1 pursuing this.
2 You are all on notice, and
3 incidentally, we do not prejudge what we will do
4 with respect to this conflict between the states
5 and Missouri. That's still a question for us to
6 resolve at some future date, but we put you on
7 notice that the State of Alabama has suggested
8 that we'll not be able to be permitted adequate
9 time.
10 Our counsel is Madelyn Ceden
11 (phonetic). As you know, I'll put all of you on
12 notice, put you all on notice that we would be
13 reluctant to act should it come down to a decision
14 that in your favor if we were of the opinion that
15 had not been adequately permitted. You are aware
16 of that?
17 GOVERNOR CARNAHAN: Yes, we are.
18 CHAIRMAN DIXON: There's another question I
19 believe from Commissioner Wendi Steele. Have we
20 concluded with the distinguished cabinet member?
21 (No verbal response.)
22 Commissioner Kling?
23 COMMISSIONER KLING: You stated -- I just
24 want to understand. You are saying that the

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1 permits will be, one, it will be for the
2 construction and, two, for the operation or do we
3 have to get something different?
4 DIRECTOR SHORR: In Missouri, under Missouri
5 Law, a permit to construct under current law is
6 all that's required under the CDTF. That permit
7 was issued yesterday.
8 COMMISSIONER KLING: Will allow after
9 construction that will allow the operation?
10 DIRECTOR SHORR: Correct.
11 COMMISSIONER KLING: I do want to again
12 suggest Madelyn Ceden is now working in the back
13 of the room. She was elsewhere on business for
14 the Commission, but you do know that counsel for
15 the Commission it's very imperative that we have a
16 legal opinion from her? And we do not prejudge
17 this. I'm anxious to make that clear. It's only
18 imperative with respect to a training question in
19 the northern tier and your permit question that
20 the procedural matters be adequately addressed.
21 DIRECTOR SHORR: Chairman Dixon, my job is
22 protecting the environment of the State of
23 Missouri. My job is not to issue permits. If
24 there was a facility that could not do what

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1 they're required to do, I have done my job,
2 period.
3 CHAIRMAN DIXON: I hope you haven't taken the
4 opinion I suggested that you didn't. Thank you
5 very much, sir. I don't want to get in trouble
6 here.
7 (Laughter.)
8 Commissioner Cornella?
9 COMMISSIONER CORNELLA: I have a question. I
10 understand there may be some dispute over whether
11 or not some masks constitute hazardous waste.
12 Maybe you could help us there with this.
13 DIRECTOR SHORR: Be glad to.
14 COMMISSIONER CORNELLA: If that's the case,
15 determine that they do, would the waste permit
16 then be required?
17 DIRECTOR SHORR: Based upon the materials that
18 we have received from the Department of Defense,
19 the current mask that is being used, which
20 contains achromic acid component, which would
21 create a chromium discharge from the incinerator
22 would be a hazardous waste.
23 Under the procedures that they have
24 followed under pollution prevention they have

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1 discontinued use of that mask filter. The
2 military should be commended for it. All that
3 means shouldn't be a last hazardous waste
4 discharge.
5 CHAIRMAN DIXON: I thank you very much.
6 Mr. Walker, would you be kind enough to yield the
7 question from Commissioner Steele.
8 COMMISSIONER STEELE: Sir, I'm not sure if
9 this will end up being common sense or a legal
10 question at the end of it.
11 When you were talking about the
12 lowest cost to the taxpayers -- I want to pursue
13 that a little bit -- is it possible for a GSA out
14 of the Federal Property Act to access that
15 facility, allow the Department of Defense to take
16 over that facility, as the department is doing
17 with other facilities to other agencies, and, if
18 so, if that is possible, getting rid of less or
19 non-less number, depending upon how you look at
20 that word? Where does that $30 million cost come
21 in to the Army if they should take over that
22 facility?
23 MR. WALKER: There's two possibilities in the
24 Army operating the facility -- three ways of

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1 operating the facility: One is GSA to operate it
2 and charge what we call "rent," in this case is
3 being used I guess against us.
4 The second would be for us to
5 delegate the facility to the Department of
6 Defense.
7 We discussed that previously with
8 ATCOM for years and they weren't interested. In
9 fact, they were talking to us about operating
10 price support prior to just getting on the BRAC
11 list. We thought we could operate it more
12 efficiently than they could.
13 The last -- the last issue is to
14 transfer the property in total to the Department
15 of Defense, and the way the procedure works at
16 present is they would have to pay us the value of
17 the property because the cost of the way the
18 Property Act works and the price is somewhere
19 between 30, $40 million.
20 COMMISSIONER STEELE: Again, just sort of a
21 common sense question, and may end up with a legal
22 answer, if the department can access property at
23 other federal agencies below cost or at, in some
24 cases, zero, would it not be logical at the end of

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1 the COBRA model to work out financial fees, and
2 all of that good stuff? Would it make sense to
3 not allow the department to also receive
4 property?
5 MR. WALKER: Not in this particular case
6 because there are other defense entities in this
7 complex. This is not a strictly defense complex.
8 The Department of Agriculture's there, Department
9 of Veteran Affairs, there's the Social Security
10 Administration in this particular complex, other
11 than the Department of Defense.
12 COMMISSIONER STEELE: I suppose the same
13 argument could apply to those other agencies as
14 well though?
15 MR. WALKER: That's transferred to them.
16 COMMISSIONER STEELE: That Veterans Affairs
17 could receive that property at no cost as the
18 department does?
19 MR. WALKER: The Office of Management and
20 Budget is taking a long-standing position if one
21 federal agency transfers property to another
22 federal agency that the federal agency receiving
23 the property pay the fair market value for the
24 property. That's the answer to your question.

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1 Office of Management and Budget has
2 a right in this particular case to supercede that,
3 as does the United States Congress, if they so
4 desire. That's the way the procedure works.
5 COMMISSIONER STEELE: So it's lowers the cost
6 to the taxpayer, except as it affects that
7 situation?
8 MR. WALKER: We don't think it lowers the
9 cost to the taxpayer for the military to operate
10 it. We are operating it, basically cost $9.60 a
11 square foot.
12 I spent 16 years with the
13 military. They can't operate the facility still
14 any cheaper than we can.
15 COMMISSIONER STEELE: Okay. Thank you very
16 much.
17 CHAIRMAN DIXON: I thank my distinguished
18 colleague. Thank you, Commissioner Steele.
19 That concludes the Missouri
20 testimony. We appreciate very much your excellent
21 presentation. I've been advised by counsel that,
22 in fact, no federal permits are required and that
23 Missouri has full authority, and so when Missouri
24 has fully satisfied counsel, and we have that in

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1 writing from counsel, we'll then be free to make a
2 judgment call. We thank you all.
3 Now, Ladies and Gentlemen, we are
4 now ready to begin a period set aside for public
5 comment. Our intention is to try to insure that
6 all opinions on the recommendations of the
7 secretary affecting these states are heard.
8 We have assigned them 30 minutes
9 for this period. We ask persons wishing to speak
10 to sign up before the hearing began and they have
11 done so by now.
12 We have also asked them to limit
13 their comments to two minutes, and we'll ring a
14 bell at the end of that time. Please stop when
15 your two minutes are up. Written testimony of any
16 length is welcome by the Commission at any time in
17 this process.
18 If all those signed up to speak
19 would raise your right hands, I will now
20 administer the oath. There should be Mayor John
21 Bellcoff, Welsow Hagnauer, Melvin C. Wilmsmeyer,
22 Franz Kraintz, Jerry Holt, Steve Haring, Ken
23 Valant, and you are all here.
24 Would you all raise your right

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1 hands.
2 (Witnesses sworn.)
3 Mayor John Bellcoff?
4 PRESENTATION
5 BY
6 MAYOR BELLCOFF:
7 Good morning. My name is John
8 Bellcoff and I'm the Mayor of the City of
9 Madison. Thank you for the opportunity to address
10 the Commission on a recommendation to close the
11 Melvin Price Support Center.
12 The Department of Defense's
13 recommendation to close the housing located at the
14 Melvin Price Support Center doesn't make sense. It
15 doesn't make sense in terms of dollars and it
16 doesn't make sense in terms of military families.
17 The recommendation is based on the
18 Price Support Center's relationship with ATCOM..
19 Eight-three percent of the housing is not occupied
20 by ATCOM, furthermore, there's a waiting list for
21 housing at Price that would remain even if all
22 ATCOM personnel were removed from the list.
23 According to the secretary of
24 defense, housing is critical to maintaining the

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readiness of the military. It is also a key factor in recruitment and retention efforts.

I hope you will retain the military housing at Price. Thank you.

CHAIRMAN DIXON: Well, we thank the distinguished mayor of Madison for his fine remarks.

Welsow Hagnauer, the distinguished chairman of the County Board of Madison County.

PRESENTATION

BY

CHAIRMAN HAGNAUER:

Thank you, Mr. Chairman. I want to thank you for the opportunity to appear before your Commission, and I have a short statement I'd like to read.

I like the Commission to note that the people of Madison County do not want the Price Center closed. General Griffith has described why the Department of Defense's recommendation was flawed. I want to explain to you what the economic impact of closing the Price Center would be on the families that depend on that center.

In Madison County, we have more

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than 31,000 veterans. Many of those veterans are retired with fixed incomes and dependent upon the commissary and base exchange for food and clothing.

The Price Center is cited for 11,000 reservists, all of whom live in our local communities. In light of increasing dependence on reservists by the military, they deserve our continued support..

In the interest of the veterans who served and the reservists who continue to serve, I ask that you give them the support that they deserve. Keep the Price Center open.

Thank you, Mr. Chairman.

CHAIRMAN DIXON: I thank the distinguished chairman of the Madison County Board.

Melvin C. Wilmsmeyer?

Mr. Wilmsmeyer, we are delighted to have you here.

PRESENTATION

BY

MR. WILMSMEYER:

Thank you. Appreciate the opportunity to speak to this Commission.

My name is Melvin Wilmsmeyer and

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I'm commissioner with the Tri-City Regional Port District in Granite City, independent, Illinois. We are located next to the Melvin Price Support Center. Thank you for the opportunity.

The location of the Price Center is unique in the U.S. I know of no military installation with access to air, water, ground, pipeline and rail transportation centrally located in America.

We truly are at America's crossroads, located just a few miles from the gateway to the west St. Louis. The strategic location and infrastructure of the port has been recognized by our clients, ADM, National Steel and others, who need products efficiently and economically transported via the Missouri River and ground and rail transportation, use our service.

As a commissioner, with a major inland port, I must emphasize that this location is one of the best in the nation. Our customers have some of the most successful businesses in the world. They recognize the significance of this strategic location.

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I hope that this Commission will recognize its importance to the defense of our nation. Thank you.

CHAIRMAN DIXON: Thank you, Mr. Wilmsmeyer.

Mr. Franz Kraintz?

MR. KRAINTZ: Thank you.

CHAIRMAN DIXON: Good morning.

PRESENTATION

BY

MR. KRAINTZ:

Good morning. Thank you, Mr. Chairman and Commissioners. My name is Franz Kraintz, Director of Economic Development with the City of Granite City.

On behalf of Mayor Ronald Self and citizens of Granite City, I appreciate the opportunity to discuss the economic impact the closure of the Charles Melvin Price Support Center will cause in the surrounding communities.

Charles Melvin Price Support Center recommended for closure is adjacent to and partly within the City of Granite City.

Granite City is categorized as an older industrial-based community of approximately

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1 33,000 persons. Over the last several decade, the
2 city lost 25 percent of its population, and median
3 family income is now lower than county, state and
4 national levels.
5 It's estimated that ATCOM and the
6 Price Support Center employs 300 residents in the
7 Granite City area. The Price Support Center itself
8 has an annual payroll of $4 million and bids $35
9 million in local procurement contracts. The
10 incomes and salaries purchase homes, cars and
11 other goods and services helping support the
12 business community throughout Granite City and the
13 surrounding area. The city itself stands to lose
14 substantial profits and sales tax revenues.
15 In sum, a whole economy with the
16 loss of the Support Center, an economic impact
17 will reverberate throughout the community. Once
18 closed, let's not forget the base's outstanding
19 attributes, central location, transportation,
20 infrastructure, and the natural resources that
21 draw from it will be difficult to replace once
22 surrendered.
23 The Support Center has served its
24 country well within the past 50 years and can

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1 serve tomorrow's military in terms of readiness,
2 flexibility and capability.
3 The BRAC Commission will see to it
4 that it remains open and continue to be a vital
5 mission of the Army.
6 On behalf of the mayor, who could
7 not be here today, I'd like to submit his written
8 testimony for the record, if it pleases the
9 Chairman, and I like to thank you for your
10 attention.
11 CHAIRMAN DIXON: Thank you very much,
12 Mr. Kraintz, and the mayor's comments will be
13 reproduced in the record and given to the folks on
14 the stand.
15 Mr. Jerry Holt?
16 PRESENTATION
17 BY
18 MR. HOLT:
19 Thank you, sir. I'm a member of
20 the staff or the Committee to Save Savanna and
21 SADA/USDACS Task Force, and recently I retired.
22 As such, I like to -- I reviewed
23 the COBRA data and the study provided to the BRAC,
24 but cost is not included in COBRA for relocating

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1 ammunition assets from the three depots scheduled
2 to close, which is approximately 450,000 short
3 turns, has been ignored it appears to be.
4 In past experience from Pueblo
5 (phonetic), Wingate and Navaho appears to be
6 seriously underestimated, which results in other
7 operations of monies from the IOC being spent to
8 accomplish the closure.
9 I would like to encourage the BRAC
10 Committee to challenge these costs, which could be
11 verified by reviewing closure costs for those
12 installations.
13 CHAIRMAN DIXON: Thank you very much,
14 Mr. Holt.
15 Mr. Steve Haring?
16 PRESENTATION
17 BY
18 MR. HARING:
19 Good morning. I'm Steve Haring,
20 the president of the Savanna Chamber of Commerce.
21 The chamber of commerce has stood side by side and
22 has played an active role with the local Save the
23 Depot Committee from Savanna.
24 We urge the BRAC Commissioners and

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1 staff to thoroughly consider all the information
2 stated today, as well as our written report.
3 When you read our report, the
4 committee addressed several errors in the COBRA
5 fact-findings, such as our figures show potential
6 costs of 185 million to move ammunition,
7 potentially 57 million in construction costs to
8 move just the use of a particular operation,
9 potentially 14 million in housing costs that would
10 have to be absorbed when moving employees. It's a
11 potential 400 million total cost avoidance would
12 be realized if the Savanna Army Depot/USDACS
13 remains in tact at Savanna.
14 If the Army depot could and would
15 be properly funded and moved to a Tier 2 base
16 status, we believe that the Department of Defense
17 and other government agencies would be shown that
18 it could be more cost-effective and operating more
19 efficiently.
20 The Savanna Depot and USDACS has
21 the people, the technology, the will, and the area
22 community support, and we thank you for the
23 opportunity to present our case here today.
24 CHAIRMAN DIXON: Well, we thank you very much.

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Senator Ken Valant?

MR. VALANT: Senator and Gentlemen and adies, I appreciate the honorarium. I'm not a enator. My name is Ken Valant.

CHAIRMAN DIXON: Well, I don't know why we gave you that title.

(Laughter.)

MR. VALANT: I certainly appreciate it.

CHAIRMAN DIXON: I'll tell you one thing. I was one and it doesn't make you any different kind of a person. I'm delighted to have you here. Ken, we want to make your testimony, and don't start the timer. I don't want him to have to pay for my speech.

Start over, Mr. Valant.

PRESENTATION

BY

MR. VALANT:

Thank you, sir. I have a very brief statement to make.

I'm a resident of Iowa and I'm a member of an elderly group that put the ammunition information together as it appears in your report.

You heard our Ms. Stott address the

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economic impact speaking to two counties in Illinois. I point out to you that there is a supplemental and sympathetic impact economically across the river into Iowa. We haven't been able to put the numbers together. We expect to put them on to you as soon as we can.

We anticipate working with the University of Northern Illinois so that our information will be in alignment with the methodology they use. We expect to do this very soon.

And I also want to say that we particularly appreciate the participation we have received from the offices of Senator Grassley, our representative Jim Leach -- one of two counties particularly impacted on the Iowa side, together with Congressman Jim Nissen. Those people have expressed a very cordial welcoming for our efforts. Thank you very much.

CHAIRMAN DIXON: Well, I thank you, fr. Valant, and you folks have used up a little ess than your time, and we thank you for that.

The folks from ATCOM had asked for 15 at one minute each. I understand they want two

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more. We would grant an additional minute each for the other two for a total of 17 at one minute each, and if they would all come up here and just begin in order and the timer will allow each one one minute. There will be 17.

May I say to the timer, and let's wait until all the distinguished ladies and gentlemen advocating ATCOM's retention all get up here, because I think from a time standpoint it will help us to keep within the framework of what we have available.

Are you all up here in front now, Ladies and Gentlemen? Please go in whatever order you would prefer. I'm sorry I don't have a list. Is there a list for the Chair?

(Document tendered.)

All right. Then if I may, go ahead Mr. -- Excuse me. Would you all raise your right hands. I keep forgetting about this. Where's my -- here it is. Would you all raise your right hands.

(Witnesses sworn.)

Thank you.

Mr. Carl Bearden?

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PRESENTATION

BY

MR. BEARDEN:

Thank you, Mr. Chairman, Members of the Commission. I'm Carl Bearden. I'm chairman of the St. Charles County Council. As a member of local government, I question how the federal government can count the ATCOM move as a real count.

ATCOM does operate in a government owned-facility, but we are operating a building that we are leasing from a private developer, who's moving to an existing federal facility, but it's not the case with ATCOM. In fact, the move is going to cost the taxpayer money.

I know local government can't play that kind of shell game and get away with it and I do think the federal government can't either. We all want to eliminate waste, but they can't be fooled by false accounting tricks any longer. We are really in cost savings. They're not really saving. If this move is any example of the cuts we can expect from Washington, we are all in trouble. I urge you to remove ATCOM from the base

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1 closure list.
2 CHAIRMAN DIXON: Thank you, Mr. Bearden.
3 Betty Thompson?
4 PRESENTATION
5 BY
6 MS. THOMPSON:
7 Good afternoon. My name is Betty
8 Thompson representing the St. Louis County
9 Executive, the Honorable John Buz Westfall.
10 ATCOM, like several other military
11 installations in St. Louis, depends heavily on the
12 highly-skilled civic employees. We would like to
13 keep them in St. Louis where they can be of
14 highest use to national defense, and St. Louis is
15 regional.
16 Let's just briefly talk about the
17 minority work force, where its roots come from,
18 ATCOM with 30 percent minority, 47 percent women,
19 with a work force with high salaries from minority
20 workers that live in St. Louis County, with stable
21 families, productivity still good, family values
22 and helping to keep neighbors safe and better for
23 all of us to live and work.
24 Why would they want to close the

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1 center? We ask people to pull themselves up by
2 their bootstraps, and now we are taking their
3 boots away. It's just not fair. Thank you.
4 CHAIRMAN DIXON: Thank you, Ms. Thompson, and
5 may the record show that your distinguished County
6 Executive, Buz Westfall, has met with us, and
7 presented his case to us, and Mayor Freeman
8 Bosley's office at great length and we are
9 indebted to you as well.
10 George Atchison?
11 PRESENTATION
12 BY
13 MR. ATCHISON:
14 Mr. Chairman, Commissioners, good
15 afternoon. My name is George Atchison and I'm here
16 as a concerned Missourian. I am delighted with the
17 possibility of the jobs of economic development
18 that may be transferred to us from Fort McCall,
19 however, I come to express some concerns and
20 information that I believe would be of value to
21 you.
22 I have been told that the previous
23 commission had told the army that they would need
24 the necessary permits prior to the move and the

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1 permit thing seems to have become discussed here I
2 think sometime, depending upon who you are talking
3 to, but I may have some reservations as to whether
4 the permits are all in tact or not.
5 The only thing I can say about that
6 with the permit -- process of obtaining permits
7 has been somewhat questionable at best. The
8 Endangered Species Act, Section 7, requires the
9 Army to consult with the U.S. Fish and Wild Life
10 Service, and if any species would be in jeopardy
11 to-date, the Army has done nothing to address the
12 impact of endangered --
13 CHAIRMAN DIXON: I'm sorry, sir. Your time is
14 up.
15 MR. ATCHISON: I wasn't with ATCOM. I thought
16 you were going to allow me two minutes.
17 CHAIRMAN DIXON: No, sir. Place your
18 statement in the record. Thank you very much.
19 Mr. Jim Cunningham.
20 PRESENTATION
21 BY
22 MR. CUNNINGHAM:
23 Always have trouble. Senator and
24 distinguished Commissioners, my name is Jim

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1 Cunningham. I'm president of the National
2 Federation of Federal Employees, Local 405, ATCOM.
3 After having been given stacks of
4 charts, documentation, figures and proposals, it
5 becomes increasingly hard to present you with
6 something that you haven't heard or have not been
7 made aware of.
8 For this reason, I'll use the short
9 time allotted to me to try to impress upon you to
10 the criticality of the close scrutiny and
11 examination of information which you have been
12 provided.
13 I know you have already realized
14 the value and significance of ATCOM, an
15 organization which has no equal throughout all of
16 DOD, and we have supplied you with the means of
17 methodology and support to preserve the agency of
18 excellence.
19 Take the time, go the extra mile,
20 make that extra telephone call and the effort will
21 surely pay maximum dividends and the realization
22 of mission readiness for the 21st Century army
23 ATCOM in tradition, responsive, fast moving, hard
24 hitting and, most importantly, we're ready. Thank

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1 you.
2 CHAIRMAN DIXON: Thank you, Mr. Cunningham.
3 (Applause.)
4 Mr. John Morris?
5 PRESENTATION
6 BY
7 MR. MORRIS:
8 Good afternoon. I'm John Morris.
9 I'm union president for SIMA. SIMA is the army's
10 logistics inter-system building. We build
11 software that runs the whole army logistics
12 system, has about 9.3 million lines. It's very
13 technical. We are a small group, about 348
14 people, of those people. We have a grade average
15 of 11.2. We have an education base of 128 degrees
16 and over 10 percent of us have advanced degrees.
17 As you can see, to run the Army's logistic system
18 through computers takes a lot of technology and a
19 lot of knowhow.
20 Additionally, we must know all the
21 disciplines in the Army. We must know the
22 readiness part of logistics as far as procurement,
23 finance, supply, all of them.
24 I just want to say SIMA is command

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1 and control. We are a readiness organization. We
2 are not overhead. We apply ourselves directly to
3 the army's logistics mission.
4 I think of us as the old George
5 Foreman. We are an old group. We are beat up.
6 We are always hungry, but we are still standing
7 and we are world champion.
8 CHAIRMAN DIXON: Mr. Larry Belgeri?
9 PRESENTATION
10 BY
11 MR. BELGERI:
12 Good afternoon. I'm Larry Belgeri,
13 Budget Analyst at ATCOM.
14 I, too, have reviewed the COBRA
15 data and I'm comfortable the numbers for the
16 closing of ATCOM, whether they're labeled
17 personnel savings of lease savings, will not stand
18 to your critical review as they failed to do in
19 1991 and again in 1993. What was prohibitively
20 expensive then is prohibitively expensive now.
21 Beyond the numbers, closing ATCOM
22 will reduce readiness to an unacceptable level by
23 virtually widening out the Army's knowledge of
24 aviation and troop support technology. This

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1 tremendous resource, this national asset will not
2 be replaced in our lifetime, but, more
3 importantly, the lives will be lost in the future
4 because the knowledge that could have been saved
5 then would have been squandered.
6 I urge you to tell the Army for the
7 third, and final, time that geographic preference
8 is no substitute for military readiness and ATCOM
9 must stay where it belongs in St. Louis. Thank
10 you.
11 CHAIRMAN DIXON: Thank you, Mr. Belgeri.
12 Mr. Brian Kichline and daughter.
13 PRESENTATION
14 BY
15 MR. KICHLINE:
16 My name is Brian Kichline. I work
17 in the aviation PEO (phonetic). This is my
18 youngest daughter, Grace, who will be three.
19 As a parent of three, two have
20 disabilities, a move would cause great hardship
21 because of medical and school concerns.
22 Currently, we go to St. Louis
23 Children's Hospital, which is one of the top
24 medical complexes. The following is the number of

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1 doctors and specialists we see each year:
2 cardiologist, endocrinologist, neurologist,
3 dermatologist, geneticist, an ear specialist,
4 physical and occupation and speech therapist,
5 high-risk newborn, pediatrician, general.
6 While researching environmental
7 public law, actual practice show in the case of
8 severe disabilities, this rarely happens. My wife
9 has worked the last three years to insure all our
10 children can go to the same school and a move will
11 lose that effort.
12 While my situation is unusual, it
13 is not unique. Please don't forget thousands of
14 families will be adversely affected. I urge you
15 not to move ATCOM. Thank you.
16 CHAIRMAN DIXON: Thank you very much,
17 Mr. Kichline. As a grandfather with a daughter --
18 a granddaughter with a disability, I certainly
19 have empathy with what you said.
20 Mr. Wayne Lindberg?
21 PRESENTATION
22 BY
23 MR. LINDBERG:
24 Good afternoon, Commissioners. I'm

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1 Wayne Lindberg. I'm from the Research and
2 Development Center, or RDEC at ATCOM.
3 The 1995 DOD BRAC report states
4 "This recommendation preserves crucial research
5 and development functions while optimizing
6 operational efficiencies."
7 This is true if a whole functional
8 RDEC were to move. The RDEC, which DOD declared
9 to be the Rotorcraft Center of Excellence for all
10 three services under Project Reliance, is
11 currently at, or below, critical mass.
12 We are one deep in many technical
13 areas. Based on informal surveys, we estimate
14 this move will cut our numbers in half. We will
15 lose whole areas of expertise and decades of
16 corporate knowledge.
17 How can the remaining 200 people
18 preserve crucial R & D functions? The answer is we
19 can't. The projected time to recover minimum
20 capability is over five years. We can't fall back
21 on the other services because they are looking to
22 us for leadership and support.
23 The FAA has no military capability.
24 The civilian sector can provide us high cost

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1 support relief, but they are dependent on us for
2 technology to compete with foreign rotorcraft
3 companies.
4 Can the conclusion that this
5 recommendation preserve crucial R & D functions be
6 accurate? The Commission must examine the finding
7 closely. Thank you.
8 CHAIRMAN DIXON: Thank you very much,
9 Mr. Lindberg.
10 Mr. Greg Kaprelian. I got that
11 right?
12 PRESENTATION
13 BY
14 MR. KAPRELIAN:
15 You got it right, Mr. Commissioner.
16 Good afternoon. I'm an aerospace engineer from
17 ATCOM. I like to address the impact on the
18 engineering committee will have on the Army should
19 ATCOM relocate.
20 Based on only half the engineering
21 staff relocating, this will result in response
22 time increasing three times longer. In Desert
23 Storm these delays would be considered
24 non-responsive by the user.

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1 ATCOM force the field to choose the
2 following options: Unflyable aircraft, cancel
3 mission, increase spare parts usage or operate
4 increased risk. Most likely, the latter would
5 occur. Contract would be required to fulfill loss
6 by the loss of engineers resulting in more than a
7 $7 million a year increase just to maintain the
8 same level of support to our customers.
9 You would have flown an airplane if
10 the FAA did not ground it. This is what you are
11 asking the Army aviation to have to do should
12 ATCOM relocate.
13 CHAIRMAN DIXON: Thank you.
14 Mr. Bob Jakcson?
15 PRESENTATION
16 BY
17 MR. JAKCSON:
18 Mr. Chairman, Bob Jakcson. I used
19 to be an aviation maintenance officer, test pilot,
20 flew the aircraft after they were maintained.
21 Attention to detail is critical in that particular
22 arena because the people who are going to get in
23 the aircraft after you release it their lives hang
24 in the balance.

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1 I looked at the COBRA report and I
2 try to analytically compare it to pre-flight
3 (phonetic) on an aircraft and I have to say to you
4 this aircraft won't fly, this bird won't get off
5 the ground. I also have to say to you that the
6 report appears to have had a predetermination in
7 mind when the data was put in. Computer models are
8 good, but, as we've all been told by any computer
9 user, garbage in, garbage out.
10 CHAIRMAN DIXON: Thank you, Mr. Jakcson.
11 Now it says here Mr. Steve Kerser.
12 It may be Mr. Steve Kaiser.
13 MR. KAISER: That's my handwriting. I
14 apologize.
15 CHAIRMAN DIXON: Would you identify yourself?
16 MR. KAISER: Yes, I'm Steve Kaiser, contract
17 purchaser. I apologize for my handwriting.
18 CHAIRMAN DIXON: Not at all, sir.
19 PRESENTATION
20 BY
21 MR. KAISER:
22 Commissioner, you have heard how
23 the loss of highly-trained ATCOM employees would
24 severely impact readiness, but it will also result

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1 in significant additional costs.
2 The engineers and contract
ecialists in Huntsville would not initially have
e expertise to evaluate and negotiate proposed
5 costs for helicopter assistance. This is a hidden
6 cost difficult to quantify but could easily result
7 in a 5 percent increase in contract prices or more
8 than $40 million the first year alone.
9 Of course, they would eventually
10 develop the expertise, but it could cost more than
11 a hundred million dollars in the process.
12 Distinguished Commissioners, I ask
13 you, is the American taxpayer willing to pay for
14 that kind of trial-and-error education? Thank
15 you.
16 CHAIRMAN DIXON: Thank you, Mr. Kaiser.
17 Mr. Chris Redd?
18 PRESENTATION
19 BY
20 MR. REDD:
21 Thank you, Senator Dixon and
22 Commissioners. My name is Chris Redd and I'm an
23 integrating logistics floor manager within the
rogram Office of Aviation. I retired from the

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1 army in 1987 with over 20 years of active duty.
2 I'm a Vietnam veteran and participated in the
3 operations in Granada Panama, Desert Shield/Desert
4 Storm and all the air missions.
5 I'm a member of the Strategic and
6 Professional Team of Personnel. This team is a
7 critical element to planning the readiness of our
8 war fighting equipment.
9 The expertise of the team only
10 developed after many, many years of working as a
11 team. We are already have trained and experience
12 personnel needed for sophisticated equipment
13 expertise that is not -- I repeat -- not available
14 at Redstone.
15 Many of these team members will not
16 be available in Huntsville. We must start a very
17 long and painful regrowth of the aviation mission
18 area.
19 My experience over 27 years in the
20 military and civil service tells me that we'll
ecimate aviation readiness and is a step backward
o the days we call already as the "hollow army."
23 Let's not repeat that mistake.
24 CHAIRMAN DIXON: Thank you, Mr. Redd.

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1 Mr. Rick Stream?
2 PRESENTATION
3 BY
4 MR. STREAM:
5 Good afternoon Commissioners. My
6 name is Rick Stream. For the past 19 years I have
7 worked as a program budget director and analyst at
8 Abeo Aviation. Prior to that, I was on active
9 duty.
10 The army's data justifying their
11 decision, it's clear to me the cost savings are
12 vastly overstated and costs are significantly
13 understated.
14 I'm deeply disappointed in the
15 Army's sloppy use of data and its justification.
16 One example is it's highly inflated personnel
17 baseline for PEO (phonetic) and SIMA, in addition,
18 the army executed a COBRA run in October 1994
19 which showed a one-time cost of 180 million and
20 700 positions eliminated just two months later.
21 The Army executed a number of
22 overruns reducing its one-time cost by $40 million
23 and adding nearly 300 positions to be eliminated.
24 There was no involvement by the

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1 ATCOM staff during this step to either validate
2 the position losses or access the impact on
3 military readiness. The results would be a
4 devastating impact on aviation readiness. Please
5 don't sign the death penalty for aviation.
6 CHAIRMAN DIXON: Mr. Bill Hurston?
7 PRESENTATION
8 BY
9 MR. HURSTON:
10 Thank you, Chairman Dixon. My name
11 is Bill Hurston. For 11 years I have served in
12 the Budget and Analysis Program and also a
13 certified public accountant.
14 I have reviewed the COBRA model,
15 the bases they have at best sloppy and at worst
16 intellectually dishonest. From implementation of
17 the BRAC '91 merger of ATCOM and TRANSCOM
18 (phonetic), many of the fundamental flaws that
19 existed in the Army's analysis then, such a
20 failure to simply reconcile personnel baselines,
21 are again found in the '95 recommendation.
22 I urge you and your staff to
23 closely examine the Army's analysis. I also
24 suggest that you evaluate this alternative using

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1 current OAB discount rate rather than last year's
2 rate.
3 The decision that directly affects
4 thousands of families and involving the
5 expenditure of millions of dollars certainly
6 require a more intensive and careful analysis than
7 the one done to-date. I place my trust in the
8 Commission to do this for us. Thank you.
9 CHAIRMAN DIXON: Thank you, Mr. Hurston.
10 Ms. Donna Valkenan?
11 PRESENTATION
12 BY
13 MS. VALKENAN:
14 Good afternoon. I'm Donna Valkenan,
15 a management analyst, mother of an army soldier.
16 We have already heard how the dissembling of ATCOM
17 will cause a loss of COBRA knowledge of those
18 sophisticated war fighting systems so critical to
19 achieve decisive victory and how losing this
20 knowledge will degrade the state of near-term
21 readiness.
22 What I would like you to think
23 about also is the face of our Army readiness.
24 This is my son, Walter, at Fort Sill, Oklahoma.

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1 My son and other soldiers like him
2 -- excuse me -- rely on ATCOM's superior
3 qualities and aviation group support to perform
4 the mission. Without this highest level of
5 support, the lives of these soldiers will needless
6 be placed at risk.
7 Before you make your final
8 decisions, please consider the alternatives.
9 Recommend that the Army follow the lead of the Air
10 Force, which showed how not to jeopardize
11 readiness for the sake of reduction in
12 infrastructure. The Air Force kept all of their
13 logistics by trimming operations.
14 On behalf of my son and other
15 soldiers throughout the land, I urge to you to do
16 the right thing. Remove ATCOM from the BRAC list
17 for the good of our Army, for the good of our
18 nation, for the lives of our soldiers. Thank you.
19 CHAIRMAN DIXON: Thank you, Ms. Valkenan.
20 Bryan Williams?
21 PRESENTATION
22 BY
23 MR. WILLIAMS:
24 Ladies and Gentlemen of the

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1 Commission, my name is Bryan Williams. I'm here
2 to present the Base Closure and Alignment
3 Commission with two documents in response to the
4 proposed movement of units to Fort McClellan onto
5 Fort Leonard Wood from one -- from the Commission
6 for the Environment (phonetic), and one technical
7 evaluation. In regard to Fort Leonard Wood, to
8 construct a new facility, the BRAC notified the
9 public that none of the states of the U.S. or any
10 of the permitting requirements will be short in
11 the approval of these application.
12 The applications filed have been
13 reviewed and woefully incomplete. There are
14 numerous blanks in the submitted application. The
15 application to construct the CDTF for Fort Leonard
16 Wood as proof is placed on the original 1983
17 design for a facility currently in operation at
18 Fort McClellan in Alabama.
19 None of the State of Alabama
20 required safety-related equipment additions and
21 none of the design changes have been incorporated
22 in the facilities destined to be constructed in
23 Fort Leonard Wood. The two facilities are not
24 comparable.

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1 The incinerator at Fort Leonard
2 Wood emissions of Serin, the toxic nerve agent
3 responsible for the recent deaths of subway riders
4 in Japan --
5 CHAIRMAN DIXON: You'll have to put the rest
6 of your remarks in the record. Thank you very
7 much.
8 We are adjourned until precisely
9 1:30 this afternoon. At 1:30, we'll hear from the
10 State of Indiana.
11 (Whereupon, a luncheon break
12 was taken at 12:30 to be
13 continued at 1:30 o'clock
14 p.m.)
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21
22
23
24

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(Whereupon, the following proceedings resumed at 1:30 o'clock the same day.)

Good afternoon, Ladies and Gentlemen, and welcome to our afternoon session. I'm Alan Dixon. With me are my fellow commissioners, Al Cornella, Lee Kling, Joe Robles and Wendi Steele.

This afternoon we will hear presentations from Indiana, Kentucky, Michigan and Ohio, which will last a total of 155 minutes. As is the case with all our regional hearings, the Commission has given a block of time to each state based on the number of installations on the list and the job loss. We left it to elected officials and community members to decide how to fill the block of time.

After the states' presentations, there will be a period of 30 minutes for additional public comment. The persons who wish to speak at that time should sign up now in the lobby. They are asked to limit themselves to two minutes.

Our first presentation this

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afternoon is from Indiana, which has been assigned 45 minutes. And, gentlemen, I have to ask all of you, the distinguished senior senator, Senator Richard G. Lugar, Congressman Andy Jacobs, Mr. Glenn Lawrence, and the distinguished Indiana Mayor Goldsmith, to stand as you raise your right hand. Under the law, we have to administer an oath, believe it or not.

(Witnesses sworn.)

Thank you, gentlemen. I'm delighted to recognize the distinguished senior senator from Indiana. May I say to him I have a letter here from your colleague, my good friend, the junior senator, Senator Dan Coats, and would you please tell Senator Coats we appreciate his interest. His letter will be reproduced in the record in full.

And may I say to the audience it's my great pleasure to welcome to this hearing the distinguished senior senator from Indiana and chairman of the Agricultural Committee. I had the privilege of serving on that committee with him years ago. I hold him in the highest esteem.

Senator Lugar?

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PRESENTATION

BY

SENATOR LUGAR:

Mr. Chairman, I thank you for your greetings, Members of the Commission. I'm honored to testify before you today to discuss the Department of Defense's recommendation in the Base Closure statement to close the Naval Air Warfare Center in Indianapolis, Indiana.

I'd like to make several opening remarks and answer questions you or members of the Commission may have.

I would like to request a copy of my full statement be included for the record.

CHAIRMAN DIXON: And it will be admitted in the record.

SENATOR LUGAR: I thank you, on behalf of my colleague, Senator Dan Coats, for that sincere courtesy.

I appreciate this opportunity to share my thoughts with you about the Naval Warfare Center and to express my support for an alternative partnership proposal prepared by Indianapolis Mayor Steve Goldsmith.

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Mayor Goldsmith has the distinction as a leader in recent efforts to downsize government through privatization. I strongly support Mayor Goldsmith's plan, because it, first of all, achieves real cost savings for the Defense Department, secondly, reduces the economic impact on the local economy, and, third, provides growth opportunities for Indiana's technology and manufacturing industries.

The Naval Air Warfare Center has a long distinguished record of service to our nation's military forces.

As a former mayor of Indianapolis, I'm familiar with NAWC, and I have visited the facility many times. I have met with many of the very skilled, dedicated professionals whose hard work and career service contribute to NAWC's unique role in maintaining United States military readiness.

NAWC Indianapolis is a leader in the design, development, and limited manufacturing of high technology, airborne electronic systems for the Navy. As a knowledge factor, NAWC serves as an in-house technical resource for the Navy.

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1 As a smart buyer, NAWC uses its expertise to help
2 the Defense Department purchase the right
3 equipment at the lowest possible cost.
4 In recent years, NAWC has
5 streamlined its management structure, expanding
6 its customer base and forged partnerships with the
7 private sector and Purdue University and a premier
8 Indianapolis engineering institution.
9 As a defense-based operating fund
10 activity, NAWC is a cost-contained, pay-as-you-go
11 facility generating most of its revenue from its
12 government subsidies.
13 NAWC Indianapolis is the most
14 productive of all the Navy's warfare centers.
15 Despite a 28 percent reduction in overhead
16 expenses, NAWC maintains steady work flow
17 schedules and significant out-year revenue
18 projections.
19 Since 1993, I worked with Indiana's
20 congressional delegation to demonstrate to the
21 Navy the value of maintaining a strong midwest
22 Navy presence in Indiana through the combined
23 functions of NAWC, and the Naval Surface Warfare
24 Center, Crane Division, in Southern Indiana and

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1 Louisville, Kentucky. I believe it's important to
2 highlight the complementary work performed by
3 these three sites.
4 I support the base realignment and
5 closure process as a careful and systematic
6 evaluation of our nation's military requirements
7 and assets.
8 I also believe that creative
9 solutions can be found that not only reduce
10 defense spending but protect our nation's
11 technology base and preserve high-skilled,
12 high-waged jobs.
13 I met with Defense Secretary
14 William Perry in February to express my support
15 for Mayor Goldsmith's partnership plan. In a
16 meeting I arranged between Mayor Goldsmith and
17 Defense Secretary John Deutch, Secretary Deutch
18 expressed interest in privatization as a worthy
19 alternative to outright closure.
20 The mayor's innovative proposal
21 features several components I believe are
22 attractive to the Defense Department. In addition
23 to assuming closure of the NAWC facility as a DOD
24 site, the mayor's partnership plan also provides

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1 significant cost savings by first removing 1300
2 employees from the federal payroll, secondly,
3 avoiding relocation expenses for 1600 employees
4 slated for transfer, and, third, consolidating
5 certain NAWC administrative functions at Crane.
6 In addition, the mayor's
7 partnership proposal reduces facility closure
8 costs and saves mil time, dollars and relocation
9 expenses.
10 Throughout its history, NAWC
11 Indianapolis performed a unique mission for the
12 Navy. Whether in peace time or in crises,
13 dedicated NAWC professionals have met the Navy's
14 readiness and development requirements.
15 I believe Mayor Goldsmith's
16 partnership proposal is a sound alternative to a
17 solution to the difficult economic and
18 defense-based issues associated with military
19 closings. It is a good plan for our national
20 security, for our technology future, and for the
21 Indiana economy.
22 Despite reduced defense budgets, I
23 believe that we, as a nation, can put our best
24 minds to work in these important areas to address

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1 the engineering challenges of today and tomorrow
2 and do so at less cost to the taxpayers.
3 I urge the Commission to give every
4 consideration to the merits of this partnership
5 proposal as the Commission makes its final
6 recommendations to the President later this year,
7 and I thank you all for the opportunity to testify
8 before the Commission.
9 CHAIRMAN DIXON: May I say to my
10 distinguished friend, we appreciate very much your
11 very fine presentation. I can speak on behalf of
12 the Commission when I say that, both in the case
13 of Indianapolis and the case of Louisville,
14 Kentucky, we have heard considerable commentary
15 about the value of privatization.
16 I hope my colleague, from my past
17 experience in the Senate, knows of my views and my
18 firm feeling that privatization is always a
19 welcome opportunity if we can arrange them
20 appropriately, and you may be assured that within
21 the boundaries of what we can legally do, that
22 remains to be seen.
23 Everything that you have presented
24 to us will be carefully evaluated. We are

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indebted to you, sir.

SENATOR LUGAR: Thank you.

CHAIRMAN DIXON: We are pleased to welcome Congressman Andy Jacobs.

PRESENTATION

BY

CONGRESSMAN JACOBS:

Mr. Chairman, Members of the Commission, the situation requires that I be brief, and brief I will be.

I know now the same territory, the main course for your after lunch pleasure will be Mayor Goldsmith's presentation. You can all applaud and say he is the author of this very imaginative proposal.

I will say that we are well aware, I think, that your charge is national, your responsibility is both to the defense of this country as efficiently as possible, which leads to the second, the best cost to the taxpayers.

You are not here to make Indianapolis happy or any other city, except as American citizens ought to be happy with a frugal nd effective defense system. We are well aware

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of that.

Probably one of the most egregious misquotations in the history of the United States was the one attributed to Charles Wilson of General Motors in the Eisenhower administration. Down through the years he's been quoted as saying, "What is good for General Motors is good for the United States." That was not the quotation, nor the context at all.

In fact, he said in the senate hearing, "What is good for the United States is good for General Motors, and, likewise, what is good for General Motors is good for the United States." That's the way we would like to approach this matter.

Mayor Goldsmith has crafted a proposal that is, we think, good for the United States, and we are very happy to note that it is less bad for Indianapolis than in some other -- the original proposal might have been.

In other words, we are not asking you to repeal reality. We are conversant with the reality of this situation and we believe that that reality can be improved upon, and you will hear

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1 the main speech from the man who fixes the streets
2 in front of my house.
3 (Laughter.)
4 CHAIRMAN DIXON: Well, Congressman Jacobs, we
5 thank you for your very practical and sensible
6 comments, and we are indebted to you, sir, for
7 that helpful contribution.
8 We are pleased to have Mr. Glenn
9 Lawrence with us, who is, as I understand it, is
10 the governor's military base commission chairman
11 for the distinguished governor of Indiana, Evan
12 Bayh.
13 MR. LAWRENCE: Thank you, Mr. Chairman. I'll
14 just remain here.
15 CHAIRMAN DIXON: Fine. Thank you,
16 Mr. Lawrence.
17 PRESENTATION
18 BY
19 MR. LAWRENCE:
20 I do bring you greetings from
21 Governor Evan Bayh from the State of Indiana.
22 Mr. Chairman and Members of the
23 Commission -- Mr. Kling, nice to have seen you
24 last week, and not to say that I am not pleased

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1 with all the Commissioners. We had a very nice
2 meeting with Mr. Kling and we appreciate that.
3 Unfortunately, Indiana is very
4 familiar with this process. The governor
5 testified in 1991 in Indianapolis. I testified in
6 1993 in Ohio. Unfortunately, we are very familiar
7 with the results of the decision of the
8 Commission, having had four military bases either
9 closed or severely realigned over the past three
10 BRACs.
11 As a result of that, in 1992
12 Governor Bayh established a Military Base
13 Coordinating Commission of which I'm executive
14 director. We have a number of distinguished
15 citizens who sit on that commission, and we had
16 Fort Harrison close; we had the Garrison Air Force
17 Base close with the reserves remaining there. We
18 had Jefferson Proving Grounds closed. We had the
19 Army Ammunition Plant mothballed with most of the
20 jobs gone.
21 So as a response to that, the
22 governor gave this Commission three mandates: One
23 was to assist in trying to save the Finance Center
24 at Fort Harrison, which we accomplished, secondly,

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1 to assist the local communities in their
2 transition from military facilities to economic
3 development facilities. Happily we were on our
4 way with all of the bases. We, of course, run
5 into some difficulties.
6 In the course of what we have been
7 doing over the past two years, we have developed a
8 strategy which is called the "Indiana Defense
9 Readjustment Strategy," which is for the
10 communities and for the business community and for
11 regular citizens job retraining. And I would like
12 to leave this with you, not to be included in toto
13 in the record but for your staff to refer to, if
14 they would like to see what we have been doing,
15 that you really can turn some of these things into
16 a positive. One of those will be a 1700 acre park
17 in downtown Indianapolis.
18 CHAIRMAN DIXON: We thank you for that,
19 Mr. Lawrence. We think it's valuable and it will
20 be reproduced in the record.
21 MR. LAWRENCE: And it's been a learning
22 experience, and this time we are attempting to get
23 ahead of the curve in a bipartisan way, in a
24 cooperative way. The state, and the communities,

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1 and federal representatives have been working
2 together on an attempt to see what we could do to
3 salvage jobs, which is my final mission, to keep
4 the two remaining facilities in Indiana open,
5 Crane Naval Surface Warfare Center and
6 Indianapolis Naval Airway Division. Hopefully,
7 after today's meeting, I will have accomplished
8 all my missions. We will see.
9 I want to save as much time as I
10 can for Mayor Goldsmith and tell you again the
11 governor will be submitting a written statement to
12 be included in the record after this hearing, and
13 we appreciate your attention.
14 CHAIRMAN DIXON: We thank you, Mr. Lawrence.
15 Express our profound appreciation to the
16 distinguished Governor Evan Bayh for his
17 contribution and be assured that his remarks that
18 he sends to us, through you or by whatever method,
19 will be fully reproduced in the record.
20 And we are delighted, of course,
21 now to recognize the distinguished mayor of
22 Indianapolis, Indiana, Mayor Stephen Goldsmith for
23 his remarks.
24 MAYOR GOLDSMITH: Thank you, Mr. Chairman.

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1 My good friend, Senator Lugar, and
2 my mentor is walking behind just to catch a
3 plane. I'd like the Commission not to take it as
4 a personal statement about my remarks.
5 CHAIRMAN DIXON: The Commission takes note of
6 the fact that the distinguished senior senator has
7 some other fish to fry. We excuse him to catch an
8 airplane in the course of his ambitions, which are
9 lofty ones.
10 (Laughter.)
11 PRESENTATION
12 BY
13 MAYOR GOLDSMITH:
14 Thank you, sir. I appreciate the
15 opportunity to appear before you in support of the
16 governor and all the congressmen from our state
17 and both senators. And being sensitive to your
18 time, there are a number of important issues, as
19 the senator mentioned, some important to me, as
20 the mayor, and others important, I believe, to the
21 defense of the country, and we come here in that
22 context. Let me paint the context for a minute.
23 As Glenn said and the senator said,
24 we have some experience with this process. Just

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1 literally a stone throw away from this facility
2 was another fort, which will be closed imminently.
3 I would have to say despite great
4 teeth gnawing and consternation we did not come --
5 I did not come before this Commission and say you
6 have an obligation to keep that fort open. We
7 worked to preserve certain assets at that fort,
8 but it was a difficult case to make that you had
9 an obligation to the United States of America to
10 keep a fort open in my particular city.
11 We began then, however, to prepare
12 for the eventuality that this particular facility
13 would eventually come before the Base Closure
14 Commission, and I've been working on the process
15 that brings me before you three years, not for 90
16 days, but for three years.
17 The process designed by the
18 Congress and the military is a good one but is
19 totally inapplicable to the facility in
20 Indianapolis, and for a couple of reasons: First
21 of all, when I began this two-and-a-half, three
22 years ago, and, as I mentioned to the Commission,
23 I was in the Army Reserve, the opportunity to
24 speak to a admiral was a lofty and wonderful

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1 thing.
2 I spoke to every admiral that's
been in Washington in the last three years and had
developed some sense what this is all about, and
5 the gentlemen I spoke with were very candid,
6 including I remember vividly a conversation with
7 Admiral Burr (phonetic) two-and-a-half years ago,
8 where he essentially said we have an obligation to
9 preserve our coastal assets, and, in this context,
10 China Lake and Patch River were very important
11 assets that needed to be preserved by the Navy.
12 Now that was a substantial clue to me that I
13 needed to get busy here to prepare for the future
14 of Indianapolis.
15 We then began a number of
16 missions. One, I didn't want to come before the
17 Commission and say you have an obligation to keep
18 our center open, because I have, I think, lead the
19 way in terms of municipal government in terms of
20 downsizing, prioritizing 60 services, reduced our
21 work force by 35 percent and appear before the
22 Commission and say you have an obligation to keep
23 jobs in Indiana is at least inconsistent. We
24 began to cry out for the process of privatization

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1 and joint partnership.
2 We ran into one immediate barrier.
3 We could not prevent anything until after we were
4 ordered closed. We couldn't convert while we were
5 an ongoing viable institution. The military
6 process required the staff, the BRAC staff, to
7 close us and then we could petition to stay open,
8 and, for those of you who have been through this
9 process before, privatizing an operation once it's
10 closed is substantially more difficult than
11 privatizing when it's open.
12 We then came up with a plan with
13 the Crane Naval Depot that does a number of the
14 same functions in different places in the spectrum
15 that has particularly innovative and creative
16 management and say why don't we combine Crane and
17 Indianapolis, and Indianapolis, in what we thought
18 was a really bold step, agreed to come in under
19 the command structure of Crane petitioned to have
20 those numbers considered by this Commission as
part of the scenario process.
Senator Coats was kind enough to
23 arrange a meeting between Secretary Dalton and the
24 senator and myself where we asked for these

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1 numbers to be considered.
2 The secretary said he would do
3 everything in his power to make sure these numbers
4 were considered, because they were remarkable
5 savings, and we were, I think, one of the few
6 installations that were willing to go through a
7 downsizing voluntarily, and, unfortunately, the
8 response came back, no, we can't run any numbers
9 that don't exist today.
10 So even if you are willing to
11 command and rationalize your command structure,
12 even if you are willing to lay off your overhead,
13 even if you are willing to come under another
14 command structure, we can't run those numbers.
15 Even if it saves a hundred million dollars, our
16 model does not allow you to think in the future.
17 The third problem we have in this
18 particular process is that I think what the
19 Congress is doing in this situation is truly
20 remarkable, trying to prepare the military for
21 the -- and the country for the 21st Century, more
22 value for the dollar.
23 So we stepped back and said how can
24 NAWC play a major role in helping the Department

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1 of Defense by more intelligently positioning
2 itself in the dual technology situation to enhance
3 the purchase of every dollar spent and enhance the
4 purchase of electronic technology, and the answer
5 came back again you can't use a process that looks
6 forward into the 21st Century.
7 We want to prepare in the 21st
8 Century with a snapshot of what it looks like in
9 1994. So we are really caught in kind of an
10 inadvertent Alice-and-Wonderland situation where
11 we are trying to say, well, we'll jump ahead ten
12 years and the navy wants us to jump ahead ten
13 years. Secretary Deutch wants us to jump ahead
14 ten years.
15 We had a great conversation with
16 him as a result, but everybody knows the process
17 won't allow it, and, in fact, Secretary Deutch
18 said the only people that can help you do this is
19 the Commission. I'm for it. It sounds good to
20 me.
21 We haven't met anybody yet that
22 said this is a bad idea. All of them have said
23 there's no legal recourse, other than the
24 Commission itself. The staff doesn't have the

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1 authority; the secretary doesn't have the
2 authority; the Secretary of the Defense doesn't
3 have the authority, only the Commission has the
4 authority. We are yet to meet anybody to say this
5 is a terrible idea, we can't do it.
6 We have come before you today with
7 three years of preparation hoping that you will
8 give us the authority to do what everyone thinks
9 is in the best interest of the country, as well as
10 the best interest of Indianapolis.
11 Now if I could quickly step through
12 what I think are some attributes, very unusual and
13 unique attributes, of the Naval Air Warfare
14 Center.
15 As Senator Lugar mentioned, the
16 models that have been setup to bring us here today
17 don't generally deal with the knowledge factor.
18 They deal with manufacturing factors, and there
19 aren't very many military installations that are
20 just a building full of intelligent scientists
21 working in teams.
22 When we deal with the knowledge
23 factor and arbitrarily say, okay, we are going to
24 split some of the scientists in the East Coast,

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1 some of the scientists in the West Coast, some of
2 the scientists in Southern Indiana, and we are
3 going to arrange people by kind of centrifugal
4 force spun around the country, we kind of lose the
5 idea the best and brightest don't automatically
6 get spun around the country. They leave.
7 At least our information is that
8 the examples that occur in other places is like a
9 propulsion center of the Navy, the best and
10 brightest didn't move. They essentially --
11 (A brief interruption.)
12 CHAIRMAN DIXON: Mr. Mayor, we'll let the
13 record show that nothing you have said or done
14 caused that.
15 MAYOR GOLDSMITH: That's a punctuation,
16 exclamation point. More troubling than Senator
17 Lugar's departure.
18 (Laughter.)
19 But two things -- the two problems
20 with respect to the knowledge factor compared to
21 the manufacturing factor.
22 First of all, the best and the
23 brightest don't automatically move and, secondly,
24 the Navy did a model basically which applied to

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1 Fort Harrison, which is a pretty good model, which
2 says bigger is better; the more things you can
3 salvage in one place, the fewer roads you have to
4 take care of, the fewer sewers, the less
5 infrastructure and less overhead.
6 In this particular situation, I'm
7 already, as the mayor of Indiana, responsible for
8 the sewers and the roads and the infrastructure,
9 other than within the gates of the building, and
10 so there isn't any infrastructure to be closed.
11 It's already embedded in my cost.
12 And, secondly, I just did -- I'm
13 not a scientist, but I went and punched in one of
14 these NEXUS/LEXIS dialogue Internet searches to
15 try to find any literature that says if you take
16 scientists and engineers and put them in bigger
17 and bigger and bigger organizations, they perform
18 better.
19 In fact, not remarkably, I found a
20 whole list of research and management journals
21 that said generally smaller, more flexible, more
22 creative organizations are a better place for
23 scientists than research engineers to be located.
24 So the whole theory of the COBRA

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1 model, which is bigger is better is exactly
2 inapplicable to a group of highly-trained
3 scientists working in a team atmosphere. So the
4 attributes of NAWC make it particularly difficult
5 to facilitate within this framework.
6 We have another somewhat similar
7 example in Indianapolis where Allison Wilson
8 (phonetic) was just purchased by Rolls Royce. One
9 of the reasons that virtually the entire
10 congressional delegation and the mayor's office
11 supported the Rolls Royce purchase is because they
12 wanted to keep the scientists and engineers and
13 research group together as a team because they
14 were valuable as contrast to disbursing them to
15 disintegrate them, and I think the same principal
16 applies here.
17 Secondly, with respect to the
18 special attributes, we don't fit very well in this
19 model, and let me provide three specific examples.
20 This organization provides key support to the
21 Department of Defense. I'll slow down a little
22 bit. I want to stay within my time. Let me slow
23 down just a second.
24 Part of privatization -- and I'm

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yor of a city. I'm not running the

But generally private vendors perform

:n the government side of the line performs

when we manage the contract well,
5 aggressively, authoritatively, preventively; when
6 we don't, they don't, and we have conceptualized,
7 because it's already a part of what's happening.
8 NAWC, as the smart electronics
9 purchaser for the Department of Defense, and this
10 smart buyer aspect in a dual technology transfer
11 technology application is absolutely critical to
12 have somebody good right in the center doing
13 prototyping, quality control acquisition, strategy
14 and preparing to transfer technology across a
15 spectrum of private and public.
16 So what we have here today is a
17 smart buyer in NAWC and one that will be
18 particularly critical in the 21st Century where
19 the lines between public and private acquisition
20 and development are very reverse; the more dual
21 technology you have, the more we need what NAWC
22 does.
23 For example, there was a
computer -- standard airborne computer designed by

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1 the private sector. The NAWC scientists took it
2 in, retinkered with it, came up with
3 specifications that any vendor in the country
4 could bid on and provided the reliability and
5 reduced the cost by $70 million because they were
6 a group of smart buyers who understood how to
7 tinker with that.
8 Secondly, in this seemless defense
9 system between private and public, it's very
10 important to have somebody in the center who can
11 transfer technology and meet and be the interface
12 between the pilot and the sailor on the ship and
13 the private sector.
14 For example, I'm informed, and I'm
15 not again an engineer, but that the B22 is having
16 a weight problem. We have props here. So this is
17 how I have to think. I was a trial lawyer once in
18 my life.
19 (Laughter.)
20 CHAIRMAN DIXON: So was I. Proceed, Mayor.
MAYOR GOLDSMITH: We are making a little
progress here, Senator, I think.
23 Basically, the problem -- this is
24 really a good way to visualize it. So the pilots

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1 and the engineers go in. This plane is too
2 heavy. By the way, it takes an awful lot of work
3 in the field to maintain even one of those little
4 gismos (indicating). So they come back to NAWC
5 and these guys go, here, let's do one of these,
6 and it takes the place of all of this stuff
7 (indicating). Not only is it more efficient, but
8 if something does go wrong, they rip this out
9 (indicating), you put in the next one.
10 So basically what we have is a
11 group of individuals that sit between the guys in
12 the field, men and women in the field, and the
13 private vendor and work on tinkering with things
14 so that the response time is quicker and the
15 maintenance costs are less, and, in this case, the
16 weight came down by 45 percent and the cost came
17 down about 25 percent, as a result of the
18 intelligence of people who were there. It's just
19 a -- pardon the prop -- little example of what
20 they can do.
21 The third way that they are
22 particularly skilled, their attributes, in terms
23 of supporting the Department of Defense, is
24 emergency turnaround.

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1 For example, again, I'm informed of
2 the optical landing problem. In order to land, it
3 needed some dramatic work so that these jets could
4 land, and these guys, men and women, at NAWC
5 turned this around in a very short period of time,
6 11 days, so this would work.
7 Similarly, the Maverick missile
8 couldn't work without electronic reconfiguration
9 and the NAWC folks brought that in and in a very
10 short period of time, a matter of days, and turned
11 it around again.
12 So we have three different ways
13 that we provide key support for the Department of
14 Defense that would be absolutely critical in the
15 21st Century: one, is the smart buyer; two, we
16 help the suppliers meet the Department of Defense
17 needs; and, three, we have emergency turnaround.
18 There were some other props we were suppose to
19 use.
20 This is a -- we retooled this
21 (indicating) in about 36 hours time to allow to be
22 fired from a plane that was incapable of firing
23 that missile. I have no idea what's inside of it,
24 but they did it rapidly and the missile worked.

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1 Now how much time do I have left?
2 CHAIRMAN DIXON: Well, you have nine minutes
3 and 45 seconds, Mr. Mayor, but you have a little
4 space here. The senator was a little short, so
5 was the congressman.
6 MAYOR GOLDSMITH: Let me then move to another
7 issue. So we have the fact that we have special
8 attributes in support of the Department of
9 Defense.
10 The way that the numbers were
11 calculated here is quite unusual for a number of
12 reasons: First of all, we are just a building and
13 there isn't much to be saved from closing a
14 building, spending hundreds of millions of dollars
15 transferring people from building to building and
16 moving the equipment.
17 Just anecdotally, from the
18 application of a computer model, it's very
19 difficult to figure out how that saves any money,
20 very few military people on the site as one large
21 building's 160 acres, nothing to be saved by the
22 move.
23 Secondly, and I have to say even
24 more puzzling, in fact, it must be an inadvertent

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1 error that the military value calculations in this
2 model are bizarre.
3 Our installation received zeros for
4 military value in its corp. competitive strengths,
5 not a low score, zeros. We received zero for full
6 spectrum life cycle responsibility, zero for total
7 system integration responsibility, zero for system
8 integration responsibility, and zero for component
9 integration responsibility.
10 Since the congressman and senator
11 and Mr. Lawrence spoke quickly, I'd like to use
12 four of their minutes before my summation showing
13 you why zeros in these areas are absolutely
14 impossible, and, if they were scored correctly,
15 why we wouldn't be on the closure list.
16 (A brief pause.)
17 Each second counts. You have to
18 start quickly.
19 (Whereupon, a videotape was
20 shown.)
21 (End of Videotape.)
22 I appreciate your indulgence. The
23 reason I think this is important is because what
24 we do is full spectrum, full life cycle, full

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1 integration system development, the only place in
2 the navy this occurs, and that's what we got zeros
3 for in terms of military value. It's almost
4 incomprehensible, and, secondly, what's even more
5 puzzling is that the Navy valued us at zero and
6 they are spending $50 million to move these same
7 parts to China Lake.
8 Originally we were told there's a
9 need to protect Patch River and China Lake.
10 They're incurring an enormous cost in part because
11 of what's happening in Indianapolis.
12 Just, finally, Mr. Chairman,
13 Members of the Commission, we think we have a
14 proposal, because of the nature of men and women
15 at NAWC. This is a no-lose proposal for the
16 Department of Defense. And the reason I'm excited
17 we received so much support from high ranking
18 officials in the Department of the Defense who
19 essentially propose the military use strength and
20 command strike under Crane just as the Commission
21 proposed.
22 We would reduce the overhead rate
23 even more than the 25 percent that's been reduced
24 in the last several years. The City of

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1 Indianapolis would acquire the building from the
2 Navy so that we would essentially produce only
3 marginal cost occupying the space. We would
4 spin-off that to private sector companies that
5 would have a seemless approach to naval
6 development and we would essentially continue to
7 produce a full-spectrum comprehensive program and
8 platform development for the Department of the
9 Navy.
10 Now we have -- sure, we have a list
11 of four or five private companies that have
12 expressed a willingness to take over these
13 employees, but I will say even more fundamentally
14 that I'm so confident about this that we are
15 willing to take the risk. There is no risk to the
16 Navy because these employees will be cut in half.
17 The base will be closed pursuant to what the Navy
18 wants to do. Command structure will be merged
19 into Crane.
20 What happens if the private side
21 doesn't work? Two, three, four, five years from
22 now the Navy still has the flexibility to go ahead
23 and move the remaining 1580, 1400 Navy employees.
24 So, essentially, what we are

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1 proposing today is a system that says (A) we would
2 like for you to look at the methodology and the
3 calculations. There's really all sorts of ways
4 the numbers work, but, more importantly than that,
5 we have a group of individuals whose value is not
6 the building, it's their brains and their teams,
7 and this can be left in tact. We can save $100
8 million more than has been proposed before this
9 Commission.
10 We are coming before this
11 Commission today and we think in a way that's
12 different from anyone else. We are not saying
13 don't close our installation. We are saying you
14 should close our installation. You should close
15 our installation and save a hundred million
16 dollars more than what the Navy has proposed, but
17 the way to prepare our country for the future by
18 smart buying acquisition management is to close
19 us, consolidate us into Crane, transfer -- keep in
20 place, transfer back essentially 13, 1200
21 employees, allow us to privatize the other half of
22 it, stabilize the operation and see what happens
23 over a three-to-five year period of time.
24 The Navy is out not a cent. They

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1 have saved a hundred million. They have downsized
2 their work force. They closed the base and they
3 have kept the most valuable people in terms of
4 electronic acquisition in place for dual
5 technology development in the future.
6 If those things are done,
7 Mr. Chairman, Members of the Commission, let me
8 just -- one last example. As your staff gets into
9 the COBRA model, you'll see that one-time closure
10 costs in Indianapolis are listed at 77 million.
11 This is interesting because the numbers submitted
12 were 187 million, and when the Commission staff
13 met in Indiana on Monday and they asked NAWC
14 employees how much it would cost to move the
15 facility, it was 250 million. We calculated that
16 it will take net present value of what the Navy
17 has proposed is a substantial minus; ours is a
18 plus.
19 So, in summary, Mr. Chairman,
20 Members of the Commission, we come before you with
21 a unique proposal, one that's good for the
22 country. It's good for the Navy. It's good for
23 the employees. It's good for my city. It will
24 allow for acquisition, management and development,

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1 researching and prototype that was shown in the
2 video where in nowhere else in the country will
3 save the taxpayers a hundred million dollars.
4 Thank you very much for your time.
5 CHAIRMAN DIXON: Well, thank you very much,
6 Mr. Mayor, for that very unique presentation, a
7 fine presentation. We are indebted to you for it.
8 I might respond by saying that in
9 the course of my elective career, which spans four
10 decades plus, I knew, as a freshman member of the
11 Illinois House, the distinguished mayor of Chicago
12 before he came mayor of Chicago when he was in the
13 Stevenson cabinet in the early '50s. He went on
14 to be a towering giant, the great mayor of this
15 city, Richard J. Daley, who was said in his time
16 he built the greatest political organization then
17 known in the world.
18 His son is now a great mayor of
19 this city, Richard M. Daley, just reelected
20 overwhelmingly in recognition of his outstanding
21 contributions as a great leader of this City of
22 Chicago, much of which was done with
23 privatization, Mr. Mayor.
24 As a member of the United States

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1 Senate, I supported on many occasions, both as a
2 member of the Armed Services Committee and
3 chairman of the subcommittee and other places, the
4 idea of privatization. It's a valuable
5 contribution.
6 I'm pleased that you and
7 Indianapolis and others in Louisville, Kentucky,
8 both suggested that we look at this, and we must
9 say to you that we're not sure of the extent our
10 legal authority in this connection, but we are
11 going to carefully evaluate it, and I know that I
12 speak for my colleagues when we say we are
13 interested in what you are suggesting to us and
14 indebted to you for the time you spent on it.
15 Do any of my colleagues have a
16 question?
17 (No verbal response.)
18 I thank you very much, Mr. Mayor.
19 MAYOR GOLDSMITH: Thank you, Mr. Chairman.
20 (Applause.)
21 CHAIRMAN DIXON: The best to you.
22 The State of Kentucky is next. Now
23 we are a little bit -- five minutes ahead of
24 schedule. Are the folks from Kentucky comfortable

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1 with going forward? Great to see my old friend
2 and congressman and others here.
3 I'm not throwing you out,
4 Mr. Mayor.
5 MAYOR GOLDSMITH: I know. I had five minutes
6 left.
7 CHAIRMAN DIXON: Oh, no. The typical
8 politician's response after five minutes.
9 While the delegation from Kentucky
10 is arranging the chairs, let me simply say that
11 the State of Kentucky has been allotted 45 minutes
12 for its presentation.
13 I note the presence of Congressman
14 Mike Ward; former congressman, Ron Mazzoli, and
15 Judge/Executive David Armstrong of Jefferson
16 County, Kentucky; Mr. Larry Craig, the president
17 of the Machinist Union Local; Mayor Jerry
18 Abramson, the distinguished mayor of the City of
19 Louisville. There may be others.
20 In any event, it has been requested
21 that rather than allotting certain periods of time
22 that we simply run a 45-minute clock.
23 Who speaks for the delegation?
24 MAYOR ABRAMSON: Congressman Ward does.

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1 CHAIRMAN DIXON: Congressman Ward, is that
2 satisfactory? Is that what you want to do is run
3 a 45-minute clock and you allot your own time?
4 CONGRESSMAN WARD: That would be fine.
5 CHAIRMAN DIXON: Lieutenant Governor Patton
6 is here as well from the State of Kentucky. I
7 thank you.
8 That will be the ruling of the
9 Chair that when their clock begins upon the
10 recognition of Congressman Ward, we'll run a
11 45-minute clock.
12 Congressman Ward, I think you have
13 a clock over there. You can kind of watch your
14 own time and so forth.
15 CONGRESSMAN WARD: You'll start that for me?
16 CHAIRMAN DIXON: Whenever you get up there.
17 I'm not going to take any time from you. I'm not
18 going to start that clock until you get started.
19 Are you ready, sir? Let's wait until we get
20 everything setup here. Let's let everybody get
21 their material posted. We are getting a lot of
22 trial lawyers in here today.
23 CONGRESSMAN WARD: Excuse us while we move.
24 We do this without music, which is the amazing

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1 part.
2 CHAIRMAN DIXON: The Chair recognizes
3 Congressman Michael Ward.
4 PRESENTATION
5 BY
6 CONGRESSMAN WARD:
7 Good afternoon, Mr. Chairman, and thank
8 you very much for allowing us this opportunity to
9 make our presentation.
10 I appreciate the Members of the
11 Commission who have come today to listen to our
12 proposal. First, I want to make it very clear
13 that my preference is to keep the Naval Ordnance
14 Station at Louisville open. It is a world class
15 facility and, in my judgment, should never have
16 been placed on the base closure list.
17 CHAIRMAN DIXON: Pardon me, Congressman Ward.
18 Please stop the clock.
19 I'm embarrassed to say that I seem
20 to forget about half the time that I'm mandated by
21 law under the statute to ask you all to stand and
22 raise your right hand.
23 That's what you are going to have
24 to do.

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1 (Witnesses sworn.)
2 We'll start the clock again. Thank
3 you, sir.
4 CONGRESSMAN WARD: I'll throw out part of my
5 testimony.
6 Good afternoon and thank you,
7 Mr. Chairman and Members of the Commission, I
8 appreciate your taking the time -- I think I will
9 start at the beginning again to just to make sure
10 we have it all in one package.
11 I want to make it clear from the
12 very outset that my preference is to keep the
13 Naval Ordnance Station at Louisville open. It is
14 a world class facility, in my opinion, and should
15 never have been put on the closure list.
16 Absent that, I feel that a portion
17 of it should be kept open and in the control of
18 the Navy. But if the Commission does not remove
19 the facility from the list, and if the Navy is
20 just bent on seeing it closed, we believe the
21 following proposal offers the best possible plan
22 to achieve the objectives of the Base Closure and
23 Realignment Commission has for Louisville without
24 disrupting the most comprehensive gun repair

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1 overhaul and maintenance facility in the nation.
2 Our community proposal -- and we
3 all it the "Louisville Plan." We are going to
4 outline in here with some bullet points -- with
5 your agreement and support, will achieve the
6 following: It will save the Navy in excess of
7 $300 million while reducing the Navy's
8 infrastructure in Louisville to virtually zero.
9 It will maintain the world class
10 naval gun work now being done at Louisville
11 without disrupting its state-of-the-art operation
12 synergy.
13 It will create a naval gun center
14 of excellence that will become a model for our
15 Armed Services and the defense industry as we
16 prepare for the security threat of the next
17 century.
18 The Louisville Plan will bring in
19 key defense contractors and retain only inherent
20 governmental engineering work at Louisville.
21 It will remove this facility from
22 the Navy's inventory and provide an affordable way
23 to retain the defense infrastructure and
24 state-of-the-art work now done in Louisville on

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1 some of the Navy's most critical weapons systems.
2 This is not only a Louisville
3 plan. It is of great interest to the Navy. We
4 have enclosed a letter of endorsement from the
5 Office of the Assistant Secretary of the Navy,
6 Robert Perry. We got it yesterday afternoon. We
7 were not able to put it in the printed package
8 that you see, so we slid it in under the front
9 page.
10 Before I introduce our team, let me
11 say we welcome your comments, concerns and
12 observations about our plan. Please don't
13 hesitate to interrupt or ask any questions or make
14 any comments at any point in our discussion.
15 Here today with me we have our
16 Lieutenant Governor Paul Patton on my far left to
17 the Commission who's representing the Commonwealth
18 of Kentucky.
19 We have former United States
20 Representative Ron Mazzoli who represented our
21 community in Congress for a quarter of a century
22 up until January of this year and is an expert on
23 the Louisville Naval Ordnance Station and its
24 potential.

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1 Congressman Mazzoli is here today
2 as well representing the business community of our
3 region as vice chair of the board of directors of
4 the Louisville area Chamber of Commerce; Jefferson
5 County Judge David Armstrong, the former attorney
6 general of our commonwealth and outstanding leader
7 in our community as our county judge/executive;
8 also, Louisville Mayor Jerry Abramson, one of our
9 country's most progressive urban leaders, and last
10 year's president of the U.S. Conference of Mayors;
11 also Mr. Larry Craig, who is president of Local
12 Lodge 830 of the International Association of
13 Machinists and Aerospace Workers, which represents
14 about two-thirds of the work force at the Navel
15 Ordnance Station.
16 I'm also submitting a letter for
17 the record from members of Congress and the
18 affected area in support of our plan.
19 Mr. Chairman, all of us here today
20 are convinced that our proposal offers both a
21 vision for the needs of the Navy and the
22 Department of Defense in the 21st Century and a
23 model for preserving and enhancing the industrial
24 might needed by the United States in its new and

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1 future role as the world's only super power.
2 Now if I may, let me introduce
3 former Congressman Ron Mazzoli.
4 PRESENTATION
5 BY
6 CONGRESSMAN MAZZOLI:
7 Thank you very much, Congressman
8 Ward, Mr. Chairman, and Members of the
9 Commission. Thank you very much for your time
10 today, and with respect to you, Mr. Chairman and
11 Mr. Kling, thank you very much for having come to
12 Louisville last week and for your staff, some of
13 whom are here, for their time as well.
14 CHAIRMAN DIXON: If I may interrupt, on
15 behalf of Commissioner Kling and myself, we were
16 very pleased with the outstanding presentation
17 that you made.
18 CONGRESSMAN MAZZOLI: Thank you very much.
19 We should probably provide rubber sole shoes for
20 those trips that we didn't do. Maybe the next
21 time around. I want to thank the Chairman also as
22 Chairman Ward has said, I do serve on the board of
23 directors of the chamber so I speak on behalf of
24 the business community as well.

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1 My association with Naval Ordnance,
2 I believe you remember, Mr. Chairman, goes back
3 really a full generation. In 1971 when I was
4 elected to Congress, my then neighbor -- my today
5 neighbor, Clarence Strong, was the technical
6 director of Naval Ordnance and it was Clarence who
7 suggested I come out and take a look at Naval
8 Ordnance. So in 1971, I began what would be
9 basically annual visits to see how the facility
10 was moving, and I would say, Mr. Chairman, that I
11 know the people, and I know the process very well
12 out there.
13 I believe that the story of my
14 neighbor and friend, Clarence Strong, is really
15 the story of Naval Ordnance, and that is
16 dedication to the Navy and to the nation,
17 patriotic service to the country and excellence in
18 work product.
19 I remember back in 1993 saying to
20 Chairman Courter that the Naval Ordnance Station
21 in Louisville is the best of the breed, but, as
22 you see in one of our slides here, it's also the
23 last of the breed, and we think for a number of
24 reasons it has been the gunsmith to the Navy for

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1 the past half century and be continued as gunsmith
2 to the nation and to the free world for the 21st
3 Century, and that can happen, Mr. Chairman, if our
4 plan, which will be discussed in great detail by
5 my colleague, is adopted.
6 Let me just kind of -- my point is
7 to talk a little bit about the history of the
8 Naval Ordnance Station and a little bit about the
9 history of our plan, and it did not spring full
10 bloom from Zeus on Mount Olympus.
11 This plan goes back all the way to
12 two days after BRAC '93 finished its verdict,
13 which was to keep us open, and it has progressed
14 ever since, and we have just -- very briefly, we
15 have talked to and worked with Secretary Perry,
16 Secretary Deutch, Secretary Perry, Secretary
17 Laklin, Secretary Danzi, General Clue (phonetic),
18 Secretary Gotenbaum (phonetic), Admiral Skinner,
19 Admiral Sargent, Mr. Charles, Mr. DeFalco and
20 people from Hughes and from United Defense
21 contractors about our plan for privatization, and
22 I think it's very interesting. I was listening to
23 Mayor Goldsmith a moment ago and he said the words
24 that could be taken from my mouth.

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1 I remember when Commissioner Cox
2 asked a question at your hearing in Washington of
3 the caucus at the first day of the public hearings
4 in which he asked the Navy about something along
5 the lines of privatization and about new
6 inter-servicing, and my recollection is they said
7 couldn't really get into those plans at this BRAC
8 level, at this B-SAC level but that you,
9 indicating the BRAC Commission, could, indeed,
10 review it.
11 So our plan is premised on the idea
12 that if the Navy found this very attractive, and
13 it has, every level of Navy has said it's an
14 excellent plan but we just can't do it because we
15 don't have the authority; BRAC Commission has the
16 authority, and I hope that you do.
17 Our plan, as I say, very simply
18 would do all the things which General Sullivan,
19 Admiral Kelso, General Powell said in the summer
20 of 1993 to Chairman Courter of this Commission and
21 that is start inter-servicing, start purpling, as
22 we call it, start public/private partnerships,
23 and, for pete's sake, get rid of this stuff, as
24 Admiral Stern calls it, get rid of the overhead.

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1 And, Mr. Chairman, distinguished
2 members of this panel, that is exactly what our
3 plans are, inter-servicing, public/private
4 partnership and get rid of the overhead.
5 I'll let my friends talk about the
6 plan. Let me come back to my friend, Clarence
7 Strong, again for a moment because in 1941
8 Clarence came from the Navy gun factory in
9 Washington, D.C. to Louisville, Kentucky to the
10 Naval Ordnance plant, one of seven in the nation,
11 and, as you'll see soon, it's the last of those
12 seven plants. There is no other plant.
13 And we think for that reason that
14 Clarence came to Louisville to light a candle to
15 help America prepare for the Second World War, and
16 the results of that we won the Second World War.
17 The Navy Ordnance was at the --
18 ready during the Korean War, during the Vietnam
19 War and certainly during the Gulf War, and we
20 fulfilled that purpose and had a role to play.
21 I made the point in BRAC '93 at
22 Louisville, at Columbus, and again in Washington,
23 Mr. Chairman, that whenever, the past half
24 century, the nation has made it to mobilize

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1 forward that Naval Ordnance Station has been there
2 to help in that mobilization.
We think that this facility full
4 service, full spectrum, life cycle activity,
5 engineering production, manufacturing,
6 prototyping, technology, that's the sort of thing
7 we need very much, not only in the Navy but in the
8 nation.
9 So, Mr. Chairman, to sum up, our
10 request to this Commission is that I accept the
11 recommendation from the Navy but reject that
12 recommendation to the extent that you order the
13 Navy, you direct the Navy Ordnance that the Navy
14 cooperate with the State of Kentucky, with the
15 City of Louisville, with the County of Jefferson
16 in implementing our plan for a government/industry
17 partnership, which will continue for the 21st
18 Century the tradition of excellence in
19 gunsmithing, which Clarence Strong and thousands
20 of men and women have created since 1941 at that
21 142-acre plot of ground on South Side Drive in
22 Louisville, Kentucky, which you visited last
23 week.
Mr. Chairman, we think it's a good

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1 plan. We call it the "Louisville plan." We hope
2 the BRAC Commission can adopt it.
3 CHAIRMAN DIXON: Thank you very much,
4 Congressman Mazzoli, for that excellent
5 contribution.
6 CONGRESSMAN WARD: Before we proceed,
7 Mr. Chairman, let me add a few words regarding
8 recent events at the Naval Ordnance Station.
9 As many of you may know, we have
10 significant concerns about the conflicting numbers
11 that have been used to calculate the cost of
12 closing the Naval Ordnance Station in Louisville.
13 Frankly, we don't know precisely
14 what it will cost to close the Naval Ordnance, to
15 move the critical functions and accomplish their
16 two other installations to re-equip, retrain and
17 move critical personnel and jobs, but all of us
18 here today know, without question, it will cost
19 literally hundreds of millions of taxpayer
20 dollars, regardless of the precise cost, whether
21 s $103 million, as the Navy now has estimated
22 in BRAC '95, or $623 million, as the Navy
23 estimated in BRAC '93. There's a real question
24 that needs answered.

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1 Avoiding having to relocate the
2 work and equipment in Louisville will save
3 hundreds of million of dollars that would
4 otherwise be spent to break apart and reassemble
5 elsewhere at far lower efficiency and
6 effectiveness the work now done in Louisville.
7 Mr. Chairman, our proposal has
8 three key objectives: First, reduce the Navy's
9 infrastructure. As you see in the chart on your
10 far left, it is a considerable matter; number two,
11 protect the gun weapons system expertise now
12 resident at Louisville, as you can see from the
13 second chart, core capability; three, protect the
14 people at Naval Ordnance Station in Louisville and
15 the important contribution they make to our
16 national defense and our regional economy.
17 Specifically, we ask the Commission
18 to recommend that the Naval Ordnance Station's
19 industrial complex become the centralized Navy
20 source for gun systems as the -- excuse me -- as
21 the nation's naval gun center of excellence.
22 We propose to accomplish this
23 through a collaborative effort teaming our
24 community with the Navy and some of America's most

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1 capable defense contractors.
2 To achieve that objective, we
3 believe the Commission needs to approve a
4 recommendation that achieves at least the
5 following, and we believe that that recommendation
6 can be approved by the Commission in full
7 accordance with the language that was included in
8 the recommendation to the Commission from the
9 Navy.
10 We have had this discussion with
11 those in the Navy who were involved in writing
12 this language and they feel that their language
13 does provide the flexibility for privatization and
14 the changes which we are proposing.
15 We propose language which transfers
16 the Naval Ordnance Station from Navy ownership to
17 local government ownership. That leaves in place
18 the workload for both the Navy Gun Weapons System
19 Replacement Program and the Phaleen (phonetic)
20 product line and retains the gun systems
21 engineering support as a Navy function at the
22 center.
23 Our plan has several key
24 components. The Navy would transfer ownership of

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1 the Naval Ordnance Station industrial complex to
2 our local government for conversion to a mixed
3 industrial park.
4 The Commission would recommend that
5 first the key gun systems work continue to be
6 performed in Louisville by private defense
7 contractors and, second, the navy engineering
8 presence would remain at the new Louisville
9 center.
10 A major defense contractor, most
11 likely United Defense LP, will lease part of the
12 facility to perform gun system and gun fire
13 control systems overall and remanufacture.
14 A second major defense contractor,
15 probably Hughes Missile System Company, would
16 lease part of the facility and perform phaleen
17 (phonetic) weapons system, manufacture,
18 remanufacture and overall.
19 A defense contractor, again United
20 Defense LF is the likely candidate, would lease
21 part of the facility to perform the industrial
22 support function.
23 Finally, the defense contractor's
24 offered first right of refusal for new jobs to

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1 displace naval ordnance employees, and that's very
2 important to us.
3 Mr. Chairman, your package contains
4 letters of intent from both United Defense and
5 Hughes Missile System spelling out their strong
6 interest in participating in this plan.
7 These letter, while dated last
8 week, are the culmination of months and months of
9 ongoing meetings with these contractors.
10 Obviously, we believe this proposal presents
11 manifold advantage, a win, win, win situation, if
12 you will.
13 I've asked the leaders of our local
14 government, Jefferson County Judge/Executive David
15 Armstrong, and Louisville Mayor, Jerry Abramson,
16 to outline these advantages for you.
17 First, David Armstrong.
18 PRESENTATION
19 BY
20 MR. ARMSTRONG:
21 Chairman Dixon, Members of the
22 Commission, our proposal will keep in tact the
23 proven capabilities that are unmatched anywhere in
24 America.

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1 What the Navy now enjoys at
2 Louisville is an installation, extremely unique
3 facilities, equipment and literally thousands of
4 years of combined work force expertise.
5 Mr. Chairman, as you and
6 Commissioner Kling so graciously witnessed one
7 week ago today, that combination cannot be
8 duplicated at any other department of the Navy or
9 Department of Defense installation without
10 incurring tremendous relocation and preparation
11 costs both at Louisville and the receiving
12 locations.
13 With the continuing downward
14 pressure of the defense budget, we understand the
15 Navy's view. They can no longer maintain the
16 Naval Ordnance Station at Louisville as a whole
17 public naval-owned installation.
18 While it may be too expensive to
19 maintain the status quote in Louisville, it is
20 also grossly expensive to move the defense
21 industrial capacity that resides there.
22 Simply closing the installation and
23 spreading its functions around the country not
24 only is clearly cost-prohibitive but it would

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1 cause a severe irretrievable loss of the
2 disarmament system.
3 Our proposal, on the contrary,
4 supports the Secretary of the Navy's BRAC
5 recommendations reducing the Navy's infrastructure
6 by closing the Louisville facility as a Navy
7 installation.
8 USL, as an acronym, will be
9 considered a closure for the BRAC purposes under
10 this proposal. The plan by retaining most of the
11 current Navy workload at Louisville minimizes the
12 Navy's relocation costs that would otherwise be
13 necessary under the current recommendation to
14 relocate Louisville's activities, workload and
15 facilities.
16 It epitomizes the Navy's gun system
17 capacity utilization by using the country's most
18 comprehensive and capable gun facility in the
19 world.
20 As you may know, overhaul capacity
21 is more complex than it is of the new
22 manufacturing system and processes. In other
23 words, it would be relatively simple to integrate
24 new manufacturing into Louisville's current

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existing capabilities. It maintains and centralizes and focuses all navy gun system's capability and improving the depth and breadth of that capability.

The Department of Defense and the Navy gun system requirements for the foreseeable future are significantly less than the combined or the combination of the public/private industrial capacity. In other words, we have too much stuff.

Besides the best industrial capability, Louisville also has more than sufficient capacity for all the foreseeable gun system requirements.

It creates a new cost-effective way to perform Navy and other department defense gun system repairs, overhaul and manufacturing with what we and others believe is a very significant inter-servicing potential at this location.

Finally, Mr. Chairman, our plan encourages public/private partnerships in the defense sector, a key initiative that the Pentagon and under President Clinton has directed.

It will produce an appropriate mix of public/private responsibility and partnership

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that could prove to be a model for other defense efforts as we strive to downsize and maintain essential capabilities.

Mr. Chairman, three weeks ago Vice Admiral George Sterner spoke to many of us here. Admiral Sterner. Is the Navy C system command, said the Navy simply has too much stuff, and he said the local plan allows the Navy to preserve some good stuff at the Naval Ordnance Station in Louisville.

In short, by preserving the good stuff at Louisville, there is a win-win situation for the Navy because it receives an enhanced capability at a very low cost. The defense contractors would gain a broader business base.

As Mayor Abramson will describe in a moment, our community gains significantly. Thank you very much, Mr. Chairman.

PRESENTATION

BY

MAYOR ABRAMSON:

Mr. Chairman, I am Mayor Jerry Abramson. Ladies and Gentlemen of the Commission, thank you for the opportunity to be here. I have

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1 got to give you a little background to make sure
2 you understand this best of the breed, last of the
3 breed.
4 Don't forget Louisville is the home
5 of the Kentucky Derby, so we put things in the
6 context of the horse racing business and the
7 breeding concerns, but we are, in fact, the last
8 and we believe the best.
9 We have gone through this process
10 several times already. In 1991 we had an
11 opportunity to go through the process and they
12 restructured the facility because of its
13 importance to the Navy.
14 In 1993 we were placed on the
15 closure list. We went through this process and we
16 were taken off the closure list because of the
17 importance of this facility and the fact that it
18 was the best of the breed, but the last of its
19 kind, the last of the breed.
20 Immediately after BRAC 1993, we
21 could see that there was -- that there were clouds
22 a coming in '95 because we've been there and we
23 have done that and we understood the difficulties
24 each and every other year that seem to come our

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1 way.
2 From that day forward, we began to
3 focus on where we could respond to the needs of
4 the Navy and to the needs of this nation.
5 So we tried to assess, with the
6 help of the Navy and the Defense Department, the
7 goal of what would occur in 1995, and we found
8 that the Navy wanted to reduce its ownership of
9 infrastructure. That was the goal.
10 We found that the Navy was
11 interested in continuing Louisville as a world
12 class facility so that it could preserve the
13 critical gun maintenance and overhaul capabilities
14 for the Navy.
15 We understood as a goal that they
16 wanted to keep in place, if possible, the
17 expertise and the technologically proficient work
18 force, as well as some very sophisticated, as you,
19 Mr. Kling, and you, Mr. Chairman, saw, some
20 sophisticated facilities. If you could keep the
21 facility and proficient technologically-skilled
22 work force together, you had a win-win
23 opportunity.
24 And, finally, there was a real

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1 chance to create a Naval Gun Center of excellence
2 that could be a model in the future for cross --
3 for branches of the different arms of the service
4 to be able to inter-service and use this -- that
5 facility by other arms -- other branches.
6 Now to reduce the Navy's ownership
7 of infrastructure, which we are concerned about,
8 the city is prepared to assume ownership of 142
9 acres of the naval facility.
10 Now what you see up there on the
11 chart is the location of the naval facility. You
12 see that it's contagious to the international
13 airport, which happens to be the United Parcel
14 Service overnight hub. They're now the largest
15 employer in the Louisville area, about 12,000
16 employees. You see contiguous to the regional
17 rare rail, freight yards and you see the
18 capability of east, west, north, south interstate
19 traffic for highway truck traffic.
20 It gives us an opportunity for an
21 outstanding chance for development of a very
22 successful industrial park in support of the
23 Navy's mission, and it's so easy to see the
24 synergy that exist with the location of the

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1 facility, vis-a-vis the rail, the air, and the
2 highways.
3 Secondly, to insure that the
4 experienced, technologically-proficient work
5 force, as well as the investment, stays in place,
6 we have in your packet strong letters of
7 commitment or, let's say, interest from Hughes
8 Missile Systems, as well as United Defense LP, to
9 partner with the Navy and with Louisville to
10 insure that we can continue the outstanding
11 service of the men and women who work there with
12 the facilities that exist there to insure the
13 mission of the Navy is met.
14 We also have an opportunity in
15 terms of a goal to create a facility that will
16 become, and should become, I would submit to you,
17 an inter-service model for all the branches.
18 Fort Knox, Kentucky, is an hour
19 away. The Abrams tank -- facility at the Naval
20 Ordnance facility can interact with the Abrams
21 tank and be able to provide refurbishment work for
22 that piece of equipment, the Bradley fighting
23 gear, again Fort Campbell right down the road from
24 Louisville, the capability of having the Navy, as

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1 well as the Army, the contract for the Marines six
2 or seven years of work to be able to refurbish the
3 vehicles that was used in Somalia and the Persian
4 Gulf. Those also could be used as an opportunity
5 for inter-servicing in our community.
6 The bottom line is we have been
7 working on this for several years. No one should
8 walk away from this proposal thinking that it was
9 something that came to our minds a week-and-half
10 ago, a month-and-a-half ago or a year ago. It's
11 been something that we began talking with under
12 Secretary Danzi a year-and-a-half ago. It's
13 something that -- a proposal that we have worked
14 with the Assistant Secretary Robert Perry who is
15 the Assistant Secretary for Installation and
16 Environment, and he feels this is a very positive
17 way and approach for the Navy to be successful and
18 to provide an opportunity for keeping our country
19 strong.
20 The Navy Depot Assistant Secretary
21 Charles DeFalco got to the point where we met him
22 enough his secretary says, hello, Jerry, when I
23 walk in. We have got -- excuse me. We have week
24 after week, month after month, whether its the

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1 county judge, whether it's former Congressman
2 Green, whether it's Congressman Ward, we have been
3 working with the Navy to understand their goals
4 and to fashion for them what they, in fact, are
5 going to need, and then when you get the Navy
6 directly, Vice Admiral Sterner with their
7 caricature or their focus of the opportunities at
8 Naval Ordnance Louisville as a collaboration among
9 the city with the defense contractors and the Navy
10 providing an opportunity for them to grow, we
11 would submit to you that what you see up here
12 provides the Navy with its goals, we meet each and
13 every one of them, and we think it provides a
14 great opportunity for the future of this country.
15 When you speak in terms of
16 technologically proficient and skilled work force
17 that stay in place and with the private businesses
18 joining with us in a partnership, it's a triple
19 win, as Congressman Ward said.
20 We're prepared to do that. We are
21 prepared to implement that. With your guidance
22 and with your support, we'll be able to do that
23 sooner than later. We hope that you support our
24 efforts on this, and we thank you for your time.

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1 CHAIRMAN DIXON: Thank you, Mr. Mayor.
2 MR. WARD: Now, Mr. Chairman, it's my
3 pleasure to introduce our Lieutenant Governor of
4 the Commonwealth of Kentucky, Paul Patton.
5 GOVERNOR PATTON: Thank you, Congressman
6 Ward.
7 CHAIRMAN DIXON: Governor, let me say we are
8 delighted to have you. As you know, your governor
9 was at your presentation and we appreciate the
10 fact that your entire state administration has
11 supported this view.
12 PRESENTATION
13 BY
14 LIEUTENANT GOVERNOR PATTON:
15 That's the message that he wanted
16 me to reiterate in front of the Commission. You
17 refer to your visit last week, and the governor
18 was very pleased to be able to devote the time for
19 that. Unfortunately, today was just an
20 impossibility for him, so he asked me to come and
21 deliver to you his personal official letter of
22 endorsement of this project, which should be in
23 your packets, and my comments are also there.
24 My message to you today is that the

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1 entire leadership of Kentucky enthusiastically
2 supports the plan that you adhere here today.
3 It is totally, totally logical and
4 doable to privatize the operations in local rather
5 than see those state-of-the-art facilities and the
6 quality work being done there abandoned,
7 dismantled and disbursed to other areas.
8 While, as Congressman Ward, I don't
9 know the exact cost of closing the facility, I do
10 know, since I'm a former member of the -- or head
11 of the cabinet of Renomination Development of
12 Kentucky, that such closings are very, very
13 suspicious indeed. Beyond the expense, the U.S.
14 Navy would lose a highly-trained,
15 highly-efficient, and highly-motivated work force
16 if Louisville operations were shut down and moved
17 to other locations.
18 Every one of those jobs is
19 important to us. While maintaining the status quo
20 may not be viable, as apparently it is not,
21 privatizing the operation would maintain the work,
22 preserve the expertise we built in Louisville,
23 save perhaps hundreds, perhaps millions of dollars
24 in closings and relocation costs and create a

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1 model defense-related industrial park that would
2 be second to none in the world.
3 In closing, let first me assure you
4 that the executive and legislative leadership of
5 the State of Kentucky are committed to seeing that
6 the privatization of Louisville's Naval Ordnance
7 facility is successful. We stand ready to work
8 with you, the Navy, the Department of Defense, and
9 our good colleagues on this team to make
10 privatization in Louisville work.
11 Again. Thank you for this
12 opportunity, and if you will excuse me, I have a
13 plane to catch.
14 CHAIRMAN DIXON: Well, thank you very much,
15 Governor Patton.
16 CONGRESSMAN WARD: Mr. Chairman, as you can
17 see, we have widespread support among the
18 government and community leaders, but this support
19 would be nothing if we had not been every step of
20 the way making sure that our plans and our
21 proposals were in accordance with our long-term
22 goal.
23 Our goal is very simple, to keep
24 the work, to keep the people, to keep the families

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1 who rely on the ordnance and who have dedicated
2 their lives to the service of their country in
3 tact and in place.
4 To that end, I'm very glad to
5 introduce the president of the International
6 Brotherhood of Electrical and Aerospace Workers,
7 Lodge No. 830, who represent just about a third of
8 the employees at the plant. This is Larry Craig.
9 CHAIRMAN DIXON: Mr. Craig, we are happy to
10 have you, sir.
11 PRESENTATION
12 BY
13 MR. CRAIG:
14 Thank you. Chairman Dixon,
15 distinguish members of the Base Closure
16 Realignment Commission, good afternoon.
17 I bring you greetings from the
18 International Association of Machinists and
19 Aerospace Workers, International President, George
20 J. Corpeus.
21 The IAM represents over one-half
22 million members throughout the United States,
23 Canada and Panama, including the bargaining units
24 at the Naval Ordnance Station at Louisville.

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1 Under the leadership of President
2 Corpeus, the machinist union understands full well
3 that true job security in today's global market
4 place and a highly competitive shrinking U.S.
5 Industrial workplace lay squarely in our ability
6 as workers to compete.
7 The IAM supports true partnership
8 with employers to develop high-performance work
9 organizations that are efficient and productive
10 producing high quality while paying good wages and
11 benefits.
12 Machinist Local 830 supports the
13 plan presented to you today that privatizes our
14 Navy facility as an alternative to closure. It's
15 a good deal, good for the community, keeping jobs
16 in the community, good for the Navy retaining
17 access to the skills and abilities of a highly
18 specialized work force, good for the workers who
19 come out of a base closure process much better off
20 than a lot of our brothers and sisters across the
21 nation who are in the same boat. Most will have
22 jobs doing the same work with comparable wages.
23 While we will be sadden over our
24 separation from the civil service, we look forward

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1 to all the possibilities in being part of a
2 growing private concern still working on our
3 nation's armaments while at the same time
4 participating in the defense conversion through
5 diversification and to other peacetime products.
6 On behalf of the bargaining unit
7 employees of the Naval Ordnance Station in
8 Louisville, I ask that you give this plan your
9 fullest consideration. Thank you.
10 CHAIRMAN DIXON: Thank you very much,
11 Mr. Craig.
12 CONGRESSMAN WARD: Thank you, Larry.
13 Finally, Mr. Chairman, we know that
14 all of the difficult work you are doing must
15 ultimately produce decisions that meet with the
16 approval of the President and the Congress.
17 I note that you have had a long day
18 and, in closing, I would simply like to leave you
19 with key thoughts about our effort to save vital
20 work and jobs at the Naval Ordnance.
21 First, and foremost, our proposal
22 satisfies the mandate of the Commission to reduce
23 defense infrastructure. It insures continued
24 world class work on many of the Navy's most

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1 critical weapons systems. It eliminates the need
2 to dismantle and disburse Naval Ordnance proven
3 effective capabilities. This will both save money
4 and serve our nation's future defense needs.
5 Finally, it gives us the
6 opportunity to prove to the Pentagon, the
7 Congress, the President, and the nation that
8 Louisville's Naval Gun Center of excellence can be
9 a model for others to follow.
10 To achieve that objective, we
11 believe the Commission must approve a
12 recommendation that achieves at least the
13 following, and, again, this, we are told, is in
14 keeping with the language that was delivered to
15 you by the Pentagon.
16 This transfers Naval Ordnance
17 Stations from Navy ownership to local government
18 ownership. That leaves in place the workload for
19 both the Navy Gun Weapons System Replacement
20 Program and the Phaleen product line, retain to
21 the gun systems engineering support as a Navy
22 function at the center. These are the elements
23 that we are looking to have included in your
24 language.

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1 I want to mention, again, that we
2 have heard from the Department of the Navy with
3 regard to our motion and have from them a letter
4 that we have included as part of our testimony and
5 also have a number of other letters, such as the
6 one that Lieutenant Governor Patton referred to
7 from Governor Jones, which we will be submitting
8 for the record and ask you to hereby accept as
9 part of the record.
10 With this proposal, Louisville can
11 help achieve, if I may use the Pentagon's own
12 words, the readiness and modernization we need
13 within the budget we have.
14 Thank you, again, Mr. Chairman, and
15 we welcome any questions that you or members of
16 the Commission may have.
17 CHAIRMAN DIXON: Well, thank you, Congressman
18 Ward. Of course, as I said previously, on the
19 occasion that my distinguished colleague,
20 Mr. Kling and I visited with you in Louisville,
21 your distinguished senior senator, the democratic
22 whip, formerly my boss when I was a majority chief
23 deputy whip, when he was a majority whip, has
24 talked to me on a number of occasions about this,

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as has your junior senator, Senator Mitch McConnell. So we want you to know that all representatives of your state have been active in support of your position.

Do any of my colleagues have any questions of these distinguished gentlemen?

(No verbal response.)

Well, we thank you very much for this very important contribution and for your efforts.

CONGRESSMAN WARD: Thank you.

CHAIRMAN DIXON: Thank you all.

(A brief pause.)

Ladies and Gentlemen, we do have some disquieting news I'm afraid. My old friend, the distinguished senior senator from Michigan, who's served on the Armed Services Committee with me and is very much an expert in that field, I understand is unable to get here due to the weather in Michigan or the weather -- I should not blame Michigan for this -- the weather somewhere, the weather somewhere.

I would not want to point the finger at any state or any region but, in any

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event, I'm awfully sorry to hear that Senator Carl Levin cannot be here. He had talked to me about this issue, may I say, in Washington and I do want to say to everybody here from Michigan that Senator Levin has talked to me about this. I understand someone will read his prepared statement.

May I also say that your distinguished whip, Congressman David Bonior, from the 10th District, talked to me at length on the telephone. He is an old friend. When I was chief deputy whip in the United States Senate, he was chief deputy whip in the House of the majority in those days, and so he's an old friend and has expressed his view.

I have here his letter. To the extent that it is not read by you folks or alluded to, may I say, it will be reproduced in the record. The congressman was very sorry he had a commitment which prevented him from being here and, as a man who travels a good deal now, and did in the past, I can appreciate the problems that all of us have when the weather won't cooperate, and so we are awfully sorry that Senator Carl

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Levin, who's highly regarded by all of us and recognized for his expertise in this area, can't be here.

Now let's see if I have this right. Now, as I understand the schedule as it is now suggested, Ms. Candy Miller, the Secretary State of Milwaukee --

MS. MILLER: Yes.

CHAIRMAN DIXON: -- will make a contribution, then State Senator Ken DeBeaussaert.

MS. MILLER: DeBeaussaert.

CHAIRMAN DIXON: DeBeaussaert.

And then Mr. Robert Carey reading Senator Abraham's statement will make a statement, and may I say that Senator Abraham as well has expressed to me his concern about this matter. We are indebted for his contribution, and then Mr. Ben Polselli, UAW Local President, that is in respect to the Detroit Arsenal, and then with the Selfridge Army Garrison, Colonel Leo Williams. Senator, you will again make a contribution to State Representative Tracey Yokich.

CHAIRMAN DIXON: Is Tracey --

MS. YOKICH: Yes.

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CHAIRMAN DIXON: Oh, Tracey -- thank you. Do you care to move up. We are waiting for the next panel. And Ms. Pam Weeks, Harrison Township supervisor. Is that the correct order?

MS. WEEKS: Yes.

CHAIRMAN DIXON: Now we are, of course, pleased to welcome the distinguished Secretary of State, an office I hope you will note I once held.

MS. MILLER: No, I was not aware of it.

CHAIRMAN DIXON: I was Secretary of State of Illinois.

MS. MILLER: I like you better already. I always liked you.

(Laughter.)

CHAIRMAN DIXON: Ms. Candice Miller, Secretary of the great State of Michigan.

MS. MILLER: Thank you, Mr. Chairman.

CHAIRMAN DIXON: Wait a minute.

(Laughter.)

Don't start the clock. I blow this every time. Okay. Here we go. Will you all stand and raise your right hand. How about the next group and we'll do it just once.

(Witnesses sworn.)

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1 I thank you. I thank you all.
2 Secretary of State, Candice
3 Miller.
4 PRESENTATION
5 BY
6 SECRETARY OF STATE MILLER:
7 Chairman Dixon and distinguished
8 Commission Members, on behalf of Governor John
9 Engler and all of the citizens of the great State
10 of Michigan, I'm here today representing
11 Michigan's vehement opposition to the
12 recommendation to close the Army garrison at
13 Selfridge International Guard Base.
14 As Michigan's Secretary of State, I
15 believe I bring a unique background and clear
16 perspective of the impact these proposals will
17 have.
18 On a professional level, I have
19 served for 12 years as the township supervisor of
20 Harrison Township, the community in which the base
21 is located. I have served for two years as the
22 Macon County Treasurer, the county in which the
23 base is located.
24 Additionally, I have been a member

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1 of the Selfridge Community Council, the civilian
2 support group for the base for 15 years.
3 On a personal level, my husband,
4 Colonel Donald Miller, is a former base commander,
5 after having served for 28 years in both the Air
6 Force and the Air National Guard.
7 I believe that I am intimately
8 familiar with the structure, as well as the
9 mission, of all of the military components
10 represented at this facility, and today I ask you
11 to reject the recommendation of the Secretary of
12 Defense in regard to the proposed closure of the
13 Army garrison at Selfridge.
14 To be brutally frank, the
15 recommendation was developed in a vacuum. The
16 factors that were used in the equation were
17 erroneous and the information advanced to you is
18 neither clear nor complete.
19 The announcement of the Selfridge
20 Army Garrison recommendation came as a complete
21 surprise to not only the civilian and political
22 leadership in Michigan, but, most importantly, to
23 the other military services who currently live in
24 this housing. They were stunned because no one

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1 ever asked them what they thought or how they
2 would house their people or how they would be
3 expected to pay to pick up the pieces.
4 One of the published primary goals
5 of the Department of Defense is that it should
6 make maximum use of common support assets as well
7 as share these assets whenever possible, because
8 of the very obvious economic advantages. Yet,
9 here we have an installation that the DOD should
10 be pointing to as a role model of success and
11 instead the Army is making a bizarre
12 recommendation to close this garrison for what
13 they say makes good economic sense.
14 The recommendation that you are
15 being asked to consider states that 329 families
16 will be displaced and that these families are to
17 seek suitable housing in the local economy.
18 The reality is that in addition to
19 the 329 Army families, 90 Navy families, 80 Air
20 Force families, 72 Marine families, and 123 Coast
21 Guard families will also be displaced, yet,
22 absolutely no thought or suggestions to upward
23 budget revisions had been given to this very real
24 and very overlooked part of the equation. Why?

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1 Because as I stated earlier, the Army never
2 consulted with any of the other affected military
3 units. These numbers were current as of last
4 week.
5 And when the assigned
6 representative of this Commission visited
7 Selfridge we can easily prove these are very real
8 human beings and they simply were not included in
9 the COBRA model used by the Army when they
10 developed this report.
11 Subsequent speakers will touch on
12 some of the other overlooked factors in this
13 report, such as an upfront cost of $5 million,
14 such as an infrastructure cost that will have to
15 be picked up by some other service if the garrison
16 closes, that the housing allowance figure used in
17 the Army's equation has been proposed by Secretary
18 Perry to be increased to reflect a true cost of
19 housing in the Detroit area.
20 How ironic that both President
21 Clinton and Secretary Perry have publicly stated
22 their concern for improving the quality of life
23 for our military personnel and, yet, this proposal
24 will effectively create a ghost town for those

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1 that will remain.
2 I realize that this Commission must
3 listen to and attempt to evaluate fairly the
4 impact of defense cutbacks on our nation as a
5 whole.
6 I emphasis the word "fairly"
7 because the State of Michigan has clearly already
8 shouldered an unfair burden of defense cutbacks.
9 We, in Michigan, have begun to ask the question
10 has the Department of Defense adopted a strategy
11 which represents a contract to close Michigan?
12 Just four short years ago we were
13 host to three major federal military
14 installations. In 1991 Wurtsmith Air Force Base
15 was closed. In 1993 K.I. Sawyer was closed.
16 If the Selfridge Garrison and the
17 Army Tank Plant close, Michigan, the eighth
18 largest state in our nation, will have the dubious
19 distinction of being dead last in terms of defense
20 dollars. Is this how the DOD defines fair?
21 Recognizing how difficult your task
22 of fairly evaluating this recommendation is,
23 please consider one additional bit of information
24 in regard to the State of Michigan. It should be

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1 noted that as a result of the cutbacks already
2 borne by Michigan, the only remaining commissary,
3 medical clinic and other support facilities used
4 by the over one million veterans and military
5 retirees who live in Michigan are located at
6 Selfridge.
7 Is it our intent to tell these
8 brave men and women that the only way for them to
9 avail themselves of the benefits that they so
10 rightfully deserve is to drive to another state?
11 As we restructure our national
12 defense capabilities to adjust to a changing
13 world, it is certainly appropriate to remember the
14 caveat that we made with the individuals who have
15 protected our ability to even have this
16 conversation today.
17 In the case of the proposed closure
18 of the Selfridge Garrison, I think we can
19 accurately categorize this recommendation as an
20 incorrect representation to this Commission.
21 Mr. Chairman and Member
22 Commissioners, once again, I ask you to reject
23 this recommendation as it will clearly have a
24 negative overall economic impact on the Department

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1 of Defense in clear contrast to our proposed
2 collective goal. Thank you very much.
3 CHAIRMAN DIXON: Thank you very much,
4 Secretary Miller, for that excellent
5 presentation. We are indebted to you and we are
6 honored that Senator Ken DeBeaussaert will be kind
7 enough to read Senator Levin's statement to us.
8 SENATOR DeBEAUSSAERT: Thank you very much.
9 I appreciate having this opportunity to read
10 Senator Levin's statement and appreciate the fact
11 that you mentioned my congressman's letter that
12 has been, I believe, distributed for the
13 Commission's review.
14 CHAIRMAN DIXON: And it is in the record,
15 Senator.
16 PRESENTATION
17 BY
18 SENATOR DeBEAUSSAERT:
19 Senator Levin's statement reads as
20 follows: "Mr. Chairman and Members of the
21 Commission, I thank you for the opportunity to
22 speak today, but I am distressed to be in this
23 position again.
24 I have supported the base closure

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1 process because it is necessary, but it must be
2 fair. Unfortunately, the BRAC process has been
3 unfair to Michigan, and my state has paid dearly
4 for defense downsizing.
5 Michigan has now lost all three of
6 its active Air Force bases; Kincheloe, Wurtsmith
7 and K.I. Sawyer. All were in small, rural
8 communities where closure caused huge economic
9 distress.
10 Michigan has lost 22 percent of its
11 DOD personnel from the three rounds of base
12 closures, the seventh highest percentage in the
13 nation, while 19 states have actually gained
14 personnel from realignments associated with base
15 closures.
16 Of course, military value should be
17 the primary closure consideration in selecting
18 bases for closure, but cumulative economic impact
19 is also a criterion. Everyone pays lip service to
20 cumulative economic impact, but for Michigan the
21 impacts just keep on coming.
22 Now the Pentagon's 1995 BRAC
23 recommendation proposes more closures in Michigan,
24 including the remaining symbol of the Arsenal of

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1 Democracy that brought the U.S. victory in World
2 War II, the Detroit Arsenal Tank Plant and the
3 Selfridge Army Garrison.
4 I would point out during the last
5 base closure round, this Commission wisely
6 reversed the Pentagon's recommendation to close
7 the Battle Creek Federal Center and save that
8 facility. The result is a growing activity.
9 On the issue of the Detroit Arsenal
10 Tank Plant, the Army has made a fundamental error
11 in its claim that closing the Detroit Tank Plant
12 would have no impact on any jobs. That is wrong.
13 There will be about 150 workers at the plant when
14 the current contract expires.
15 The Army is hiding behind that
16 contract expiration, instead of closure, as the
17 cause for people losing their jobs, but by
18 recommending closure, the Army is preventing
19 another contract from being entered into there, as
20 contract after contract after contract has been
21 entered into in the past, and the Army knows there
22 will be more of that work continuing for the
23 foreseeable future. So it will have to be done
24 elsewhere.

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1 By closing the tank plant, the Army
2 would be moving a production contract for tank gun
3 mounts from the private sector to the public
4 sector. That is contrary to U.S. Government
5 policy contained in OMB Circular A-76 and runs
6 exactly counter to where we are going -- move from
7 the government into the private sector.
8 The Army's projected savings from
9 closing the tank plant are flawed. They estimate
10 the cost at $1.4 million, based on the standard
11 BRAC formula of $1.25 per square foot. It could
12 cost millions more if any of the equipment needs
13 to be moved, but the Army doesn't know what it
14 cost because they didn't study it before they
15 recommended closure.
16 The Army appointed a cost
17 estimating group after they recommended the
18 closure to study the true closing costs. The group
19 assumes that equipment will be moved contrary to
20 the BRAC assumption before you.
21 The bottom line is that jobs will
22 be lost, real jobs. The bottom line also is that
23 it will cost more to close the tank plant than the
24 Army claims.

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1 Selfridge Air National Guard Base
2 is the only truly joint base in the entire United
3 States. All five military services are present
4 there, including the Coast Guard. The Selfridge
5 community is justifiably proud of being a "purple"
6 or joint installation that other facilities should
7 strive to emulate.
8 Assistant Secretary of Defense,
9 Deborah Lee, called Selfridge a "model" and said
10 she thinks "we need more bases like it with all of
11 the components pulling together," end quote.
12 The recommendation before you is
13 unusual in that it proposes to keep the base open
14 but remove support from the base. This is a case
15 of the Army looking through green-colored glasses
16 in a purple world.
17 The Army is looking only at its own
18 slice of Selfridge and ignoring the impact of
19 closing the Army Garrison and the other services
20 it supports there and the costs they will have to
21 pay.
22 This recommendation is based on a
23 shell game: What looks like a savings to the Army
24 will be a cost to other services. It clearly

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1 would not result in the savings the Army claims.
2 It would, however, cause a significant degradation
3 in quality of life, at a minimum, and could impair
4 the ability of the base to operate. It raises too
5 many important and unanswered questions to accept
6 the recommendation.
7 Some of the activity the Army wants
8 to stop at Selfridge must, by military policy,
9 continue if the base is to continue functioning.
10 If the Army doesn't pay for these services,
11 another DOD component will have to. That means
12 there won't be savings to the taxpayers for those
13 continuing functions, like security and fire
14 protection, medical clinic, child care, education
15 center, dining facilities, chapel and fitness
16 facilities.
17 The same is true with housing. The
18 Army claims savings from not operating,
19 maintaining the base housing but only calculated
20 cost of moving Army personnel from that housing
21 out into the civilian economy. It did not
22 calculate the cost of housing allowances required
23 for the other service personnel who would have to
24 move off base if the housing is closed. That is a

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1 difference of about $4 million per year from an
2 estimated annual savings of $10 million.
Besides housing, if the Army
rrison were closed, it would have serious
5 consequences for the base: no snow removal for
6 part of the base, no medical clinic operating
7 during the week, no maintenance support for
8 buildings remaining open, including the commissary
9 and base exchange. Most of these functions are
10 essential for the base to operate and would have
11 to be paid for by another DOD component.
12 Although required by the BRAC
13 process, it appears there was no cross-service
14 review of this recommended closure. No BRAC
15 recommended base requires cross-service review
16 more than Selfridge.
17 If the Army garrison is closed at
18 Selfridge, the other services will remain and will
19 have to spend money to keep the base running and
20 maintain morale.
21 The impact on quality of life
22 should be put in context. Last fall the President
23 added $2.7 billion to the defense budget for
24 programs to improve the quality of life of our

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1 military personnel. One of the key investment
2 areas is in military family housing. The
3 Secretary of Defense has made it clear that
4 quality of life issues are at the top of his
5 priority list for military readiness and
6 effectiveness.
7 This recommendation is 180 degrees
8 off course with current DOD policy emphasizing
9 joint facilities. DOD policy for BRAC 95 is
10 clear.
11 It is DOD policy to make maximum
12 use of common support assets. DOD component
13 should, throughout the BRAC 95 analysis process,
14 look for cross-service or intra-service
15 opportunities to share assets and look for
16 opportunities to rely on a single military
17 department for support.
18 You couldn't find a better example
19 of this policy in action than Selfridge. To wreck
20 this cooperation among the services would be
dicrous. It will cost money and morale.
Mr. Chairman, this math is the math
23 of the old days when each service cared only about
24 its own affairs and ignored the other services. It

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1 is time for new math. The taxpayers have to pay
2 the bill for all of the services. Thank you.
3 CHAIRMAN DIXON: Thank you, Senator. That
4 was very eloquently done. Senator Carl Levin is
5 indebted to you, as are we. You have a minute
6 remaining. Would you like to make a brief remark
7 of your own, Senator? I know you'll be on again
8 later.
9 SENATOR DeBEAUSSAERT: I will as it relates to
10 Selfridge, in particular, in my local district. I
11 notice, as well as the congressman has expressed
12 some serious concerns, about the housing issue and
13 I believe he's had some conversation with you
14 about that, and we welcome the opportunity for the
15 visiting Commissioners to see the existing housing
16 on our base and see what alternatives might be
17 available and to review the entirety of the
18 proposal before us.
19 CHAIRMAN DIXON: Thank you very much,
20 Senator, for those remarks.
21 We are pleased now to hear from
22 Mr. Robert Carey, I believe reading Senator
23 Abraham's statement.
24 Is that correct, Mr. Carey?

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1 MR. CAREY: Yes. I'm a member of Senator
2 Abraham's staff.
3 CHAIRMAN DIXON: We are delighted to have
4 you. Our regards to the Senator.
5 PRESENTATION
6 BY
7 MR. CAREY:
8 I thank you. The statement of
9 Senator Abraham we wish to have read as
10 follows: "Mr. Chairman and Commissioners, I thank
11 you for this opportunity to discuss the impact of
12 the Base Realignment and Closure process on the
13 State of Michigan.
14 I have serious concerns about the
15 process by which these proposals were developed,
16 and I do not believe the interests of the
17 taxpayer, the Department of Defense, nor the State
18 of Michigan are served by their execution.
19 I recommend you not adopt these
20 recommendations and preserve these installations
21 for the militarily necessary purpose they serve.
22 Let me first address the proposal
23 to close the Tank Automotive and Armaments Command
24 Support Activity, otherwise known as TACOMSA, at

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1 Selfridge Air National Guard Base.
2 In my view, Selfridge is unique to
3 the U.S. Military as a facility that supports all
4 five uniformed services in addition to the
5 National Guard. Although I could expound on the
6 military utility of Selfridge, the base, as a
7 whole, is not slated for closure, only TACOMSA.
8 To that end, I wish to focus attention on the
9 issues I believe have not been fully addressed by
10 this proposal.
11 First, the Army suggests the
12 closure is justified because TACOMSA, and I
13 quote, "exists primarily to provide housing
14 activities, predominantly Detroit Arsenal, located
15 in the immediate area, although such support can
16 be provided through a less costly alternative,
17 specifically, commercial housing, on the local
18 economy for military personnel using Variable
19 Housing Allowance/Basic Allowance for quarters and
20 that closure avoids the cost of continued
21 operation and maintenance of unnecessary support
22 facilities. Mr. Chairman, I disagree with both of
23 those findings.
24 The proposal notes that TACOMSA

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1 housing is only 35 percent occupied and that
2 moving the service families into the local economy
3 will save $4.8 million per year. However, I
4 believe absent is an accounting for the other
5 service families living in TACOMSA housing.
6 It is true Army personnel only
7 occupy 35 percent of the total housing available.
8 But due to Selfridge's joint nature, Navy, Marine
9 Corps, Air Force and National Guard service
10 families bring the total habitable unit occupancy
11 above 95 percent.
12 Furthermore, because of the
13 military housing appropriation process, the Army
14 is not reimbursed by the other miliary services
15 for their personnel occupying Army housing. So
16 although such a move may reduce Army expenditures,
17 total Department of Defense expenditures will not
18 be considerably less. Let me focus attention on
19 these specific numbers.
20 The suggested savings to the Army
21 is over $6.063 million per year in family housing
22 operations costs. However, TACOMSA Army family
23 housing costs, as provided by the TACOMSA staff,
24 are $5.4557 million per year.

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1 Six hundred ninety-two families
2 currently occupy TACOMSA housing units. With the
3 elimination of the two TACOMSA military billets,
4 moving the 690 military families into the local
5 economy will cost $5.575 million per year, an
6 increase of almost $120,000 per year.
7 What is less consistent in these
8 calculations is that the annual operating costs
9 have apparently been overstated by over
10 half-a-million dollars, while the annual costs of
11 housing the service families on the economy were
12 understated by $4.293 million.
13 In short, I believe the federal
14 government may spend more money by moving the
15 service families at Selfridge onto the economy.
16 TACOMSA provides much more,
17 however, than on-base housing. Because the
18 National Guard does not usually provide morale,
19 welfare and recreation or family support services,
20 unless specifically authorized, TACOMSA, as a
21 tenant regular miliary command, has provided these
22 functions at Selfridge.
23 TACOMSA is singularly responsible
24 for the operation and administration of all

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1 morale, welfare, and recreation activities and
2 facilities, while it also provides the maintenance
3 and base support for all non-operational
4 facilities on base.
5 To my knowledge, 60 to 65 percent
6 of all TACOMSA work is to support these
7 non-housing facilities, such as the Exchange, the
8 commissary and the clubs.
9 But the closing of TACOMSA would
10 not necessary mean the closing of these
11 facilities. Although the military families would
12 move off-base, they would still be assigned in and
13 around Selfridge.
14 Correspondingly, the need for the
15 support services TACOMSA has supported and
16 maintained may still be needed. It does not
17 matter if TACOMSA provides that support. The fact
18 of the matter is, some department, agency or
19 organization will be needed to provide that
20 support. Therefore, the proposed savings of
21 almost $1.4 million annually in operations and
22 maintenance and $2.806 million annually in
23 civilian salaries, would evaporate.
24 Such functions as the woodcraft

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1 shop or Boy Scouts may cease, but the need for
2 maintenance on the exchange and commissary or the
3 administration of such core MWR functions as the
4 fitness center and the clubs, will continue.
5 This highlights the inconsistency
6 of the COBRA cost model data with the savings
7 claims. The proposal narrative states 57 military
8 and 555 civilian/contractor positions will be
9 eliminated.
10 The COBRA Realignment Summary,
11 however, states 19 miliary and 61 civilian
12 positions will be eliminated, while 268 military
13 and 81 civilian positions will be realigned.
14 From these reductions, over $2.8
15 million in civilian salaries will be saved
16 annually, while $735,000 will be saved annually in
17 military salaries. This equates to an average
18 civilian salary of $46,000 and an average enlisted
19 miliary salary of $31,000, both 50-100 percent
20 above the average. This also overlooks the fact
21 that TACOMSA only has 20 miliary personnel
22 assigned.
23 The aforementioned illustrates how
24 the TACOMSA proposal appears incomplete. In my

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1 investigation, I have not found any indication
2 that the other services were advised of this
3 proposal, nor was their opinion considered.
4 Furthermore, the claims in the
5 proposal narrative do not follow through in the
6 COBRA cost accounting, while the COBRA cost
7 assumptions do not match the actual costs
8 experienced at Selfridge.
9 By my estimation, the federal
10 government would not save any money on housing
11 costs but would continue to spend upwards of $7
12 million per year for base operations and
13 maintenance and $2.5 million per year for MWR
14 activities.
15 I further belief the federal
16 government would only save these expeditures by
17 the elimination of Selfridge, a proposal that has
18 not been put forth by the National Guard.
19 I understand these figures I've
20 presented today calculated from actual TACOMSA
21 data do not correspond to the COBRA Total
22 Appropriations Detail Report by either line item
23 or amount.
24 My staff, in close coordination

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1 with the staffs of my Michigan delegation
2 colleagues, have found these inconsistencies
3 throughout the proposal's analysis.
4 I, therefore, request that your
5 staff fully analyze the source for the proposal's
6 data, the process by which it was calculated, and
7 the conclusions to which it came. I believe that
8 you will find TACOMSA to be cost-effective and
9 militarily justified.
10 I also wish to discuss the Army's
11 proposal to close the Detroit Arsenal Tank Plant.
12 The proposal narrative asserts there would be no
13 impact as no military or civilian personnel
14 currently working at the facility. However the
15 Tank Automotive and Armaments Command, the tank
16 plant's parent command, states 41 defense logistic
17 agency personnel, two army military and 149
18 General Dynamics land system contractor personnel
19 work in the facility producing gun mounts and
20 related parts for the Ml tank.
21 Furthermore, the tank automatic
22 command declared to me on 27 March, "If the
23 Detroit Arsenal Tank Plant, DATP, closes, 100
24 percent of the gun mounts would be produced by

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1 Rock Island Arsenal, RIA.
2 It would not be cost-effective to
3 move the equipment when the capability to produce
4 the required 10 per month, or less, currently
5 exists at RIA. If DATP closed, 149 General
6 Dynamics land systems employees will be laid off.
7 There appears to be wide disparity
8 between the analysis and the actual impact of such
9 a move. Given that the cost of moving the tank
10 plant equipment in the BRAC 91 process was around
11 $150 million, I do not believe the efficacy or the
12 full cost of this proposal has been fully
13 considered.
14 What is also of concern is the
15 apparent resignation to accept Rock Island Arsenal
16 as the sole source supplier of these tank parts
17 when Department of Defense policy is clearly to
18 encourage private sector production over public
19 agency production.
20 Mr. Chairman and Members of the
21 Commission, I believe the analysis used to justify
22 these proposals is insufficient. I believe the
23 savings expected have been consistently
24 overstated, the costs incurred consistently

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1 understated, and vital economic impact data
2 grossly overlooked.
3 I do not believe these proposals
4 have been fully developed and are not in the best
5 interests of the U.S. Army or the Department of
6 Defense.
7 I, therefore, make my strongest
8 petition that you not accept these proposals by
9 the Department of Defense. Thank you.
10 CHAIRMAN DIXON: Thank you, Mr. Carey, for
11 that very excellent presentation of the position
12 of Senator Abraham. We are indebted to you, sir,
13 as well as your distinguished senator for that
14 contribution.
15 And I also would ask that the
16 record show that we have received an excellent
17 letter dated April 11th from the distinguished
18 congressman from the 12th District, Sander M.
19 Levin, an old friend of mine, asking that we place
20 his statement in the record, and that will be
21 done.
22 And we are pleased to recognize
23 Mr. Ben Polselli, the UAW local president, and,
24 Mr. Polselli, will Mr. Coakley be also making a

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1 contribution?
2 MR. POLSELLI: No, Mr. Chairman. We are
3 going to combine our time.
4 CHAIRMAN DIXON: We are delighted to have
5 you, sir, and we are delighted to have your
6 comments.
7 PRESENTATION
8 BY
9 MR. POLSELLI:
10 Thank you very much. Good
11 afternoon. My name is Ben Polselli and I am the
12 president of UAW Local 1200, representing the
13 hourly work force of the Detroit Army Tank Plant,
14 and I'm speaking on behalf of UAW and its
15 represented work force. I want to thank all of
16 you for the opportunity to speak before this body.
17 You each have before you a packet
18 of information and facts, which we feel states
19 ample cause for you to come to only one
20 conclusion, and that is to bring all the gun work
21 from Rock Island's arsenal back to the Army Tank
22 Plant.
23 Time restraints prohibit me from
24 citing every argument to be made on our behalf but

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1 we can speak on a few key items which I
2 highlighted.
3 First I'd like to refer to
4 pertinent provisions of an important document in
5 your packet entitled "Office of Management and
6 Budget Circular No. A-76, Revised."
7 Its purpose: This circular
8 establishes federal policy regarding the
9 performance of commercial activities. The
10 supplement to the circular sets forth procedures
11 for determining whether commercial activities
12 should be performed under contract with commercial
13 sources or in-house using government facilities
14 and personnel.
15 Paragraph 4 of the circular starts
16 with the most important sentence a private citizen
17 could ever say to this Commission, and that
18 is, "In the process of governing, the government
19 should not compete with its citizens."
20 In view of the above, is the army
21 changing government policy by taking work away
22 from private sector employees at government-owned
23 contractor-operated facilities and putting that
24 work into depots and arsenals staffed with

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1 government employees? We feel they are.
2 Paragraph 6(b) clearly defines what
3 we are asking of this Commission. It states a
4 conversion to contract is the change over of an
5 activity from government performance to
6 performance under contract by a commercial source,
7 which would mandate the return of gun mount work
8 from Rock Island to the Detroit Tank Plant.
9 Paragraph 8(a), no satisfactory
10 commercial source available, and 8(d) lower costs
11 explains clearly the conditions and criteria that
12 should be use in determining who should be awarded
13 this contract.
14 Subparagraph (a) is non-applicable
15 because General Dynamics is, and has been, a
16 proven commercial source.
17 As for Subparagraph 8(d), the Army
18 answered that question in a letter to Congressman
19 Sander Levin, dated March 3, 1995, and signed by
20 George T. Greiling, L.T.C., U.S. Army, which
21 stated: "There was a cost analysis done by the
22 Army last year that indicated that little or no
23 cost difference exists between splitting the work
24 or doing it all at one location. These cost

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1 cohesion and morale will suffer, and, finally,
2 this closure runs exactly counter to the goal of
3 the BRAC Commission and the Department of
4 Defense's policy regarding cross-servicing,
5 jointness and quality of life.
6 The bottom line is nothing about
7 this closure makes sense. It doesn't save any
8 money. It degrades quality of life. It adversely
9 affects operational readiness. It places an
10 unnecessary economic and emotional hardship on
11 families that will be displaced and it removes
12 services that present and retired service members
13 have earned and fully deserve. Do not let this
14 happen, please. Thank you.
15 CHAIRMAN DIXON: Colonel Leo Williams, we're
16 indebted to you for your contribution.
17 And according to my schedule, State
18 Senator Ken DeBeaussaert will be ready again.
19 PRESENTATION
20 BY
21 STATE SENATOR DeBEAUSSAERT:
22 Thank you again. I'm Ken
23 DeBeaussaert and it's my privilege to represent
24 the Selfridge Base and the surrounding communities

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1 in the Michigan State Senate. I know that these
2 hearings must be truly exhausting, and I
3 appreciate your attention. I hope you take the
4 time today or the near future to look seriously at
5 the manpower and cost savings and recommendations
6 to close the Army garrison at Selfridge. The
7 information on manpower is terribly inconsistent.
8 The Army garrison has 2 military,
9 83 appropriated fund civilian employees, 192
10 non-appropriated fund employees and 100 civilian
11 contractor employees. Yet, the BRAC data shows
12 the number of military positions eliminated
13 ranging from 19 to 54 and the number of civilian
14 positions eliminated ranking from 61 to 555.
15 Even more confusing, the COBRA
16 model reflects the base population after BRAC
17 dropping to zero despite the fact that all other
18 units are remaining.
19 Given this inconsistency, you can
20 understand the kinds of questions raised by
21 Colonel Williams and others.
22 This is really a base closing, and,
23 if so, why weren't the other branches consulted?
24 If the entire base is not closing, who will pay

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1 for Selfridge's essential service?
2 Where the manpower statistics are
3 inconsistent, figures on cost savings are
4 consistently wrong. They show the savings on
5 housing for eliminating nearly 700 housing units
6 but only offsets against this savings, the
7 replacement costs for housing 329 Army families
8 off base. That leaves 365 families from other
9 branches evicted but unaccounted for.
10 Maybe there's some BRAC magic that
11 will make those families disappear, but I suspect
12 it's the projected savings that will vanish when
13 the federal government pays for their off-base
14 housing as well.
15 Then, add potential costs of
16 Secretary Perry's proposal to increase BAQ in high
17 cost areas, like Detroit, plus the upfront $5
18 million in costs identified for closing the
19 garrison, that will never be recovered, and I
20 think your decision becomes clear.
21 We recognize that you do have some
22 very difficult decisions to make. Please make
23 sure those decisions end up saving money and not
24 costing more. If you do that, I'm convinced you

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1 will remove the Army garrison at Selfridge from
2 the closure list.
3 CHAIRMAN DIXON: Thank you. I'm indebted to
4 you.
5 And State Representative Tracy
6 Yokich, thank you for being here.
7 Representative Yokich.
8 PRESENTATION
9 BY
10 STATE REPRESENTATIVE YOKICH:
11 Thank you, Mr. Chairman. Good
12 afternoon, Mr. Chairman, Members of the
13 Commission. I'm State Representative Tracy
14 Yokich. My district is the proud home of the
15 United States garrison of the National Guard
16 Base.
17 I'm before you today to ask you to
18 reject the Army's recommendation to close the
19 garrison in my state for three reasons: First, I
20 don't believe it's cost-effective; secondly, i.e.,
21 evicting nearly 700 families from base housing
22 will severely impact quality of life; and, third,
23 Selfridge is an excellent gamble of a
24 cross-service installation that we should support

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1 and not destroy.
2 First, the Army's COBRA analysis, I
3 believe, is incorrect. It arrives at a cost
4 savings by ignoring the fact that we would have to
5 provide a housing allowance to the other military
6 members who will be affected from family housing
7 if this recommendation is adopted. It will
8 actually cost the government more to pay those
9 housing allowances to continue to support the
10 family housing at Selfridge today.
11 The Army's cost savings also
12 disappear if you consider $17 million has been
13 spent in renovation to quarters since 1989.
14 Secretary Perry's recent plan to increase housing
15 allowances for high cost areas, like Detroit, will
16 further negate any savings.
17 The Army assumes that 694 families
18 and 78 unaccounted members live on base will
19 obtain subsequent housing in local communities.
20 Nothing could be further from the truth.
21 The vast majority of the personnel
22 affected by this closure are enlisted members. The
23 housing allowance would -- for these families
24 range from $427 to $748. Comparable housing in

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1 the immediate area is not available in terms of
2 cost, quantity or quality.
3 On-base military housing has a
4 significant impact on military value
5 installation. It provides important benefits to
6 military members, including unit cohesion,
7 convenient, affordable and secure housing, family
8 care and predictable expenses.
9 It appears that these factors,
10 which are frequently referenced by the DOD, when
11 addressing quality of life issues, were not
12 considered.
13 Selfridge is truly a joint
14 community, a model in purple base operations. The
15 Commission has stated that it's a policy to make
16 maximum use of common support assets to look for
17 cross opportunity. That is exactly what we have
18 accomplished at Selfridge.
19 Any way you look at it, it's not a
20 cost-effective decision, and such a decision will
21 also significantly impact quality of life for over
22 1800 men, women and children who choose to make
23 Selfridge their home.
24 Please reject the Army's

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1 recommendation. Thank you.
2 CHAIRMAN DIXON: Thank you, Representative
3 Yokich, and we are delighted to have your
4 contribution.
5 Ms. Pamela Weeks, Harrison Township
6 Supervisor.
7 PRESENTATION
8 BY
9 MS. WEEKS:
10 Good afternoon, Commissioner. My
11 name is Pam Weeks and I'm supervisor of the
12 Charter Township of Harrison, host to the
13 Selfridge Army National Guard Base.
14 My purpose for speaking today is
15 not to plead on behalf of our civilian community
16 because we do not -- we are not dependent on the
17 base, but rather a partnership between the
18 civilian and military communities built on
19 cooperation and mutual respect.
20 Selfridge was officially
21 established as a military installation on July 1,
22 1917. Today Selfridge Army National Guard Base is
23 the home to seven major commands from five
24 services and contains, let me say once again, the

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1 only military family housing in Michigan.
2 The Army garrison at Selfridge
3 provides most of the infrastructure support for
4 the installation. Its proposed closure makes no
5 fiscal sense. It is simply penny-wise and pound
6 foolish.
7 Isn't all government, especially
8 the military, charged with the most fundamental
9 responsibility of maintaining the health, the
10 safety, and the welfare of this nation?
11 Visualize, if you can,
12 Commissioners, your own community with limited or
13 no basic services. Could you survive if no one was
14 accountable for the utilities, the roads, the
15 police or the fire?
16 If your city government closed its
17 doors, how long would you stay and at what cost?
18 What is the environmental impact? None of the
19 conditions stay status quo, but faced with base
20 closures, who will be responsible for clean-up of
21 the asbestos, the lead, the PCBs, underground
22 storage tanks and hazardous materials, and what
23 will be that cost: Millions, hundreds of millions
24 of dollars? Who will incur that cost?

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While Secretary Perry and his entire staff worked diligently to improve military housing and quality of life, the Army proposes closure instead. It just simply doesn't make sense.

Thank you. And this group would love to answer any questions you may pose.

CHAIRMAN DIXON: Well, thank you very much, Ms. Weeks, and we are greatly indebted to everybody from Michigan and congratulate you on your very excellent presentation and eloquent argument of your case.

And I ask whether any of my colleagues on the Commission have any questions.

COMMISSIONER STEELE: No questions, but, again, I look forward to seeing you in Michigan.

STATE REPRESENTATIVE WEEKS: Looking forward to having you there.

CHAIRMAN DIXON: Commissioner Wendi Steele will visit with you.

How about anybody else? Any other questions?

(No verbal response.)

We are indebted to the folks from

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Michigan.

Now, Ladies and Gentlemen, we are going to take a 10-minute break and then we are going to have the folks from Ohio shortly.

(Whereupon, a 10-minute break was taken.)

COMMISSIONER ROBLES: Okay. If we could begin. As you know, Chairman Dixon had to leave so I'll be backup for him until the rest of this hearing.

We now have the privilege of hearing from the State of Ohio, but first I like to acknowledge the fact that the cities of Whitehall and Columbus have presented written testimony and they would like it in the record, and I guarantee it will be in the record and made public.

MAJOR GENERAL ALEXANDER: Chairman, Members of the Commission, thank you for the opportunity to appear.

COMMISSIONER ROBLES: As you know, I, like the Chairman, we have to swear all witnesses in. So if you and your two colleagues would please stand, and anyone else who's going to testify

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during the Ohio time, if you would please stand, and raise your right hand.

(Witnesses sworn.)

Please have a seat. Nice to see you again, General Alexander, and give you an opportunity to make any statement you wish.

PRESENTATION

BY

MAJOR GENERAL ALEXANDER:

Chairman Robles, Members of the Commission, thank you for the opportunity to appear and present the concerns of Ohio Governor, George V. Voinovich on the realignment of Air National Guard Units from Springfield to Wright-Patterson Air Force Base.

In a time of restrained military spending and resources, continued force structure reductions, and intense public scrutiny, it is incumbent upon us, and this Commission, to choose wisely those actions taken in base realignment and closure.

Following the philosophy identified for closure recommendations, actions accepted by the Commission should first, and foremost, promote

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the military effectiveness and produce a savings to the taxpayer. Using this criteria, the 1995 recommendation to realign our units from Springfield to Wright-Patterson, we feel, are flawed.

As you know, the 1993 Commission addressed the issue of moving the Air Guard from Springfield to Wright-Patterson. In its initial recommendation, air staff planners put the cost of this move at about $3 million with recurring savings validated at 1.1 million.

Further study identified more than 42 million in moving costs to realign our units to Wright-Patterson. The Air Force then recommended that BRAC remove Springfield from realignment consideration.

In the 1995 Air Force realignment recommendations for Springfield, moving costs were estimated at slightly over $23 million with an additional 5.6 million one-time cost generated by the move. Included with this estimate are completely new figures of 4.2 million in recurring savings per year was identified.

While we concede much has changed

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1 at Wright-Patterson over the past few years, which
2 would reduce the 1993 cost to 42 million in
3 relocation costs, nothing has changed at
4 Springfield or Wright-Patterson which warrants a
5 300 percent increase in estimated savings per
6 year.
7 By the way, the 1.1 million in
8 recurring savings validated for Springfield's move
9 to Wright-Patterson in the last BRAC was defined
10 by the assistant secretary of the Air Force for
11 installations in a letter to then BRAC Chairman,
12 James Courter.
13 Mr. Courter asked the Air Force to
14 delineate, by each functional area, how recurring
15 savings would be realized in moving Springfield
16 units to Wright-Patterson. When asked to explain
17 the obvious disparity in numbers from 1993 to
18 1995, the Air Force could not identify where these
19 additional savings were being generated.
20 Recently an Air Force team
21 completed a site survey of Wright-Patterson
22 addressing MILCON requirements allocated with this
23 move.
24 Faced with nearly 30 million in

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1 total relocation costs and unsubstantiated numbers
2 for recurring savings, additional space was found
3 at Wright-Patterson during the site survey within
4 a three-day period to accommodate the Air Guard's
5 requirement. This site survey subsequently reduced
6 costs to 20 million. Not defined in this survey
7 are additional funds required to relocate
8 functions within Wright-Patterson already
9 occupying this new-found space. The site survey,
10 at best, produced hidden costs which are not
11 included in the Air Force's estimates of this
12 realignment.
13 All of these costs for realignment
14 of the unit which now enjoys a full complement of
15 world class facilities at Springfield. For these
16 cost considerations alone, this recommendation
17 should be reconsidered by the Air Force.
18 I have strong concerns as well for
19 the impact of this move on the readiness and the
20 training of the unit at Springfield. The Air
21 Guard now enjoys complete flexibility to conduct
22 training throughout the month.
23 When placed on Wright-Patterson,
24 admittedly unable to support guard and reserve

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1 unit training requirements simultaneously, our
2 units will be restricted to one weekend only per
3 month. If this weekend does not coincide with
4 other units throughout the state, joint training
5 so vital to maintain combat readiness will be
6 severely impaired. Recruiting will also be
7 impacted by this move.
8 Currently, nearly 80 percent of all
9 Air Guard flying units are based on civilian
10 airports, why, because community basing lies at
11 the very heart of the militia concept.
12 Guard units draw recruits from the
13 community in which they're based and only from
14 these communities.
15 We do not have the luxury, as our
16 active and reserve counterparts have, of filling
17 critical shortages from other units around the
18 country. They must come from the community.
19 Isolating the guard on an active
20 installation separates it from the community on
21 which it depends for support and removes the
22 hometown identity associated with the National
23 Guard.
24 This bond between community and the

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1 unit is critical to our recruiting, retention, and
2 long-term well-being. It is important as any cost
3 factor when connecting closure and realignment
4 action with the National Guard.
5 I'd like to illustrate this point
6 with the following: During Desert Shield/Desert
7 Storm, cities all over America turned out for
8 parades and celebrations in sending their hometown
9 guard units off to war and welcoming them back.
10 This type of support for the
11 military has not been seen since World War II.
12 Coincidentally, World War II was the last time the
13 guard has been mobilized in significant numbers.
14 This was the intent in dispersing
15 the guard into the community. When this nation
16 goes to war, we need the full support of every
17 community. When you mobilize the guard, you
18 mobilize the community.
19 Governor Voinovich is deeply
20 concerned that this unnecessary realignment will
21 damage the Air Guard's long-term viability while
22 realizing little gain for the Department of
23 Defense.
24 I share his concern and urge you to

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weigh the consequences of this move in terms of cost, combat readiness, and community impact before making a decision on this recommendation.

Thank you for your time and attention. I'll be followed by Colonel Higgins.

COMMISSIONER ROBLES: Thank you, General Alexander. I forgot to mention you did provide us a statement and we'll make sure it gets inserted in the record.

MAJOR GENERAL ALEXANDER: Thank you.

COMMISSIONER ROBLES: Retired Colonel Dick Higgins?

PRESENTATION

BY

COLONEL HIGGINS:

Members of the Base Closure and Realignment Commission, we appreciate the opportunity to present the concerns of Springfield and the community for the proposed realignment of the Ohio Air National Guard Springfield Base to Wright-Patterson Air Force Base.

I am Dick Higgins, U.S.A. Air National Guard retired. The better part of my career was served with the 178 fighter group, one

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of three units proposed by the Air Force to be relocated to Wright-Patterson.

The last ten years, 1980 to 1990, I served as commander of the fighter group in the Springfield Air National Guard Base.

Frankly, we are somewhat concerned and baffled at the determination of the Air Force to fill a space at Wright-Patterson by this act of reassigning Springfield units when there's more costly operations that could be realigned at a much greater savings for the taxpayer.

We are concerned by the Air Force's inference that Springfield is a bedroom community and why the fuss over such an inconsequential move. They note that there will be no relocation, that people will stay in place and the tax base remain as it is.

Ladies and Gentlemen of the BRAC, I beg to differ. There will be a gradual erosion over time that will have a very negative impact on Springfield.

Located in the heart of Ohio, Springfield and Springfield Air National Guard Base are a stand-alone element of the Clark County

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community.

Springfield is a vibrant progressive community on the move, one which realizes the value of its airport and air transportation and Air National Guard unit, air transportation that is immediately responsive to business and industry.

The Springfield Beckley Airport is named for the World War fighter pilot and community leader and the Springfield Air National Guard Base is located 3 1/2 miles south of the City of Springfield, Interstate 70.

Now I'd like to take you on a short trip to Springfield Air National Guard Base, 286,000 square feet of paid for, modern efficient and attractive facilities. Man that turns me on right there.

(Whereupon, a slide presentation was shown.)

(Laughter.)

It is located on 113 acres of city owned -- I repeat -- city-owned airport property leased to the Air National Guard for 99 years for a dollar a year. This 113 acres is only a portion

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of some 300 acres the city acquired in the 50s to expand the airport to accommodate the Air Guard operation, which enjoys modern, convenient cost-effective and operationally superior facilities, facilities seldom equal anywhere in the nation.

The operational environment is superior on the ground and in the air where considerable ground base defense training scenarios or the realistic flying training that could be conducted in a cost-effective manner.

The environment is difficult to duplicate any where and seldom used. The recruiting environment, General Alexander addressed, is outstanding. All three units have consistently maintained combat readiness recruiting highly-skilled people.

Military value, Springfield means a superior operational readiness environment on the ground and in the air with a flavor of independence that allows people to perform at their very best.

The economy of the operation is realized in a number of ways. Utility costs that

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1 are half that per square foot of Wright-Patterson,
2 operations and maintenance, maximum taxi time,
3 which is a fuel savings, airport service contract
4 fee, which is almost nil, joint use provides cost
5 saving opportunity between the city and Air
6 National Guard, State and Federal Aviation
7 Administration.
8 As an example, airfield landing
9 area improvement projects are shared by the city,
10 air guard, state and FAA as opposed to the Air
11 Force stand-alone.
12 Springfield offers complete
13 contingency responsibility, the capability to
14 handle all sizes of aircraft has been repeatedly
15 demonstrated during non-hours, oversized unit
16 deployment. I'm talking parking and refueling Air
17 Force C5 Gallon, Commercial Boeing 747s, and the
18 like. It is an ideal point of embarkation. The
19 excellent demographic environment was noted
20 earlier.
21 Consider also the visibility of the
22 units that enhance their recruiting success and
23 high morale. The spacious rural surroundings
24 depicted earlier highlight the advantage of

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1 location over that of other airfields in the
2 vicinity, the newly completed jet engine
3 maintenance shop comes complete, base facility
4 paid for.
5 Staying at Springfield avoids
6 further expenses and risk of cost overruns that
7 come from relocation, all savings amicable to
8 readiness.
9 Keep in mind that Springfield
10 option offers easily contracted or expanded
11 mission role capability, for example, a regional
12 emission storage facility which the city is on
13 record as willing to provide the real estate for.
14 Finally, I call your attention to
15 the observations noted in a letter submitted to
16 the 1993 BRAC by Brigadier Robert I. McCann, U.S.
17 Air Force retired.
18 In his role as 9th Air Force vice
19 commander and responsible for all of 9th Air Force
20 units, Air Force and Air Force reserve, he visited
21 on many occasions or observed and flew with both
22 the 178th at Springfield and the then 906 at
23 Wright-Patterson Air Force base. He noted -- this
24 says it all and his observation was Springfield is

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1 the place to be.
2 COMMISSIONER ROBLES: Thank you, Mr. Higgins.
3 I turn to Mr. Kridler, the
4 Springfield city manager, who will present your
5 remaining presentation.
6 PRESENTATION
7 BY
8 MR. KRIDLER:
9 This is the third time since 1976
10 that a proposal has come forth to transfer the
11 Springfield/Ohio Air Guard Base to
12 Wright-Patterson Air Force Base.
13 In 1976 the Pentagon studied the
14 transfer proposal and rejected it on the basis of
15 cost and military value.
16 As General Alexander stated, two
17 years ago in 1993 the Air Force and the Department
18 of Defense recommended the transfer of the
19 Springfield/Ohio Air Guard 178th Fighter Group be
20 based at Wright-Patterson Air Force Base vacated
21 by the 4950 test wing. They estimated a savings at
22 1.1 million annually and a $3 million cost to
23 relocate and bed down this unit.
24 The BRAC found that these estimates

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1 were grossly in error. The cost of relocation and
2 military construction alone grew to over $40
3 million. The BRAC rejected the transfer
4 recommendation and wisely kept the Springfield Air
5 National Guard at its current location.
6 Now here we are in 1995, the
7 transfer is being recommended once again. This
8 time at Wright-Patterson vacated by the 906
9 Reserve Fighter Group, for relocation and military
10 construction is estimated at $23.3 million. The
11 recurring annual savings was estimated at $4.2
12 million. That number was adjusted last week to
13 $3.7 million by an on-site assessment team, a
14 number of questions remaining unanswered.
15 Remember, the annual recurring savings in 1993 was
16 estimated at $1.1 million.
17 One of the problems here is getting
18 all the costs on the table. The cost of operations
19 at Springfield are clearly identifiable and in a
20 single cost center, not so at Wright-Patterson. A
21 major justification for this move is the $3.7
22 million or $4.2 million in annual savings from
23 elimination of base support costs.
24 Is Wright-Patterson going to

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1 provide these same services at no cost to the
2 military?
I could tell you as the manager of
mid-sized city that I cannot get away with this
5 type of accounting, a cost allocation not even
6 distributed support service across each of our
7 municipal operations, so we can determine the true
8 cost of these services. Even our golf course
9 operations pay their own utility bills and
10 overhead and support costs.
11 Let's get all of the cards on the
12 table. Let's make sure we are comparing apples
13 with apples here. Let's not transfer this unit
14 from a low cost environment to a high overhead
15 active base and get surprised later.
16 The economic impact upon
17 Springfield, Clark County associated with this
18 move, is significant. We are not a suburb of
19 Dayton but a full service city that depends on its
20 own economy.
21 The Ohio Air Guard is one of our
22 largest employers, a $23 million payroll. The
23 Ohio Air Guard is our primary tenant at the
24 Springfield-Beckley Airport. It represents over

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1 20 percent of our annual budget. Loss of this
2 unit can severely affect future airport
3 operations. The economic impact's in numbers.
4 Is it wise to walk away from a $ 40
5 million investment? Is it fair to abandon two
6 facilities and infrastructure at the
7 Springfield-Beckley Airport without any assurance
8 or assistance for the city, a partner for over40
9 years?
10 The BRAC faces a unique problem,
11 closure of the Springfield Air Guard Base. The Air
12 Guard Base is on land leased from the city. It is
13 not federal property.
14 The BRAC has dealt with facilities
15 located on federal property. These facilities
16 qualify for assistance from the Air Force based on
17 emergencies and others. A team is assigned to
18 help with reused plant, take care of environmental
19 issues and take care of facilities until they're
20 put into reuse. A safety fleet is in place so the
ommunity does not suffer undue hardship.
Neither the Air Force Base
23 conversion agency, nor others know whether such
24 aid would be extended to a non-federal property.

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1 The on-site assessment team that
2 visited our facility last week expressed concern
3 about this issue and one member stated you seem to
4 have fallen through a very big crack in the
5 process.
6 The Springfield/Ohio Air National
7 Guard Base represents 40 years of cooperative
8 effort which includes the purchase and lease of
9 land at our airport, extension of all utilities,
10 investment in joint projects, strong community
11 support and more from the State of Ohio and the
12 City of Springfield.
13 We ask for consideration in return.
14 This consideration includes a fair and full
15 accounting of all costs associated with the move
16 and estimated savings. It proved not to be a wise
17 move in either 1976 or in 1993 -- assurance that
18 equitable assistance will be provided if closure
19 takes place so that the community does not fall
20 into undue hardship, a partner of 40 years desires
21 to be treated fairly. This line says it all. It
22 says it in 1993, and we say it again in 1995.
23 Thank you.
24 COMMISSIONER ROBLES: Thank you,

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1 Mr. Kridler.
2 Do you have any questions for
3 either the colonel or Mr. Kridler, Commissioners?
4 (No verbal response.)
5 I thank you very much from the
6 great State of Ohio, the Buckeye state, for your
7 excellent presentation, and I wish you all the
8 best of luck.
9 Next would have been the State of
10 Wisconsin and, as I understand it, there will be
11 no testimony from any official from the State of
12 Wisconsin, the same is true from Kansas. They
13 have also yielded their time.
14 We are now ready to begin a period
15 set aside for public comment. Our intention to
16 try to insure that all opinions on the
17 recommendation affecting these states are heard.
18 We have assigned thirty minutes for
19 this period. We ask persons wishing to speak sign
20 up before the hearing began, and they have done so
21 by now. We have also asked them to limit their
22 comments to two minutes each. We'll ring a bell
23 at the end of that time. Please stop when your
24 time is up.

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1 Written testimony is welcomed by
2 the Commission any time in the process. If all
3 those signed up to speak would please stand up and
4 raise your right hand, we'll administer the oath.
5 (Witnesses sworn.)
6 Thank you very much.
7 First, from the State of Indiana,
8 Mr. Pat Avery.
9 PRESENTATION
10 BY
11 MR. AVERY:
12 Honorable Chair, distinguished
13 Commissioners, thank you for the opportunity to
14 express my views. My name is Pat Avery. I'm
15 employed at the Naval Air, WASP, Warfare Center in
16 Indianapolis.
17 I stand before you as an endorser
18 to Mayor Goldsmith's alternate implementation of
19 the DOD recommendation for our center. Mayor
20 Goldsmith's idea are progressive and innovative as
21 are our center.
22 For example, our center's one of
23 the first DOD facilities to develop and implement
24 a true combination labor management partnership.

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1 I view the mayor's implementation
2 of the current DOD recommendation as the silver
3 lining above the black cloud of our facility
4 closing.
5 I think Vice President Gore would
6 be very supportive of the mayor's plan as it's
7 reinvention of government in the truest sense.
8 The mayor's recommendation
9 implementation provides you with an opportunity to
10 determine a win, win, win situation for the DOD,
11 the employees, and the city, and to a win, win,
12 win partnership in implementing the mayor's plan,
13 the DOD will realize a greater opportunity for
14 cost savings. The impact on the current employee
15 base in terms of job loss will be minimized and
16 the city will be provided with an opportunity for
17 economic growth in lieu of certain negative
18 impacts.
19 In summary, I feel that
20 implementation of the mayor's proposal will enable
21 us to become an enterprise of the 21st Century
22 today. Thank you.
23 COMMISSIONER ROBLES: Thank you, Mr. Avery.
24 Mr. Larry Coan?

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1 PRESENTATION
2 BY
3 MR. COAN:
4 Thank you, Mr. Chairman. I'm a
5 mechanical engineer in the Naval Warfare Center at
6 Indianapolis. I was fortunate enough to speak to
7 Mr. Kling when he was in town on Monday.
8 First of all, I'd like to thank him
9 for his careful attention to what we had to say
10 while I was there.
11 Mr. Kling made the comment while he
12 was there that he was surprised and also impressed
13 with what he saw. I believe what Mr. -- what the
14 commissioner saw was a highly-skilled work force
15 of nearly 3,000 employees who were extremely proud
16 of the work they do for all branches of the
17 service, and I believe Mr. Kling saw a facility
18 that is unique within the federal government and
19 that under one roof we can fabricate and document
20 and design nearly any conceivable piece of
21 electronic equipment, as well as provide full
22 spectrum, life cycle support of that equipment.
23 As I told Mr. Kling during his
24 visit, I believe there may have been bias in the

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1 presentation thinking sacrificing the Indianapolis
2 facility would somehow booster the standards of
3 the river facility.
4 For that reason, I would ask the
5 Commission only consider corrected COBRA data that
6 was presented by Mayor Goldsmith earlier.
7 Finally, I like to add that I
8 believe the employees at our center are very much
9 behind the mayor's innovative plan. Thank you.
10 COMMISSIONER ROBLES: Thank you, Mr. Coan.
11 Mr. Roger Brouse?
12 PRESENTATION
13 BY
14 MR. BROUSE:
15 Good afternoon distinguished
16 Commissioners. My name is Roger Brouse. I've
17 come to you as a citizen of the State of Indiana,
18 a federal taxpayer and a longtime employee of
19 Indianapolis.
20 Throughout my career at NAWC
21 Indianapolis, I've recognized the unique
22 capability we have there, both people and
23 facilities. The residents there provide
24 innovative technology solutions to the federal

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1 system's acquisition process.
2 Now I say federal instead of DOD
ecause over the years I have seen our customer
ase expand federal activity, including DOD, but
5 also the National Security Agency, Federal
6 Aviation Administration, NASA, foreign
7 governments, and many others.
8 Our capabilities and initiatives
9 have constantly been in line with, if not at the
10 leading edge, of national policy, an example of
11 which is Vice President Gore's Reinventing
12 Government Program.
13 We are a designated reinventing
14 laboratory. We were among the first of DOD
15 activities to implement a labor/management
16 partnership. We have written and used performance
17 specifications in acquisitions for many years, as
18 you are familiar with Mr. Perry's acquisition
19 reform initiatives, and we are, to my knowledge,
20 the first DOD facility to design and implement a
21 comprehensive organization to facilitate
22 streamlining and downsizing in line with what's
23 happening in private industry.
Quite honestly understand that the

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1 Indianapolis technical facility would be
2 sacrificed by the Naval Air Warfare System to the
3 facility of China Lake.
4 I view the loss of our unique
5 capability as sustainable and I see the mayor's
6 plan an innovative solution that will meet the
7 Navy's requirements to downsize while providing a
8 winning solution for the city, the state, the
9 employees and the taxpayers. Thank you.
10 COMMISSIONER ROBLES: Thank you, Mr. Brouse.
11 Mr. Frank Moosbrugger?
12 PRESENTATION
13 BY
14 MR. MOOSBRUGGER:
15 Distinguished Commissioners, thank
16 you for the opportunity to speak. I've been at
17 the Naval Air Warfare Center in Indiana for 35
18 years. I've been very proud to be a member of a
19 team that has provided support throughout the
20 acquisition process to not only the Navy but to
e Department of Defense and other agencies.
This team is unique within the DOD
23 and that within one building under one roof we
24 have the capability to go from pure research to

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1 production. We have the expertise to be able to
2 support the acquisition process through any
3 phase. If a contractor gets in trouble in a
4 production effort, we have the expertise to
5 provide support in that area all under one roof
6 all within the same team.
7 We have been able to respond to
8 emergencies on any of the conflicts that have
9 arisen and during peace time. We have a strong
10 customer focus. We implemented the TQL before it
11 was fashionable. We used the Baldridge Quality
12 Award criteria on our own to evaluate how we can
13 improve our processes or improve our support to
14 our customers.
15 We have a broad customer base, as
16 Roger discussed. We get appropriate funding with
17 our customers on a negotiated basis for the
18 services they want. We have to satisfy those
19 customers in order to get repeat business.
20 We had a record year last year.
21 Our budget has continued to increase. Our funding
22 has continued to increase with the falling defense
23 budget, which shows that our customers are
24 satisfied.

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1 The BRAC scenario, if it's
2 implemented, will split that team. You will lose
3 the expertise that is now resident in that one
4 team and one building in Indianapolis, and we
5 think the mayor's plan is innovative.
6 Private/public partnership will keep that team
7 together. We urge you to support the mayor's
8 plan.
9 COMMISSIONER ROBLES: Thank you,
10 Mr. Moosbrugger.
11 That, I think, concludes the
12 comments from the State of Indiana. Well, no.
13 Now to go to the State of Michigan. First,
14 Mr. John Mirto.
15 PRESENTATION
16 BY
17 MR. MIRTO:
18 Ladies and Gentlemen of the
19 Commission, I thank you for this opportunity to
20 speak. I represent the salaried engineers and
21 technicians in the UAW of Local 412 of the Detroit
22 Tank Arsenal in Warren, Michigan.
23 I feel that the data presented to
24 you by the Department of Defense in this

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

OPEN MEETING

8:00 a.m.

216 Hart Senate Office Building
Washington, D.C.

Monday, April 17, 1995

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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
Mr. Josue Robles

PANEL I:

Mr. Henry L. Hinton, Jr., Assistant Comptroller General, National Security and International Affairs, GAO

Mr. David Warren, Director, Defense Management and NASA Issues, GAO

Mr. Barry W. Holman, Assistant Director Defense Management and NASA Issues, GAO

PANEL II:

Mr. James Klugh, Deputy Undersecretary of Defense for Logistics

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

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

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

PANEL III:

Mr. Louis C. Finch, Deputy Undersecretary of Defense for Readiness



1 P R O C E E D I N G S
2 (8:00 a.m.)
3 CHAIRMAN DIXON: Good morning, ladies and
4 gentlemen, and welcome to today's hearing of the Defense Base
5 Closure and Realignment Commission. I'm Alan Dixon, the
6 commission chairman. With us today are my fellow
7 commissioners: Al Cornella; Rebecca Cox; General J.B. Davis;
8 S. Lee Kling; Admiral Ben Montoya; General Joe Robles; and
9 Wendi L. Steele.
10 This is the ninth investigative hearing the
11 commission has held in Washington since receiving the
12 recommendations of the Secretary of Defense on closures and
13 realignments on February 28th of this year. In addition,
14 since March 22nd, we have conducted five regional hearings
15 around the country and in Guam. And commissioners and staff
16 have made more than 60 visits to installations on the
17 Secretary's list.
18 We have regional hearings this week in Dallas and
19 Albuquerque, and there are 13 base visits scheduled this
20 week. So we are hard at work. We have a full schedule
21 today, so let me tell you how we will proceed. Our first
22 panel, from now until 10:00 a.m., will consist of



PANEL IV:

Edward D. Martin, M.D., Principal Deputy Assistant Secretary for Health Affairs

Mr. James Boatright

Mr. Edward R. Pomatoski

PANEL V:

Mr. Philip E. Coyle, Director, Operational Test and Evaluation

Mr. John A. Burt, Director, Test Systems Engineering and Evaluation

Dr. Craig Dorman, Deputy Director Laboratory Management

Mr. James Boatright

* * * * * *



1 representatives from the General Accounting Office who will
2 report to us on their analysis of the methodology used in
3 reaching its recommendations for closures and realignments.
4 Then, from 10:00 a.m. until 4:00 p.m., with a one-
5 hour lunch break at 12:00 noon, we will hear testimony from
6 the four DOD joint cross service groups that prepared
7 recommendations for the military departments in the areas of
8 depot maintenance, undergraduate pilot training, medical
9 services, and labs and tests and evaluations.
10 Senior officials from the Army, Navy, Air Force and
11 defense logistics agency will sit with each of the cross
12 service panels to further inform us as to why the departments
13 decided to accept or reject various recommendations of the
14 cross service groups. Let us begin, then, with the General
15 Accounting Office. The base closure law requires the GAO to
16 report, by April 15th, to Congress and this commission,
17 regarding the recommendations and selection process used by
18 the Department of Defense.
19 We're honored to have with us today Mr. Henry L.
20 Hinton, Jr., the Assistant Comptroller General for National
21 Security and International Affairs; Mr. David Warren,
22 Director for Defense Management and NASA Issues for GAO; and

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1 Mr. Barry W. Holman, the Assistant Director for Defense
2 nagement and NASA Issues. Mr. Hinton, on behalf of all the
3 missioners, I want to thank GAO and you, personally, for
4 support of the commission's work.
5 This support is evident in your testimony this
6 morning, as well as in the fact that you have detailed 10
7 excellent GAO employees to the commission staff to help us
8 carry on our review and analysis. We're indebted to you,
9 sir. All the commissioners have had an opportunity to review
10 Mr. Hinton's testimony and GAO's report. Mr. Hinton has
11 agreed to limit his opening remarks to 10 minutes, and then
12 we'll begin questions from the commissioners.
13 First let me say that the base closure law also
14 requires all witnesses testifying before us to do so under
15 oath. So may I ask all three of you, even though only one
16 will make a statement to stand and raise your right hands.
17 (Panel sworn.)
18 CHAIRMAN DIXON: Thank you very much. Mr. Hinton,
19 we're delighted to have you here this morning. My staff have
20 all asked me to express to you and the GAO our indebtedness
21 for those excellent people who you sent to us, who have been
22 very helpful.

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1 MR. HINTON: Thank you, Mr. Chairman, I'm pleased
2 that we could do that, and I will certainly pass along your
3 kind remarks to the comptroller general on that. Mr.
4 Chairman, members of the commission, we're pleased to be here
5 today to discuss our analysis of DOD's 1995 process and
6 recommendations for closure and realignment. The Defense
7 Base Closure and Realignment Act of 1990 established the
8 current processes for DOD base closure and realignment
9 actions within the United States.
10 Our report, issued last week, responds to the Act's
11 slative requirement that GAO provide to the Congress and
12 commission an analysis of the Secretary of Defense's
13 recommendations for bases for closure and realignment, and
14 the selection process used.
15 Let me briefly summarize our key points. First,
16 although DOD has, in recent years, undergone substantial
17 downsizing in funding, personnel and force structure,
18 commensurate infrastructure reductions have not been
19 achieved. Despite some progress and reducing excess
20 infrastructure, it is generally recognized that much excess
21 capacity likely will remain after the '95 round.
22 This view is supported by the military components

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1 and cross service group's analyses, which showed far greater
2 excess capacity than would be eliminated by the Secretary's
3 recommendations. Second, DOD's 95 BRAC process was generally
4 sound and well documented, and should result in substantial
5 savings.
6 However, the recommendations and selection process
7 were not without problems. And in some cases, there are
8 questions about the reasonableness of the specific
9 recommendations.
10 At the same time, we also noted that improvements
11 were made to the process from prior rounds, including more
12 precise categorization of bases and activities. This
13 resulted in more accurate comparisons between like facilities
14 and functions, and better analytical capabilities. We raise
15 a number of issues, Mr. Chairman, that we believe warrant the
16 Commission's attention in considering DOD's recommendations.
17 Key among these are the following.
18 DOD's attempt at reducing excess capacity and
19 common support functions facilitated some important results.
20 wever, agreements for consolidating similar work done by
21 or more of the services were limited, and opportunities
22 achieve additional reductions in excess capacity and

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1 infrastructure were missed. In particular, this was the case
2 at depot maintenance activities; test and evaluation; and
3 laboratory facilities.
4 Although the services have improved their processes
5 with each succeeding BRAC round, some process problems
6 continue to be identified. In particular, the Air Force's
7 process remain largely subjective and not well documented.
8 Also, it was influenced by preliminary estimates of base
9 closure costs that changed when more focused analyses were
10 made.
11 For these and other reasons, GAO questions a number
12 of the Air Force's recommendations. To less extent, some of
13 the services' decisions affecting specific closures and
14 realignments also raised questions. For example, the
15 Secretary of the Navy's decision to exclude certain
16 facilities from closure for economic impact reasons suggests
17 that the economic impact criterion was not consistently
18 applied.
19 In conclusion, Mr. Chairman, we're making a number
20 of recommendations to the Secretary of Defense, the Secretary
21 of the Air Force, and the Commission. They include the
22 following five, which I'd like to highlight for you.

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1 Specifically, we are recommending that the Commission, one,
2 obtain updated cost and savings data to the extent that it is
3 available from the services, and include this data in your
4 report to the President.
5 The services are currently going through a drill to
6 refine their assessments of the expected cost of implementing
7 their recommendations; and we believe the Commission should
8 include this information. Two, require more complete plans
9 for eliminating excess capacity and infrastructure before
10 approving the Air Force's recommendations to realign its
11 depot facilities.
12 Three, because the services did not adequately,
13 completely analyze the set of alternatives developed by the
14 chairpersons of the cross service group for test and
15 evaluation, the BRAC Commission may wish to have the services
16 complete detailed analyses, including cost analyses for its
17 consideration. Four, closely examine the expected cost and
18 operational impacts associated with the Kirtland Air Force
19 Base realignment.
20 And lastly, from an equity standpoint, the Navy's
21 exclusion of activities from closure and realignment
22 consideration, due to concerns over job losses, should be

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1 examined by the Commission. Mr. Chairman, I'd like to, with
2 your permission, suggest that my prepared statement and our
3 report, which was provided to the Commission last year be
4 made a part of the record.
5 CHAIRMAN DIXON: Mr. Hinton, it will be made a part
6 of the record, and it is so ordered. Have you concluded,
7 sir?
8 MR. HINTON: Yes, sir, that concludes my statement.
9 We'll be happy to take your questions.
10 CHAIRMAN DIXON: I thank you very much for a very
11 excellent report. Mr. Hinton, legislation requires use of
12 certified data in the decision process. In several
13 instances, Commission visits revealed that critical certified
14 data are inaccurate. What are your views on the
15 certification process used by the military services?
16 MR. HINTON: Mr. Chairman, we have seen an
17 improvement this year over the validity of the data that has
18 come into the analysis that DOD has done. And this is
19 particularly with respect to the COBRA analyses that are
20 done. The service audit agencies have played a very active
21 role, as has the DOD IG, in examining the information that is
22 sent forward to DOD for inclusion in the COBRA analysis.

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1 We are aware, though, that there have been
2 questions raised about some of these inadequacies or errors
3 in some of the data. And I think that will be an issue that
4 will be out there, but will have to be resolved as more data
5 is evolved through the evolution of the process. By and
6 large, from our examination of looking at the COBRA
7 information, we believe that COBRA was originally set up to
8 allow for the comparison base closure nominees and
9 realignments.
10 It does a good job of that, but it is not pure or
11 very good budget quality data. That data will evolve as the
12 process evolves, and as DOD goes forward to make up its
13 implementation budget. At that time, we would expect to see
14 changes in some of that data. But from our perspective, we
15 would think that the certification process has played a very
16 important role in the process this year.
17 CHAIRMAN DIXON: Mr. Hinton, I think your written
18 report is a very interesting one, and I would hope that every
19 member of the Commission would take it home and read it
20 thoroughly, and understand everything you've suggested to us
21 in your report. Because my experience as a member of the
22 Senate for 12 years convinced me that many of the careful

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1 examinations that you folks make of these things can be very
2 helpful to us.
3 Directing your attention to Page 3 of your report,
4 I note at the top you say, "However, agreements for
5 consolidating similar work done by two or more of the
6 services were limited, and opportunities to achieve
7 additional reductions in excess capacity of infrastructure
8 were missed." I'm very interested with that suggestion,
9 because I think the Commission ought to be concerned about
10 duplication.
11 And you say, in particular, this was the case at
12 depot maintenance activities, test and evaluation, and
13 laboratory facilities. Can your shop give us specific
14 instances where you think a more careful analysis is in order
15 for the Commission in this area?
16 MR. HINTON: Mr. Chairman, let me address the
17 question. I have several parts of my answer here.
18 CHAIRMAN DIXON: Did I say Page 2? It's Page 3 of
19 your statement.
20 MR. HINTON: I know where you are. Yes, sir. This
21 year, as we all know, it was the first year where we had the
22 cross service analysis that was done. And what we did, we

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1 saw the OSD step up and play a much stronger role in the
2 process. That followed some of the recommendations that we
3 made from our '93 analysis of the BRAC process. And I think
4 that what we saw this year were some very important results
5 that occurred from the cross service analysis.
6 But I think we also learned some lessons, falling
7 out of the process this year. And let me just highlight
8 those, and I think that they're highlighted also in our
9 recommendations. There were some opportunities that were
10 missed, and we didn't get to the full extent. But I think
11 what we can learn, if there are further BRAC rounds in the
12 future, that to go through a cross service process, we need
13 to back up in time about a year before the services begin
14 their analysis of processes; and to look at each common
15 support function and identify specific capacity reduction
16 goals in the guidance that's given to the services.
17 CHAIRMAN DIXON: Well, if I could interrupt you
18 there, Mr. Hinton. There may be further BRAC rounds. As a
19 matter of law, that is not now called, as far as you know.
20 MR. HINTON: Right, yes, sir.
21 CHAIRMAN DIXON: We will make a recommendation.
22 But I can tell you now, there's not going to be another BRAC

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1 round in two years. I don't think the country and the
2 Congress, or anybody, is ready for it. So there's going to
3 be some time lapse. We have some thoughts in mind, but we
4 believe everybody needs a little rest. So I put it to you,
5 sir: since this is the last round for now, what can you do
6 in your house to give us suggestions of egregious cases that
7 you see out there, where there are opportunities for this
8 commission, between now and May 17th, when we're mandated by
9 statute to act, to add to this list other things you think we
10 ought to be looking at?
11 MR. HINTON: Mr. Chairman, in response to that, I
12 think one category that is readily apparent to us is the area
13 of depot maintenance. And there was considerable excess
14 capacity that was identified. I think we did see some
15 closures that reduced some of that excess capacity. But
16 there's considerable excess capacity that remains out there.
17 And I think it's largely in the aviation depot area. I think
18 that --
19 CHAIRMAN DIXON: Well, if I may interrupt you
20 there.
21 MR. HINTON: Mm-hmm.
22 CHAIRMAN DIXON: Your next paragraph on the same

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1 page of that statement references the Air Force's largely
2 subjective and not well documented treatment of certain
3 material. And I think it is a general feeling, from
4 everything that the Commission hears from various sources,
5 that more needs to be done to look at the suggested idea that
6 you save more money reducing size at the existing depots than
7 to close one or more depots.
8 What do you think of the logic inherent in that
9 representation to us by the Air Force?
10 MR. HINTON: Mr. Chairman, in that case of the Air
11 Force, throughout the process, we did not get the access to
12 the discussions, the documentation so that we could really
13 see the deliberative discussions that took place, and could
14 really see to what extent all the issues were dealt with by
15 the Air Force, as we did with the other services.
16 But in particular with the Air Force, their
17 decision has been to downsize in place. It does not go after
18 and really address getting rid of excess infrastructure where
19 you would have extreme amounts of overhead that could be
20 reduced if you were to close down one or more depots. What
21 the Air Force did, in coming up with their proposal, did not
22 appear to us to be well thought out or adequately supported.

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1 And it did not seem to us to fully address the problem of
2 significant excess capacity in the depot system.
3 CHAIRMAN DIXON: Mr. Hinton, may I interrupt again?
4 Forgive me for doing this, sir. I'll ask you directly, sir,
5 is your staff prepared to deal with ours to make suggestions
6 regarding the whole question of Air Force depots?
7 MR. HINTON: Yes, sir.
8 CHAIRMAN DIXON: Now, then, going further --
9 [Laughter.]
10 CHAIRMAN DIXON: Did I miss something there?
11 MR. HINTON: No, I paused on that because I am
12 aware that the Air Force has been updating its study, and it
13 plans to present that study and I'm --
14 CHAIRMAN DIXON: We are aware of that, as well.
15 MR. HINTON: And I'm anticipating that you all will
16 probably come back to us and ask our assistance in analyzing
17 that. And that's why I'm saying, I will be --
18 CHAIRMAN DIXON: And in fairness to them, we do
19 understand they are reworking their numbers and that we will
20 be hearing further from them, and we await their further
21 response. Thank you very much for indicating, though, that
22 your staff people with us now, and in your own shop, will

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work with us further on that subject matter.

You say, further down that same page, "The retary of the Navy's decision to exclude certain lities from closure for economic impact reasons suggests at the economic impact criterion was not consistently applied." And may I say, in all fairness to the Secretary of the Navy, who is very open about that, I thought an honorable man who dealt with it in an open and fair way, and I think I speak for the Commission when we say we felt that he dealt in a very open and forthright way about it; and I commend him for that.

But let me ask you this -- in examining those numbers, Mr. Hinton, do you see, and are you suggesting to us, that a further analysis ought to be made of those installations that were excluded on economic criterion solely, if that was the only criterion used?

MR. HINTON: Mr. Chairman, our comments on that were based on our evaluation of the process that was followed. And we thought that that was a deviation in the process, where it looked as though those installations were removed for cumulative impact reasons on a statewide basis, and not necessarily on the individual communities. And when

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we looked across other states and other communities that had a greater impact of job losses and were not taken off the list, we thought we would bring that to your consideration.

CHAIRMAN DIXON: Thank you, Mr. Hinton.

MR. HINTON: Mm-hmm.

CHAIRMAN DIXON: Commissioner Kling.

COMMISSIONER KLING: Yes, sir, how do you do?

MR. HINTON: Good morning.

COMMISSIONER KLING: We've had a number of privatization plans that have been submitted to us, or that various locations have thought of. Have you looked into of these privatization plans as an alternative to closing? And if so, what's kind of your opinion, your thought concerning those?

MR. WARREN: We've looked at some of these.

CHAIRMAN DIXON: Mr. Warren, would you be kind enough to identify yourself, because we've been talking to Mr. Hinton.

MR. WARREN: Oh, David Warren, thank you. We've looked at some of these, but not in detail, sir. Our general concern is that the best value would come to the government, in terms of whatever model you use.

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COMMISSIONER KLING: So, in a broad sense, though, you would say that if they would give us the savings involved, that that is something that should be looked into further?

MR. WARREN: Yes, in fact, if they would give the savings involved. But that's the key -- you have to make sure that that, in fact, will happen. We had the one case out at Newark.

COMMISSIONER KLING: Right.

MR. WARREN: Where the privatization was recommended. We went back in and looked at it, and we saw that the payback jumped from, I believe, it was around 6 years to 17 years, with still a number of unresolved issues out there. And when you see that kind of thing, you just have to, again, scrub the numbers, be careful and make sure that privatization is the right way to go. It may well yield benefits, but you have to work the numbers.

COMMISSIONER KLING: Thank you. As you further, in your report here, you have, Mr. Hinton, made a statement that ards McClellan, in moving it to Fort Leonard Wood, that or to doing so, we should make sure that permits are in ce and so forth. If the permits were in place, and if

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properly documented and so forth, would you still, in your recommendation be that we follow through with the recommendation to close McClellan and move the various facilities, the MP and chemical, to Leonard Wood?

MR. HINTON: We have no reason to disagree with that.

COMMISSIONER KLING: Thank you. And let me just ask a question -- in the report, there's a statement in here that says, "In addition, because DOD is still obligated," -- this is to do with the health insurance, and, I'm sorry, it's on Page 48, down at the bottom. You make a statement, "Because DOD is still obligated to meet the health care demands of non-active duty beneficiaries, downsizing decisions must also be made on the cost-effectiveness of maintaining a military medical capacity larger than needed for wartime purposes."

Could you elaborate on this a little bit, and give us some of your views and thoughts? I believe you're probably referring to the additional costs that Champus would cause, and so forth.

MR. HINTON: Right. Commissioner Kling, the issue in the whole medical area here is that there's really no

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agreement on the size and the structure of the medical force that's needed to meet wartime requirements right now. And I think that's a policy decision that DOD needs to come to grips with so that we can see what's needed for wartime, and at the same time, price that out in the peacetime side of things.

COMMISSIONER KLING: Okay. The medical cross service group provided some 16 separate hospital realignment and closure alternatives to the service consideration. Most of the joint group's alternatives are not among the DOD recommendations. What's your assessment of the quality of the medical joint cross service group's process, and the alternatives it produced?

MR. HOLMAN: Barry Holman. I'll tackle that question.

COMMISSIONER KLING: I'm sorry?

MR. HOLMAN: Barry Holman. I'll tackle that question.

CHAIRMAN DIXON: Mr. Holman, would you identify yourself, and try to speak into the mike? Thank you.

MR. HOLMAN: Barry Holman. In looking at the medical cross service process, we were fairly satisfied with

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that process. It did come up with a number of recommendations. We found very little reason to question those recommendations. We noted that a couple or few were not accepted by the services. And they seemed to have good, operational reasons for not doing so.

COMMISSIONER KLING: You felt that the cross service group's recommendations were sound? And you felt that the ones that the Army, Navy and Air Force decided to adhere to were all that was necessary?

MR. HOLMAN: Yes, sir.

COMMISSIONER KLING: Okay.

MR. HINTON: Commissioner Kling, I'd just like to add and come back -- until DOD is able to identify what its wartime requirements are, which I think is very important here, and there's been several hearings on the Hill that have dealt with that recently, there's no clear assessment of what is excess in the medical arena right now. And I think that's a step that needs to be taken in order to identify that, and then go through the process of saying what needs to close and change, or be downgraded to clinics.

So I think that's an open issue. But Mr. Holman's right in where we came out on that.

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1 COMMISSIONER KLING: All right. You know, if you
2 look back -- and I'm not going to spend any more time on
3 that -- if you look back at the number of beds that the Army,
4 or that the Department of Defense has, totally, it truly
5 shows that there is a lot of excess, even if you wanted to
6 double or something like that. So I guess you're right -- we
7 really need to look. But we'll go on and hear further. Any
8 more time, Mr. Chairman?
9 You're opening statement noted excess Defense
10 Department capacity would remain after execution of the list,
11 particularly within the category of depot maintenance, as you
12 just said, and lab facilities. Did you find excess capacity
13 problems were more prevalent in any one service or defense
14 agency? And I think you may have covered some of that.
15 MR. HINTON: I think there's a real issue that
16 needs to be dealt with on the depots with the Air Force. I
17 think when you get down to the testing and evaluation and the
18 laboratories, it's all services. And I think we did see the
19 services deal with some aspects of each of those, but I
20 think, then, you're getting down to asking the consolidations
21 of the services.
22 In the medical area, I think it's just as I

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1 mentioned -- it's a DOD-wide issue. And in the undergraduate
2 pilot training facilities, I think one issue that needs to be
3 decided upon by DOD is for the Army and the Navy to agree
4 upon undergraduate helicopter pilot training for its rotary.
5 COMMISSIONER KLING: Thank you. At Dugway Proving
6 Ground, there's a recommendation to close down English
7 Village. My question concerning that is that that is a
8 location that is maybe 60, 80 miles from any location. Did
9 you look at that and consider whether closing English Village
10 would have any major detrimental effect on the operation of
11 Dugway Proving Ground itself?
12 MR. HINTON: Commissioner Kling, I don't have that
13 right at my fingertips right now. But I will be happy to
14 supply that for the record, and let me go back and research
15 that, please.
16 COMMISSIONER KLING: All right. Thank you very
17 much.
18 MR. HINTON: Mm-hmm.
19 COMMISSIONER KLING: Chairman, I guess it's time
20 that I let somebody else talk.
21 CHAIRMAN DIXON: Thank you, Commissioner Kling.
22 Admiral Montoya.

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1 COMMISSIONER MONTOYA: Good morning.
2 MR. HINTON: Good morning, sir.
3 COMMISSIONER MONTOYA: Can you take two compliments
4 in one day?
5 MR. HINTON: Yes, sir.
6 [Laughter.]
7 MR. HINTON: With the budget situation, yes, sir.
8 COMMISSIONER MONTOYA: I've been in government for
9 many years, and I don't read these for entertainment, but
10 this is a very good report. I really enjoyed reading it
11 because it provides me a backdrop, then, to inquiry and go
12 forward. It's very succinct, straightforward. And so I
13 appreciate the work you've done; particularly, doing it on
14 time.
15 MR. HINTON: Thank you very much, sir.
16 COMMISSIONER MONTOYA: Well done. This is my first
17 time on a BRAC commission, but apparently in the past, you
18 have had some criticism of defense and not considering total
19 governmental costs in arriving at a base closure decision.
20 In this particular round, have you found the same thing true?
21 And if so, where are the major areas that concern you,
22 regarding the issue of total cost?

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1 MR. HINTON: I think in this round the issue is
2 there. It's probably not as visible as it has been in the
3 prior rounds. But I'll use one example to make the case
4 here, and that is at Kirtland Air Force Base. The decision
5 was made to realign that base, and that the military would
6 downsize and a lot of the infrastructure would become part of
7 the responsibility of DOD.
8 There's going to be some issues associated with
9 what is going to be the cost for DOD to take over that. I
10 think that is an issue that we raise in our report that I
11 think the Commission needs to pursue not only with Kirtland,
12 but raise that issue because it also arises in many cases
13 where you are going through realignments and moving
14 activities from one location to the other. You need to make
15 sure that the total costs to the government are reasonable in
16 that regard.
17 But Kirtland, in this case, it's not clear to us
18 yet as to what the total costs are going to be. And that was
19 an open issue. We were at Kirtland a couple -- about three,
20 four weeks ago, and got a series of briefings. And that was
21 one of the issues that was on our minds when we were there.
22 And the plans were still unfolding, I think it's fair to say,

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1 as it related to Kirtland.
2 COMMISSIONER MONTOYA: So is that the only major
3 one that you see in this round?
4 MR. WARREN: We also have some issue with regard to
5 the leasing situation in the Army as it relates to ADCOM.
6 And that relates to GSA building space and how that
7 ultimately might be handled. And there could potentially be
8 some costs there as well. I would note that DOD did put out
9 guidance in response to that issue in this round.
10 And while they still do not agree that government-
11 wide costs should be captured on a general basis, they did
12 talk about the need to capture things such as GSA leases and
13 the situation that Mr. Hinton talked about with regard to
14 DOD, where another federal agency is going to pick up a
15 substantial portion of the activity. So I think there's been
16 some movement there on DOD's part.
17 COMMISSIONER MONTOYA: Okay. Going back to
18 Kirtland, if the total cost question becomes the turning
19 point issue, because you've been there again, are you
20 prepared to help us with that, to nail down what those total
21 costs are, or do you have suggestions for us to how we might
22 do it; and have the level of confidence that would be needed,

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1 I think, if one were to make a decision based on that fact
2 alone?
3 MR. HINTON: Admiral, the clear impression I had
4 when I was out at Kirtland is that there were a lot of issues
5 that were unresolved affecting that whole base. And, yes, we
6 would be willing to help the Commission as you get more data,
7 to help analyze that. At the time, that information just
8 wasn't available for us to do it, when we issued this report
9 to you.
10 COMMISSIONER MONTOYA: Let me turn now to another
11 cost question, but it relates primarily to the depots, the
12 Air Force depots. And the issue is environmental restoration
13 costs. As we both know, DOD doesn't include those costs as
14 part of the base closure criteria. However, have you
15 detected, in your analysis, where those kinds of costs were a
16 driving factor in a decision not to close?
17 MR. HINTON: No, sir, we did not find any evidence
18 that that was the case.
19 COMMISSIONER MONTOYA: To the extent that those
20 costs are calculated -- and again, in the depots, there are
21 some significant costs that have been identified; and in some
22 cases, many years to execute a clean-up on a particular base.

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1 Are you familiar with, apparently, the new emerging EPA rules
2 where they're going to quite calling a base an NPL site fence
fence, and they're willing to narrow the scope of their
designation of a national priorities list site to just the
area of contamination, and the rest of the base could be open
6 for re-use? Are you familiar with that?
7 MR. WARREN: Not the specific recommendation --
8 CHAIRMAN DIXON: This is Mr. Warren.
9 MR. WARREN: Mr. Warren, I'm sorry. That is
10 something that we have been recommending over the past
11 several years. So if that is in fact coming into effect, we
12 think that's appropriate. Because what we've seen happen is
13 that once a base is put on the closure list and it's an NPL
14 site, then all contaminated sites on that base, then, start
15 to receive funding on a priority basis.
16 So you may have other bases that are in the active
17 arena that are having much more serious problem that needs to
18 be dealt with. But because of resource constraints they
19 can't be reached, while you have a lesser problem being taken
20 care of on a closed base. So we think that makes a lot of
21 sense, in terms of the use of limited resources.
22 COMMISSIONER MONTOYA: So you would support the

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1 notion that if there were a large groundwater problem, we
2 could release the surface land for re-use, and continue with
3 the clean-up of the groundwater problem ad infinitum, given
4 the --
5 MR. WARREN: Yes, sir. I think in groundwater,
6 that's a perfect example, because that's a particular problem
7 at many of these bases; particularly the Air Force bases
8 where solvents were used for cleaning purposes and
9 groundwater is prevalent. And if you're familiar with the
10 pump and treat process, which is a current technology out
there, as you're saying, can take, sometimes, up to 50 years.
and even then, the experts would say they can't assure that
the aquifer will be clean.
14 COMMISSIONER MONTOYA: And for the record, I want
15 to ask this question -- we know the military value, the first
16 four criteria, or the priority criteria. Have you felt that
17 that was adequately applied, and that no decisions were
18 driven by economic or political pressure being applied that
19 made those four criteria lesser than they should be?
20 MR. HINTON: We had no evidence of any of the work
21 that we have found where that is the case, Admiral.
22 COMMISSIONER MONTOYA: Thank you, Mr. Hinton.

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1 Thank you, Mr. Chairman.
2 CHAIRMAN DIXON: I thank you, Admiral Montoya.
3 Have you completed your questioning?
4 COMMISSIONER MONTOYA: For now, yes, sir.
5 CHAIRMAN DIXON: Commissioner Steele.
6 COMMISSIONER STEELE: Good morning.
7 MR. HINTON: Good morning.
8 COMMISSIONER STEELE: As a quick follow-up from
9 Commissioner Montoya's questioning, I believe I noted in your
10 report that the Navy did exclude four facilities from further
11 consideration, though, because of economic impact. So it did
12 kick in, in those areas; is that correct?
13 MR. HINTON: In those areas. But it was a judgment
14 call that was made. The second part of the question -- was
15 there any --
16 COMMISSIONER STEELE: The political.
17 MR. HINTON: -- motivation.
18 COMMISSIONER STEELE: Sure.
19 MR. HINTON: That's my answer to that.
COMMISSIONER STEELE: Okay. That's what I assumed;
just wanted to make sure there. Starting with the Navy
value, the depot maintenance cross service group suggested

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1 that future nuclear submarine work requirements in the Navy
2 could be met with the closure of Portsmouth. Obviously, the
3 Navy chose not to adopt that alternative. Do the current
4 recommendations result in significant excess capacity in the
5 Navy's nuclear-capable shipyards?
6 MR. HINTON: There will be excess capacity in the
7 Navy shipyards. We did not find any reason to disagree,
8 though, with the Navy's rationale for not moving to close
9 other shipyards.
10 COMMISSIONER STEELE: Okay. First of all, was
11 private sector shipyard capacity taken into consideration by
12 either Navy, DOD, or GAO, when you looked at that category?
13 MR. HINTON: The Navy took that into consideration
14 when it was going through its assessment. I think it was
15 readily apparent in the decision on Long Beach. And we
16 looked at all the data surrounding that decision.
17 COMMISSIONER STEELE: When they looked at that
18 regarding Long Beach, did they quantify that? Is that in the
19 background records? I'm uncertain.
20 MR. WARREN: On the private sector capacity?
21 COMMISSIONER STEELE: Correct.
22 MR. WARREN: No, I don't believe that was

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1 quantified.
2 COMMISSIONER STEELE: Okay. So it was looked at,
3 but not measured.
4 MR. WARREN: It was looked at in a very general
5 way, yes.
6 COMMISSIONER STEELE: Would there be a reason why
7 they would look at it for the West Coast, but not for the
8 East Coast?
9 CHAIRMAN DIXON: This has been Mr. Warren on the
10 last couple answers. I'm going to have to ask you gentlemen,
11 from the standpoint of the reporter, to identify yourself, or
12 the record will not show who answered. Mr. Hinton --
13 MR. HINTON: Okay, fair enough. Okay, we'll start
14 doing that. I'm not aware of how it was dealt with on the
15 East Coast, Commissioner.
16 COMMISSIONER STEELE: Okay, thank you. Switching
17 back to depots --
18 CHAIRMAN DIXON: Did Mr. Holman have something he
19 wanted to say?
20 MR. HOLMAN: I just wanted to say, I think there
21 was an assumption that the private sector capacity was there,
22 not that a particular assessment was made of that, or an

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1 attempt to measure it. The assumption was made that it was
2 there. I think, from the standpoint of our analysis, with
3 the excess capacity that's remaining in the Navy depot
4 system, we didn't see that as being a significant factor that
5 needed to be brought to bear on their decisions.
6 COMMISSIONER STEELE: For either coast?
7 MR. HOLMAN: Yes.
8 COMMISSIONER STEELE: Okay. Air Force depots -- in
9 your statement for the record, there's the quote that "the
10 Air Force's recommendation may not be cost-effective and does
11 not solve the problem of excess depot capacity." On the
12 cost-effective portion of that statement, I'm wondering, on a
13 preliminary analysis for cost to close the Air Force's
14 recommendations, the numbers appear to be high both in the
15 sense of numbers of personnel that are assumed to be
16 relocating if a facility would close, and amount of
17 infrastructure that would have to be either moved or
18 reconstituted somewhere else.
19 Have you looked at those figures and the
20 percentages that were assumed by the Air Force? And what
21 were your conclusions?
22 MR. HOLMAN: Barry Holman. We've looked at that,

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1 and we noticed that there are significant differences
2 between, say, how the Air Force calculates cost to close,
3 and, say, how the Navy would. The Air Force tends to look at
4 moving more personnel, more items. There are differences in
5 how the costs are calculated, such as moving items -- it's
6 based more on the value of the purchase of equipment and on
7 actual moving costs.
8 So we see some things about the Air Force process
9 that strikes us as being high. But we have not looked at it
10 in depth to determine just how much so.
11 COMMISSIONER STEELE: Would you also look at
12 movement of personnel in the same light, or differently?
13 MR. HOLMAN: Pretty much in the same light. Again,
14 I think in looking at the Air Force process, we saw that, as
15 I recall, the movement of personnel would occur later in
16 subsequent years. And of course, that affects, also, the
17 cost, as well as the expected savings.
18 COMMISSIONER STEELE: Mr. Warren.
19 MR. WARREN: Mr. Warren. Yeah, in looking at this
20 process over a series of years -- this is our fourth time
21 looking at the process -- we get certain tips. And when you
22 see a lot of MILCON going on, and when you see a lot of

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1 people moving around, that's an indicator for us that that's
2 something that we have to look at very closely. Because
3 historically, those have been the decisions that we have had
4 the most concern and problem with, particularly when you get
5 into the cost and savings area.
6 And I would also add, as you get into this Air
7 Force situation, that basically, the whole intent of the base
8 closure and realignment process was to close facilities, and
9 not to go into a mode of downsizing in place, so to speak.
10 COMMISSIONER STEELE: One last question in that
11 area. I noticed that 30 percent of the value given to the
12 different ALCs is the ability to accept different operational
13 missions. But it appears that there wasn't a measurement of
14 current co-located missions, and what the cost would be to
15 move those missions should they need to be moved if an ALC
16 closed. Did you look at that issue and what those costs
17 would add to up-front costs to close of different ALCs?
18 CHAIRMAN DIXON: Mr. Holman.
19 MR. HOLMAN: We have not looked at that in depth,
20 no.
21 COMMISSIONER STEELE: Would it seem something
22 reasonable that the Commission ought to look at, in your

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1 judgment?
2 MR. HOLMAN: I think so, yes.
3 COMMISSIONER STEELE: Okay. Switching to,
4 lastly --
5 CHAIRMAN DIXON: Now, let me see, now, Mr. Holman
6 and Mr. Hinton are both indicating yes, in answer to that
7 question.
8 MR. HINTON: Yes, sir.
9 COMMISSIONER STEELE: Our chairman keeps us all on
10 track here. UPT bases -- let's see. The general approach to
11 infrastructure reduction was to consolidate functions at
12 selected installations to eliminate functional duplication.
13 Such an approach would appear applicable with the Navy and
14 Air Force aviation training programs, and would support a
15 broader cross service training system.
16 Do you feel the joint cross service group looked at
17 all possible consolidations in that area?
18 MR. HOLMAN: Barry Holman. As far as we can
19 determine, they looked at a number. I think we're satisfied
20 with the numbers that they looked at. The one area where we
21 did have concern was in the area of rotary wing training,
22 where there was not an agreement between the Navy and the

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1 Army, in terms of consolidation, as well as co-location.
2 COMMISSIONER STEELE: Okay. The joint cross
3 service group established, for criteria number one in
4 military value, the functional analysis across all the UFT
5 bases. The Air Forces chose to do an independent analysis of
6 criterion 2 through 8, but adopted criteria 1 with just some
7 changes of areas they thought were probably not relevant to
8 their service.
9 Do you feel the Air Force was remiss not doing its
10 own evaluation on military criteria No.1, or was their
11 involvement in the process with the joint cross service group
12 significant to the extent that they felt comfortable with the
13 results from that group?
14 MR. HOLMAN: I think that is pretty much the Air
15 Force's call to make. We do not particularly question their
16 using the cross service data. Certainly in doing so,
17 obviously, it sounds redundant, but you do get more of a
18 cross service flavor with that criteria 1. But that was the
19 Air Force's call to make.
20 CHAIRMAN DIXON: And that was Mr. Holman.
21 MR. HOLMAN: Sorry, sir.
22 COMMISSIONER STEELE: And lastly, reading from your

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1 report -- just because there have been a lot of questions
2 raised to the Commission on this issue regarding Reese Air
3 Force Base -- the Air Force recommended closing Reese Air
4 Force Base because it rated last, relative to the other four
5 bases in the undergraduate flying training category, when
6 measured against the 8 DOD selection criteria.
7 However, community concerns arose over the issues
8 of potential errors in the Air Force's scoring of selection
9 criteria No.1, mission requirements, and its reliance on data
10 gathered under the cross service group process to make this
11 assessment. The Air Force's initial review of the community
12 concerns indicated that, while there were data errors, they
13 did not significantly alter the relative scoring of the bases
14 for criteria 1, and would not change the recommendation.
15 You comment that the Air Force was finalizing its
16 response to those issues while you were doing your field
17 work. Do you have any follow-up comments on that; on whether
18 those issues would have impacted the recommendations?
19 MR. HINTON: Commissioner Steele, we raised --
20 CHAIRMAN DIXON: This is Mr. Hinton.
21 MR. HINTON: Sorry. We raised this in our report
22 to draw your all's attention to this -- that it was still an

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1 unresolved issue when we completed our work. And it was
2 something that we thought that you all needed to look into.
3 We do understand that the Air Force has completed its
4 analysis right now. And basically, its position has remained
5 unchanged, but we have not seen that. So we haven't done any
6 analysis of its final study.
7 COMMISSIONER STEELE: Okay. Could we bounce that
8 off you, once we analyze it?
9 MR. HINTON: Yes, ma'am. We'd be happy to take a
10 look at that for you, Mr. Chairman.
11 COMMISSIONER STEELE: Thank you. I have no further
12 questions, Mr. Chairman.
13 CHAIRMAN DIXON: Thank you, Commissioner Steele.
14 Commissioner Al Cornella.
15 COMMISSIONER CORNELLA: Good morning, gentlemen.
16 MR. HINTON: Good morning.
17 MR. WARREN: Good morning.
18 COMMISSIONER CORNELLA: I'd like to ask a few more
19 depot questions. I would hope they're not redundant, but
20 would be a little more pointed, a little more specific.
21 You've indicated that you feel the Air Force approach to
22 reducing excess capacity may not be appropriate; is that

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correct?
MR. HINTON: Yes, sir.
COMMISSIONER CORNELLA: In your recommendations the Commission consider the closure of other Air Force depots, how many do you think should be closed?
MR. HINTON: I think that that's still open to some speculation. I think that in the Air Force, there was consideration going into early 1995 that they were considering up to two. But that changed somewhere in the February-March timeframe. GAO doesn't have a position on how many, but what we do know is that there is excess capacity and that the methodology the Air Force was employing took advantage of some ongoing internal Air Force studies looking at the potential for consolidating some commodities.
And it drew upon that information in making its recommendations to downsize in place. Those studies that the Air Force used were not complete. Some of the recommendations the Air Force did make do not agree with those commodity studies. And that process is still evolving, and I'm sure that you all will get into that today.
One of the things that we noted was that there was going to be a plan to perhaps spread some workload to some of

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the existing Air Force depots. And that in turn could, over time, make it more costly to close any depots in the future by doing that, as opposed to making the more difficult choice to closing a depot.
CHAIRMAN DIXON: May I interrupt, Commissioner Cornella? I wonder if the reporter would be able to identify the person testifying on each occasion if Mr. Warren, Mr. Hinton and Mr. Holman just kind of put their signs in your direction. And then the chair wouldn't need to interrupt. Would the reporter cooperate with me, and identify for the record who it is answering? Commissioner Cornella.
COMMISSIONER CORNELLA: Thank you, Mr. Chairman. In estimating the cost to close an Air Force depot, the Air Force assumed that a depot closure would result in the elimination of only 7 percent of the positions at that depot. The rest would be realigned to other depots, as you indicated a moment ago. In your view, is this a reasonable estimate of the personnel savings that would be achieved from closure of an Air Force depot?
MR. HOLMAN: I don't know that we have a precise answer on that. I think we would say we think that's an area that needs to be looked at very closely to see just how many

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personnel would have to move, if you were able to close a depot and transfer the work elsewhere.
COMMISSIONER CORNELLA: I know the closures on Guam, as far as the Navy facilities, will amount to about 20 percent of the estimated savings for the Navy. And I saw little reference to that in the report, other than the note regarding the PWC in Guam. The Navy went to great pains, I thought to acknowledge that they did consider cumulative economic impact as a factor in arriving at some of their decisions.
In the case of the Guam public works center, they cited that they were concerned about civilian job losses. In reality, closing that public work center would probably only cause a civilian job loss of about 100 to 300 jobs; and possibly not that many if the facility was turned over to the government of Guam to operate. Did it appear a little inconsistent that there was concern expressed about that, while at the same time, there were thousands of other civilian jobs being eliminated on the island of Guam?
MR. HOLMAN: We looked at that one as we did all of them, and we did not have a particular concern about the Navy's decision. Again, that was their decision to make.

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They were looking at an area that was within a single area defined by the economic impact region. So we thought, you know, that was the Navy's call to make.
I understand the difference in terms of personnel, but we saw that as somewhat different from the decision that the Secretary made regarding the other four facilities in California. But we had no particular reason to question the Guam one.
COMMISSIONER CORNELLA: But even with the facilities in California, I believe the direct job loss would be around 2,000 jobs for those four. It seems like that the Navy extended its neck quite a bit in order to declare that it was saving a couple thousand jobs. Did that occur to you at all?
MR. HINTON: I think, Commissioner, that was a judgment. And we observed what was happening, and we didn't have any reason to disagree with what was happening on that decision.
COMMISSIONER CORNELLA: You have no feeling there may have been other installations that were not included in the report that may have been taking off, because of economic impact?

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MR. HINTON: No, sir.
COMMISSIONER CORNELLA: You noted some concern, I believe, over the redirect, or the Letterkenny, the Commission, again, looking at what was directed by the 1993 Commission. That is not the only redirect. Do you have any concerns about any others?
MR. HINTON: For most of the redirects, we didn't have much issue with the redirects. The Letterkenny we wanted to point out to you because we thought it was a change from 1993, from the move to consolidate at Letter Kenny. And in the '95 realignment, they were proposing to not do the consolidation, but in turn, take some of the missile guidance maintenance and take it to Tobyhanna, and leave some of the assembly work up at Letterkenny as well as keeping some of the maintenance on the mobile support equipment down at Anniston.
That was a difference from what was originally proposed in '93, and we wanted to bring that to your attention to see if you all were going to be satisfied with that.
COMMISSIONER CORNELLA: Also, you expressed concern about the White Oak wind tunnel. Now, was that your

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observation, or was that the Navy's observation, that the DOD may need that further?
MR. HINTON: A combination of both. We observed that from the Navy and from others who have made that statement. We thought that that was an issue that should not lose sight of; that maybe some other government installation either in the DOD, or in the government, might be able to take advantage of that facility. And like some of the other issues that we brought for the commission in our report, we didn't want that to drop through the cracks; we wanted you to be aware of that.
COMMISSIONER CORNELLA: Was there any concern about -- or the same concern -- about the inertia laboratory and the centrifuge at Warminster, for example? Are you familiar with that facility?
MR. HOLMAN: No. I'm not familiar with that concern. Let me say that the concern we raised about White Oak came about because, in looking at the Joint Chiefs of Staff review of the base closing recommendations, that issue surfaced there. It did not get prominent visibility otherwise, and so we thought it appropriate that we should raise it to make sure it was fully documented.

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1 COMMISSIONER CORNELLA: Thank you. The Air Force
2 excluded F.E. Warren Air Force Base, Wyoming, from evaluation
3 on the rationale that DOD force structure requires
4 peacekeeper missiles throughout the BRAC '95 implementation
5 period. GAO found no reason to question the basis for the
6 Secretary of the Air Force's decision to eliminate additional
7 installations from the analysis because no significant excess
8 capacity existed.
9 Given that the peacekeeper drawdown will be well
10 underway by the end of the BRAC '95 implementation, what are
11 your views on the Air Force, excluding F.E. Warren from
12 evaluation?
13 MR. HOLMAN: If I might, let me make a broad
14 statement in terms of the facilities that the Air Force
15 excluded. One of the difficulties we had, given the time
16 constraints -- again, we did not get access to the Air
17 Force's process, largely, until after the recommendations
18 were made public. The limited documentation that was there
19 made it very difficult for us to make a full assessment of
20 bases that were excluded from the process. That would
21 include Warren also.
22 MR. HINTON: That's a very important point, I

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1 think, from where we would sit in our report. In the other
2 services, I think, we got a larger degree of access, where we
3 could assure ourselves what was considered and what was not
4 considered and for the reasons. The Air Force, that
5 condition did not exist, and we wanted to bring that out
6 because we do think that affected, possibly, some of the
7 decisions that were made.
8 COMMISSIONER CORNELLA: Data has been provided to
9 you by the Fort Indiantown Gap community relating to the cost
10 and savings calculated by the COBRA analysis, citing higher
11 costs and substantially reduced savings. I'm not sure if you
12 are aware of that.
13 MR. HINTON: Yes, sir, we are.
14 COMMISSIONER CORNELLA: Okay. Have you
15 investigated this? And what are your conclusions?
16 MR. HOLMAN: We've looked at this not with the
17 degree of depth that I would like, or the time I would like.
18 I've seen the reports that have come from Fort Indiantown
19 Gap. I've also seen the Army's response, their analysis of
20 that. I have some open questions about it, but I'm just not
21 in a position to give you a final answer on it.
22 COMMISSIONER CORNELLA: But you will provide us

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1 with an answer to my question, please.
2 MR. HOLMAN: If you desire, we can get it.
3 COMMISSIONER CORNELLA: I desire that.
4 MR. HOLMAN: Yes, sir.
5 COMMISSIONER CORNELLA: Thank you. Thank you very
6 much. Mr. Chairman.
7 CHAIRMAN DIXON: I thank Commissioner Cornella, and
8 in view of his line of questioning, which was very good,
9 staff has asked me to clarify something with respect to the
10 testimony of Mr. Hinton. You are not saying -- well, no, let
11 me not ask it that way. Mr. Hinton, since March 1st, have
12 you had access to any information you wanted in the Air Force
13 shop, to support documentation of your views about what was
14 done in that place?
15 MR. HINTON: We've gotten -- largely, we've gotten
16 access to their documentation since March 1; to the extent
17 that it was documented, we've gotten it. We've had
18 discussions with Air Force staff to amplify on the
19 documentation that was there.
20 MR. WARREN: If I could add -- there are some
21 situations such as we've discussed in the depot area, where
22 information is evolving. And so that causes some particular

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1 problems, as well.
2 CHAIRMAN DIXON: Well, it causes us some, too, Mr.
3 Warren. And we remind you of the statutory drop-dead date of
4 May 17th. So as you evolve and we evolve and others evolve,
5 remember that we have to quite evolving by May 17th and go up
6 against the wall.
7 MR. HINTON: We understand that.
8 MR. WARREN: I'd be happy to get firm numbers.
9 CHAIRMAN DIXON: Commissioner Rebecca Cox.
10 COMMISSIONER COX: Thank you very much. I know
11 you've been asked several questions on depots, and you've
12 been very forthright. So let me ask a question, which, I'm
13 sorry, it's going to be a little confusing. But what you're
14 basically saying on the Air Force is that -- in a number of
15 areas, not just the depots -- that the process that they went
16 through, given the data that you've been able to see and the
17 length of time that you've been able to see it, was chaotic?
18 It brings into question some -- not only its cost,
19 but I assume that their ranking of military values would fall
20 under that sort of same category. That may be fine; you're
21 just not sure, given what you've seen, that you can validate
22 that data. Is that correct?

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1 MR. HOLMAN: I don't know that I want to use the
2 word chaotic.
3 COMMISSIONER COX: Okay.
4 MR. HOLMAN: The Air Force process certainly is
5 different --
6 COMMISSIONER COX: It's different.
7 MR. HOLMAN: -- somewhat from the other services.
8 It is not as well documented. You rightly touch on the fact
9 that the Air Force does not do a military value, per se, as
10 the other services do.
11 COMMISSIONER COX: Right.
12 MR. HOLMAN: So, yes, those things together make it
13 more difficult to sort out the process that they did follow,
14 and the recommendations that were derived.
15 COMMISSIONER COX: Both on cost and military value.
16 MR. HOLMAN: That's correct.
17 COMMISSIONER COX: Okay. Thank you. And I know --
18 I'm sure you are, but you're continuing to look at this,
19 obviously, and the data that is coming forward, right?
20 You're not just stopping at this point?
21 MR. HINTON: I'm sure the Commission is going to
22 be, based on what I've heard so far this morning, asking us

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1 to assist on some of these other issues.
2 COMMISSIONER COX: Good.
3 MR. HINTON: So we would be happy to work with you
4 on those.
5 COMMISSIONER COX: Great. Thank you very much.
6 You mentioned in your testimony that the Secretary of
7 Defense's estimate of cost to implement the recommendations
8 were $3.8 billion, steady state savings of $1.8 billion, with
9 a net present value of $18.4 billion. I take it you agreed
10 with all these numbers, but estimated the net present value
11 to be fairly significant about less than that. What are the
12 differences on how you came up with the net present value?
13 MR. HINTON: Commissioner, one of the things that
14 we believe is going to happen as a result of the process is
15 that there are going to be substantial savings. In our
16 report, we present a table that -- on Page 37 -- that lays
17 out the various options for looking at net present value.
18 COMMISSIONER COX: Right.
19 MR. HINTON: And it shows the differences in them.
20 And when DOD went through its process, it used the 2.75
21 percent discount thing. And we used the latest ones of 4.2,
22 4.85, which was the one that happened after DOD made its

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decisions. So what we wanted to do was make sure the Commission had the benefit of all of those right there.

COMMISSIONER COX: I'm sorry, maybe you could just explain the two numbers. They're the same numbers, just at different times?

MR. HINTON: Yes, time value of the money.

COMMISSIONER COX: I see.

MR. HINTON: And it differs some. By having a lower discount rate, you can have larger net present value.

COMMISSIONER COX: Right.

MR. HINTON: And quicker returns on investments. And the higher the rate goes, it changes that.

COMMISSIONER COX: And maybe the answer to this is, it's not the way it works, but to have a discount rate change that sort of dramatically -- I mean, not dramatically, but in the sense that you're using 4.7, I believe, and they're at two points less, a lot less than you all, over, really, just a couple of month period.

Is that really an appropriate way to look at it, or should we be looking at 30-year rates? I feel like that's kind of a big swing in a short period of time, and while it doesn't really matter because it's all relative, I suppose,

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it's a little concerning to have, using this sort of almost daily rate.

MR. HOLMAN: Right. That rate changes yearly.

COMMISSIONER COX: Right.

MR. HOLMAN: And it just so happened that it changes with the submission of the President's budget.

COMMISSIONER COX: Mm-hmm.

MR. HOLMAN: And that's why the services, as they were doing their discounts -- doing their rates, they were using the 2.75. When the President's budget came out, it went up to 4.85.

COMMISSIONER COX: What was the '93 Commission discount rate, for example?

MR. HOLMAN: It was 7 percent.

COMMISSIONER COX: 7 percent?

MR. HOLMAN: Again, they were using a different discount rate approach at that time.

COMMISSIONER COX: Uh-huh.

MR. HOLMAN: So you had two things that came into play here. One, you had a decision to use a different discount rate approach, one that was more reflective of Treasury barring rates. And then in the process, the rate

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actually changed, muddied the water more than anything.

COMMISSIONER COX: Excuse me?

MR. HOLMAN: The changes tended to muddy the water.

COMMISSIONER COX: Right.

MR. HOLMAN: In terms of having a clear picture of the rate. But I think, we said in our report, the various -- the impact on the various discount rate approaches. And you can see on any one of them, the net present value is very significant.

COMMISSIONER COX: All right. Do you have any problem with methodology?

MR. HOLMAN: No, we do not.

COMMISSIONER COX: Okay. You made a couple of recommendations; if I could just ask you to elaborate on them specifically. You suggested that we thoroughly examine the basis for exclusions to the cost and savings data associated with the closure and realignment scenarios, such as the Naval Service Warfare Centers in Louisville, Kentucky; Indianapolis, Indiana; and Lakehurst, New Jersey. I wonder if you can elaborate on what you're looking at there.

MR. HOLMAN: Okay. The Navy is somewhat different from the other services in their approach to developing their

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1 COBRA cost data. The Navy actually goes out to the
2 facilities that are affected to gather data. And in doing
3 so, you can encounter some differences between those
4 facilities and the Navy BCEG when it starts scrubbing the
5 numbers.
6 They may have a different interpretation.
7 Historically, they have several years of experience doing
8 BRAC. So they tend to scrub those numbers closely, and do
9 result in some differences. It appears to us that most of
10 the differences did occur this time came in the technical
11 center area. We've looked at some of those, some of those
12 data. Some of the changes that the Navy BCEG made, we had no
13 problem with. They seemed reasonable to us.
14 Some, I would say, in the short time we had to look
15 at them, were probably too tough to call in the timeframe we
16 had. They're still being reviewed within the Navy. The Navy
17 audit service is even looking at some of them. So we're just
18 suggesting, I realize the time is short --
19 COMMISSIONER COX: It was a wasted question.
20 MR. HOLMAN: They're still to resolve themselves.
21 We think they need to be looked at, just because of the
22 concerns that have been raised.

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1 COMMISSIONER COX: Okay.
2 MR. HOLMAN: Again, I think many of them have been
3 resolved, and we do not disagree with many of the decisions
4 that the Navy BCEG has made.
5 COMMISSIONER COX: Okay. Mr. Cornella mentioned
6 the different facility, other than the White Oak one. Let me
7 ask you if you looked at, or if you saw anywhere in looking
8 at the data, facility at the Annapolis Naval Station, which
9 was a deep lab pressure facility, which is proposed to be
10 abandoned because it's too expensive to move it. Did you all
11 run into that anywhere?
12 MR. HOLMAN: No, we did not look at that, no.
13 COMMISSIONER COX: You didn't, okay. Because I
14 think it's in the sort of same category -- too expensive to
15 move, and so more or less suggesting that it be abandoned.
16 On the cross service data, you mentioned briefly -- and I'm
17 sorry, I missed the beginning of your testimony, Mr.
18 Hinton -- that you felt that the data from the cross service
19 groups that went forward to the various services was correct,
20 or at least that its methodology in putting it together was
21 correct.
22 Do you feel that if we, in a sense, were in a

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1 position -- and there is a question whether we were -- to
2 take some of the recommendations of the cross service group
3 and try to implement them, that we have enough data and that
4 the methodology that was used in putting together that data
5 is strong enough that we could rely on it safely?
6 MR. HINTON: Let me start first, and then maybe one
7 of the other gentlemen here might want to comment on that. I
8 think what's clear here is that the cross service areas offer
9 a starting point for the Commission to look at some of the
10 information. I think you will find some of the information,
11 like in the depot maintenance area, to be more complete for
12 further analysis, than maybe some of the other areas.
13 COMMISSIONER COX: Oh.
14 MR. HINTON: But I think in the T&E, in the lab
15 areas, they offered various alternatives to the services.
16 They were not definitive in their recommendations in the
17 areas that they sent to the services. And so long as there
18 are alternatives out there, and the data is behind those
19 alternatives, they may serve you well to pursue some of the
20 issues that you raise there, Commissioner.
21 MR. HOLMAN: One of the difficulties that you run
22 into when you're looking at labs and T&E, particularly, is

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1 that the work of the cross service groups -- they came up
2 with alternatives that seemed to move very small amounts of
3 workload. Which, really, as the services looked at them,
4 many of them were not cost-effective moves to make. So I'm
5 not sure what can be done in that area.
6 COMMISSIONER COX: I see.
7 MR. HOLMAN: That's where the cross service co-
8 chairs, in a couple of cases, came up with broader-based
9 alternatives for the services to look at. They were not
10 always fully assessed. We think that may be a starting
11 point. And if the Commission desires to have the services
12 look at those further, certainly in the depot area, we think
13 that area is rich to look at in terms of potential closures.
14 I think, particularly, if you look at where the
15 deputy secretary of defense was, at one point, encouraging a
16 cross-servicing, a joint depot. If you could reach the
17 point, or if OSD could reach the point of specifying a joint
18 depot, say in the aviation area, that might allow for
19 additional infrastructure reductions.
20 COMMISSIONER COX: Right. Let me ask you a
21 question. It may not have been the Secretary of Defense, but
22 one of the first group that testified were here, they

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1 testified that they were doing a number of things in cross-
2 servicing, outside the BRAC process. And I take it there's
3 some evidence to show that.
4 And then, in fact, our -- the BRAC -- trying to
5 force cross-servicing in any particular area might set them
6 back. They implied there was a process that just simply took
7 a lot of time and a lot of thought and really, perhaps, could
8 be better handled outside of the BRAC process. Anything you
9 look at, going through this, give you any thoughts on that?
10 I realize that wasn't really your goal in looking at this.
11 MR. HOLMAN: I don't think we're in a position to
12 say to what extent it might set them back. I would simply
13 make an observation that in a couple of these areas, such as
14 labs and T&E, that's an area that's been looked at for years
15 without significant cross-servicing resulting. So I'm not
16 sure how much more one might set that area back.
17 COMMISSIONER COX: Okay.
18 MR. WARREN: Yeah, I would add that this has
19 historically been an area that needs a push. And I think the
20 Commission, the BRAC process has facilitated that, and I
21 think that's a good thing in this area It's a very difficult
22 area for the services to deal with. So I think any mechanism

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1 or process that can be put in place to help facilitate to
2 move that forward is a good one.
3 COMMISSIONER COX: Thank you.
4 MR. HINTON: May I add to that, also?
5 COMMISSIONER COX: Oh, certainly.
6 MR. HINTON: In the case of the Air Force depots,
7 I'd just like to add that what they were doing in studying
8 the potential consolidation for some of the commodities
9 occurred outside of the BRAC process. But when Air Force was
10 going through to come up through its recommendations for
11 BRAC, it brought that study in. Now, whether or not the
12 Commission may agree with the Air Force's plans is up in the
13 air.
14 It's something that you need to take a very close
15 look at because perhaps maybe if you find that those plans
16 should not go forward, I don't know that the BRAC would want
17 to -- I mean the Commission would want that to happen as a
18 part of the BRAC process.
19 COMMISSIONER COX: Right.
20 MR. HINTON: Because funding follows to the BRAC
21 process.
22 COMMISSIONER COX: Oh, I see.

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1 MR. HINTON: And the Air Force was on a path to do
2 it outside of the BRAC process.
3 COMMISSIONER COX: I see. Thank you.
4 CHAIRMAN DIXON: Well, I think Commissioner Cox's
5 observations and questions are very valuable. I hope the GAO
6 will cooperate with us, because I think the whole panel here
7 is sensitive to the fact that all the services are saying
8 they recognize there's more that can be done in the area of
9 cross-servicing. And it's a sensitive area, hard to do.
10 They're making some slight in-roads, not enough.
11 And I'm appreciative of Mr. Holman's pretty direct
12 comments about this matter. To the extent you can cooperate
13 with us, you know, within the next several weeks, which is a
14 sensitive time for us, we'd appreciate it. I think there is
15 more that we can look at there.
16 MR. HINTON: We'd be happy to, Mr. Chairman.
17 CHAIRMAN DIXON: General J.B. Davis.
18 COMMISSIONER DAVIS: Thank you, Mr. Chairman.
19 Having been the subject of GAO audits over the years, I am
20 very familiar with the process. And I'm delighted to be on
21 this side of the dias --
22 [Laughter.]

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1 COMMISSIONER DAVIS: Get ready, fellas. Mr.
2 Hinton, the detailed report that's already been commented on
3 is really one I've come to expect over the years. And
4 clearly, your views on the Air Force have become crystal-
5 clear in this process. In the accommodation of the GAO in
6 the process for the other services, just for my general
7 background, can you tell me how that was handled? In other
8 words, did they accommodate you in the process? Were you
9 integrated in the process? Did you find that useful?
10 MR. HINTON: Yes, sir. We got, I would
11 characterize very good, access to the process that took place
12 in the other services. We were able to review documentation,
13 interviews throughout the process, have a good understanding
14 of the decisions that were being made. There was a very good
15 audit trail for us; that the decisions came out of the
16 process were substantiated. They could be followed, and the
17 analysis that was done, for the most part, led to the
18 decisions.
19 And we undertook, ourselves, along with the service
20 audit groups and the DOD IGs, enough looking at the internal
21 control process to assure ourselves that the decision-making
22 process worked as it was supposed to. We couldn't do that in

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1 the Air Force, because we did not enjoy the same level of
2 access.
3 COMMISSIONER DAVIS: So you, in essence,
4 participated, or at least were there in the delivery area of
5 processing.
6 MR. HINTON: I would say that we oversaw a lot of
7 that process. We did not participate in the back and forth
8 discussions.
9 COMMISSIONER DAVIS: Okay. I would like to follow
10 up Commissioner Cox's discussion. I guess it's your
11 testimony that we, the Commission, ought to look into more of
12 the cross-servicing, particularly in depots, but in other
13 areas. Do you think that there is sufficient data available
14 for the Commission, sufficient time? Because the joint
15 service groups have been working for 18 months, and frankly,
16 we haven't had the benefit of 18 months. Do you think we
17 could make a kind of deliberative decision with the kind of
18 data that's available today?
19 MR. HINTON: I think it's going to be tough. I
20 think there's data out there for the Commission to look at,
21 and the staff. And we can help in areas that you'd like us
22 to work on. But it's going to be tough. Some of the

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1 problems I mentioned in the exchange with Commissioner Cox --
2 in some of the cross service areas, there were not definitive
3 proposals put forth; there were alternatives.
4 And as you look at the recommendations that we made
5 in our report, if we could do this over again, we had some
6 recommendations that would say to start the process in the
7 cross service groups a year earlier, before you got to the
8 services. And then you could make some policy decisions as
9 to which of those functions that you wanted to consolidate,
10 and have that out in the guidance that went out.
11 And I think that would have worked, or been a
12 bigger step in the process. But having said that, I don't
13 want to lose sight that there were some important results, I
14 think, that did come about from the results -- I mean, from
15 the cross service efforts. I just don't think they went as
16 far as everyone expected them to go, including ourselves.
17 COMMISSIONER DAVIS: As Mr. Holman testified, we've
18 been looking at the T&E area for years.
19 MR. HINTON: That's true, that's true.
20 COMMISSIONER DAVIS: How much lead time do we need
21 in that process?
22 MR. HINTON: That's going to be a tough one,

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1 Commissioner. I don't want to lead you the wrong way. I
2 mean, I think there's data there, but I think it comes down
3 to looking at consolidations. That's the issue and its
4 entirety as it relates to there. Anything less than that is
5 at the margin, I think.
6 COMMISSIONER DAVIS: Okay. I'll consider that a
7 responsive answer, then. Again, I'm not being defensive, but
8 I do need to ask a question, since I guess I'm the Air Force
9 member on this Commission. The GAO's report criticizes the
10 Air Force for not objectively ranking installations within
11 categories. But you do credit them with a more objective
12 approach to assigning roll-up ratings to individual criteria
13 for each base.
14 You also criticize the Air Force for putting too
15 much weight on closing costs in their installation tiering
16 process. The GAO report, on the other hand, compliments the
17 other services for specific military value ranking
18 procedures, while noting the lowest-ranking bases were not
19 always closed by those services, due to closing costs or
20 operational considerations.
21 Isn't the Air Force method another way of applying
22 the judgment of military leadership to a system that can be

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1 driven by statistics, as opposed to operational
2 considerations and cost considerations? Both of which are
3 major factors in assembling military value opinions.
4 MR. HINTON: It's another way, Commissioner Davis.
5 Our difficulty there is that when they applied the cost
6 estimates to close as part of the Air Force process in coming
7 up with its nominees, we could not, through our review, fully
8 determine the impact that had. We had an example in the
9 report as it related to Rome. And Rome was put in one of the
10 higher tiers. And as data came forward through the cross
11 service process, it showed the cost to close that would have
12 been much less than what the Air Force originally estimated
13 it to be.
14 And as a result of that, they had better data and
15 they in turn changed their decision on Rome. We don't know
16 how many other Romes are out there, in that connection. I
17 will agree, it is another process. But we had difficulty
18 really seeing the entirety of the process, as we would have
19 liked.
20 MR. WARREN: If I could just add on that. Part of
21 the difficulty was, for the other services, we had some
22 understanding of the judgments that were being made, and we

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1 could take a look at that and reach some decisions. Where it
2 became difficult, more difficult, in the Air Force is that we
3 didn't have those understandings of the judgments, so we were
4 left with a, well, we're just not sure. And that was a big
5 part of our problem, and made it more difficult for us.
6 COMMISSIONER DAVIS: Well, say if the Air Force had
7 provided their secret ballots or tiering data sheets, would
8 you have more of a tendency -- it would have brought you more
9 into the process; is that what you're saying?
10 MR. HINTON: I think we would have had a better
11 understanding of the decision-making.
12 MR. WARREN: More timely access to the business --
13 the notes of the meeting, and understanding what was
14 happening.
15 COMMISSIONER DAVIS: Okay, Mr. Hinton, the GAO
16 report notes that the meetings of the executive group and the
17 Secretary of the Air Force were not documented. And you've
18 said that very clearly, and that clearly is a mistake. It is
19 not true, however, the decisions of the Secretary at those
20 meetings and the rationale for those decisions are captured
21 in subsequent minutes of the executive group.
22 MR. HOLMAN: They are summarized in subsequent

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1 meetings.
2 COMMISSIONER DAVIS: Summarized.
3 MR. HOLMAN: But we do not have a level of detail
4 that would tell us how much -- again, for the whole Air Force
5 process, just how substantive were the deliberations that
6 took place? And that makes it very difficult for us, then,
7 to make a thorough assessment.
8 COMMISSIONER DAVIS: Mr. Hinton, you were talking
9 about Rome labs. If I might -- you talked about it in your
10 testimony for the record. You noted an example of the Air
11 Force revisiting Rome lab at the suggestion of the lab's
12 joint cross servicing group, with the ultimate result of
13 recommending closure. Your example infers the Air Force-DOD
14 recommendation to close Rome lab is valid; is that correct?
15 MR. HOLMAN: We're not taking a position on whether
16 that is necessarily -- all the elements of that move are
17 correct. I understand there are some questions about that.
18 We were using that as an example, though, where initial cost
19 data resulted in one decision. You go back later with a
20 different scenario, look at it again, and you find that the
21 cost data is significantly less; the return on investment
22 time was much less.

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1 We've see that in several examples between the Air
2 Force's preliminary cost data and their more focused cost
3 data. So we present it purely for that reason.
4 COMMISSIONER DAVIS: Again, some functions on
5 installations recommended for closure or realignment are
6 operated by contracted employees. What's the GAO's view of
7 how do you count these job losses? Were they properly
8 counted? Have they been counted by DOD in its total
9 process? And have the services been consistent in looking
10 these contracted positions?
11 MR. HOLMAN: I'd have to go back and look at that
12 one in depth. As far as I can tell you at this point in
13 time, I think we've been fairly well satisfied with how
14 they've been counted. I'd have to check with my staff for an
15 answer on that. Be glad to provide it for the record.
16 COMMISSIONER DAVIS: Okay, if you would please.
17 MR. HOLMAN: We'll be happy to.
18 COMMISSIONER DAVIS: UPT area -- an area which I'm
19 obviously very concerned about. In the combination of UPT,
20 the Army and the Air Force have been combined in their
21 undergraduate, or the helicopter training, essentially, with
22 doing sort of a primary training for helicopter pilots with

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1 both the Air Force and the Army. And then the Air Force
2 finishes theirs off at further training. And the Navy is not
3 participating. Is this an area that the Commission might be
4 equipped to work in, in your view?
5 MR. HINTON: I think the uniqueness -- the Navy
6 claims that there's a unique capability needed in the rotary
7 area. And I think I would encourage the Commission to pursue
8 that, because it's not clear to me what that uniqueness is.
9 We have not done an assessment of it. We only know the
10 Navy's answer to that. But I do think that you can probably
11 get your arms around that one in a short time.
12 COMMISSIONER DAVIS: Well, Mr. Chairman, my time
13 has expired. I regret that because I had them right where I
14 wanted them.
15 [Laughter.]
16 CHAIRMAN DIXON: You're doing a great job, General.
17 If you gentlemen will be kind enough to stay with us until
18 10:00 a.m., as previously indicated, we're going to do a
19 second quick round -- questions limited to five minutes. I
20 urge the timer to be very careful to not let us exceed that
21 time because of the time constraints for the day.
22 Mr. Hinton, in March of 1995, Defense Secretary

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1 Perry stated, housing is a major problem within the DOD. In
2 an earlier hearing we had here that day, the Washington Post
3 had a big front page article about housing problems in the
4 DOD. And we note, as a Commission, that the Army recommends
5 realigning or closing several installations that primarily
6 provide family housing -- Price Support Center, Fort Totten,
7 Fort Hamilton, Fort Buchanan, and Army Garrison Selfridge.
8 Now, of course, other things in many of those
9 places are also closed. But restricting yourself to the
10 housing question only, should the Commission be analyzing
11 that question, in view of what purports to be a shortage in
12 housing?
13 MR. HOLMAN: I think the difficulty there is, from
14 the Army's perspective, I think, in those areas where they're
15 closing the housing -- I don't want to speak for the Army,
16 but the responses I've seen have suggested the upkeep and
17 maintenance on those facilities outweighs the advantage of
18 having them. Certainly, the Commission probably would want
19 to satisfy itself that that is an accurate assessment on the
20 Army's part. But we have not looked at housing as a separate
21 area to --
22 CHAIRMAN DIXON: In those cases that I've

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1 identified, it's pretty important to us because there's a
2 challenge there. As an example, at the Price Center, that's
3 across the river from St. Louis. There's a recommendation to
4 close ADCOM. The finding is that Price should be closed
5 because housing supports ADCOM. But the evidence shows that
6 only 17 percent of the housing supports ADCOM; another 83
7 percent does not. And we've found that to be generally true
8 as we go around.
9 So before we go ahead and support some
10 recommendations to close housing, when everybody says there's
11 a shortage of housing, would you please work with our people
12 to analyze that?
13 MR. HINTON: Yes, sir. We haven't done the
14 detailed analysis just on housing by itself, but we will try.
15 CHAIRMAN DIXON: If you'll excuse me -- see, some
16 of that stuff is pretty new, also. And we're very hesitant
17 to go forward. We want to support the logical suggestions
18 here, but we'd like to look very carefully at these
19 questions. Would you analyze that with our staff, please?
20 MR. HINTON: Yes, sir. Then quickly going to the
21 next thing, I want to get back to the BENS report for a
22 minute, the famous BENS report. The Secretary of Defense's

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1 -- let me see if I've got the right one here. Did you find
2 support -- I'm on the wrong page here, I apologize for that.
3 But there was a finding on the BENS report -- here
4 we are -- in October 1994, Business Executives for National
5 Security issued a report uncovering the shell game,
6 contending of the 67 bases the President, Congress and the
7 Pentagon have agreed to shut down this far, over one-third
8 never closed, or quietly reopened under a new name or
9 function. Did you review that? And what is your view about
10 the BENS report?
11 MR. HOLMAN: One of the things we can observe on
12 that -- different groups count the numbers differently. But
13 I think we looked at the 70 major bases that DOD says were
14 closed. Roughly 30 or so of those bases were never intended
15 for full closure; there were some parts of them to be left
16 open to begin with. So it's difficult to make a clear
17 assessment on what the BENS said.
18 CHAIRMAN DIXON: Have you looked at the decision to
19 place 12 new defense finance and accounting service offices
20 on bases? What's your view of that?
21 MR. WARREN: We have looked at that, and we do have
22 some concern as to whether or not that is appropriate, from a

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1 cost standpoint.
2 CHAIRMAN DIXON: Could you give us your concerns so
3 we can have that in apt time?
4 MR. WARREN: Yes, sir, we could.
5 CHAIRMAN DIXON: Okay. Now, Mr. Hinton, the
6 Secretary of Defense's recommendations total 146 actions
7 across the services of several defense agencies. Do you have
8 any additional installations that you would recommend for the
9 Commission's consideration?
10 MR. HINTON: No, sir.
11 CHAIRMAN DIXON: And can you work with us to
12 develop others, if you believe that's appropriate in the
13 process, between now and May 17th?
14 MR. HINTON: Yes, sir.
15 CHAIRMAN DIXON: Now, everybody agrees you can't
16 have another closure in two years. I don't think the
17 country, the Congress, anybody is ready for that. But I
18 think most people agree that what we do this time will not be
19 adequate to bring closures to the right kind of levels with
20 reduced authorized and appropriated amounts and reduced force
21 levels. Do you agree?
22 MR. HINTON: Yes, sir.

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1 CHAIRMAN DIXON: Do you have a judgment call about
2 when we ought to consider another closure in the future to
3 reevaluate everything that's been done?
4 MR. HINTON: Well, we believe that there's going to
5 be a need for a process in the future. In terms of the
6 timeframe, I know that Secretary Perry has put out, within
7 the next three to four years. I think from where GAO would
8 be, that's certainly a call between the Congress -- the
9 Congress needs to make; that's their call.
10 But if there is a need for a further look at the
11 need to close down bases, we would think that you would
12 probably need legislation similar to what's there in 1990. I
13 think that process, from what we've seen, while it's not
14 perfect, it's been effective. And so I think there is going
15 to be a need for process.
16 I also believe that there is going to be a need for
17 a process to deal with issues that arise out of implementing
18 the recommendations coming out of the '95, or any that may
19 flow up from the earlier rounds before '95, too. That, too,
20 probably, would have to follow some legislation to be passed
21 by the Congress.
22 CHAIRMAN DIXON: Well, I think I agree fully with

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1 what you said. I believe we ought to have another process.
2 I think a few short years ought to pass, and it ought to be
ht after an election, instead of right in front of one,
Hinton.
MR. HINTON: That's a debate that I'm not going to
6 get in with, Mr. Chairman.
7 CHAIRMAN DIXON: Commissioner Kling.
8 COMMISSIONER KLING: Yes, sir. Our chairman asked,
9 Mr. Hinton, if you would review certain of the housing items
10 that he discussed. Would you mind also looking at the
11 English Village and Dugway? The only reason I ask, because
12 is there is no other housing, I think, within 60 or 80 miles
13 from there. And if you would give us your thoughts on that,
14 I'd appreciate it a lot.
15 MR. HINTON: Mr. Chairman, I hope that we have
16 someone making notes of everything I'm committing to do here
17 today. Recognizing the short timeframe here, we'll need to
18 get back together fairly quickly.
19 CHAIRMAN DIXON: Staff is making notes.
20 COMMISSIONER KLING: Somebody will follow through,
21 I think, if that's the case. Just a couple items. The
22 Army's cost data concerning Fort McClellan, Alabama, includes

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1 barracks construction expenditures at Fort Leonard Wood,
2 Missouri, to accommodate the joint service training, and
3 costs at other bases to move the basic training out of Fort
4 Leonard Wood.
5 None of these moves is required by the Army's
6 realignment recommendation. What is your opinion regarding
7 these specific costs in COBRA, and the inclusion of
8 discretionary costs in general?
9 MR. HINTON: I think that that's another area that
10 we'll probably have to take a specific look at, Commissioner
ing. I don't think we've gotten into that right now, but
ll be happy to work with you on that.
COMMISSIONER KLING: Thank you very much. And
14 lastly, the Army's stationing strategy seems to suggest that
15 only one base is needed in Alaska to support one maneuver
16 brigade and support forces. Initial Army studies show that
17 keeping Fort Wainwright open was the better choice, and that
18 Fort Richardson would, therefore, be the best candidate for
19 closure.
20 You go on to note, "the Army later decided that,
21 due to strategic requirements in the Pacific and high closure
22 costs, Fort Richardson would remain open." Do you agree with

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1 the Army's conclusions, that two maneuver installations are
2 needed in Alaska?
3 MR. HINTON: We had no reason to disagree with
4 that, Commissioner Kling. One of the things that was not
5 clear to us when we were doing our review was, what are those
6 particular requirements? And that would be something that I
7 think the Commission may want to push on to get a good
8 understanding, so you can see how those installations fit
9 into that strategy. We did not accomplish that as part of
10 our review.
11 COMMISSIONER KLING: Thank you, Mr. Hinton.
12 Chairman.
13 CHAIRMAN DIXON: Thank you, Commissioner Kling.
14 Admiral Montoya.
15 COMMISSIONER MONTOYA: Going back to depot issues,
16 and I'll be asking the Navy representative some of these
17 questions also. But in closing a depot -- and the Navy has
18 closed some aviation maintenance depots in the past -- one
19 presumes that there is savings from not operating the one
at closed, and also if some efficiency is gained at the one
t you've kept because of increased direct man hours, over
ich you've spread overhead and better use of assets.

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1 Do you know if the Navy depots have been closed
2 long enough for there to have been follow-on audits to
3 validate costs and savings of the type I just described?
4 MR. HINTON: Commissioner, one of the jobs that we
5 are beginning right now -- and it's not just with the
6 aviation side that you're mentioning -- but we are
7 undertaking a body of work, at the request of committees up
8 here on the Hill, to look at the actual savings that have
9 come about as a result of base closures. It will not be
10 completed. GAO's work will not be completed by the time you
11 render your recommendation to the President, Mr. Chairman.
12 But it is a piece of work that we knew that we
13 needed to get into. We've been asked to do it. We're
14 gearing up to do it, and it's going to cover that that you're
15 raising right now. I am not aware, I'll ask my colleagues,
16 of any other independent studies that have been done that
17 just haven't come. But I think now is a good time to start
18 going back and looking at some of the earlier decisions and
19 see what's happened since then.
20 MR. WARREN: I could just add that in general,
21 we're starting to see that there's not a good process for
22 tracking those costs.

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1 COMMISSIONER MONTOYA: In the past, I think, I'm
2 aware of the Air Force depots doing Navy work. I'm not aware
3 of the other way around. Do you know of any analysis done
4 currently of the Navy taking on Air Force depot work in their
5 remaining aviation maintenance depots? Are you aware of any
6 studies of that nature?
7 MR. HINTON: No, I'm not. But I'd like to research
8 because I do believe there are some things out there that
9 might be helpful. I just don't have any specifics.
10 COMMISSIONER MONTOYA: And, again, I'll be asking
11 this afternoon, the same questions. I wanted to know, while
12 you're here, if you had any knowledge of those. Switching to
13 shipyards, our information is that the Navy and the joint
14 cross services group disagreed over the issue of nuclear
15 submarine workload requirements, and that the joint cross
16 services group felt that closing the Portsmouth naval
17 shipyard would not impact that capability, given the overall
18 capability in the country.
19 There apparently is disagreement between the two.
20 Are you aware of what is the nature of the disagreement? And
21 do you have a position?
22 MR. HINTON: The nature of the disagreement, I

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1 think, falls on what's going to happen with the SSN-21 class
2 submarines. And in the future, if we were to have to extend
3 the life of some of the 688-class submarines, Portsmouth was
4 being viewed as being capable of doing that refueling. Right
5 now, there's an issue on the Hill that is being debated about
6 the future of SSN-23. And I think that's an issue that you
7 all may want to pursue with the Navy and the cross service
8 group this afternoon to see where that stands.
9 COMMISSIONER MONTOYA: But you don't have a
10 specific position, even if the Navy is correct in the
11 assessment of the threat and their assessment of the need for
12 keeping 688s at a higher level than maybe they would like.
13 Given the Navy's position regarding that, if you still closed
14 Portsmouth, could you do the work in the remaining private
15 yards? Do you have a position on that question?
16 MR. HINTON: No, we do not.
17 CHAIRMAN DIXON: Can you have a position?
18 MR. HINTON: I have some work that we have done
19 that I can make available to the Commission that looks at
20 some of the options that were out there. I know that we do
21 not believe the Navy's made the case for the SSN-23. And
22 we've testified to that, along with some of the other options

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that the committee should be considering. I'll be happy to make that available to the Commission.

COMMISSIONER MONTOYA: Thank you, Mr. Hinton. Mr. Chairman, I yield.

CHAIRMAN DIXON: Thank you very much, Admiral Montoya. General Robles.

COMMISSIONER ROBLES: Thank you. Thank you, Mr. Chairman. Mr. Hinton, I'd like to talk a little bit about cumulative economic impact. As you know, the DOD decided not to use any specific dollar threshold as a tripwire for cumulative economic impact. Yet we know that at least one service, the Navy, admitted that it was a major factor in their decision-making in California, for example.

My question is, do you know, do you have any idea of any kind of methodology that was used about cumulative economic impact? In other words, I can't imagine it was not looked at in some kind of objective way. Yet there were no thresholds published or any criteria. Was it all purely leadership judgment or subjective analysis, or what?

MR. HOLMAN: For the most part, it was judgment on the part of the service officials. OSD did put out guidance to look at the cumulative economic impact. Again, primary

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consideration was given to the first four military value criteria. The '93 round, there were problems because they did have a threshold. Our understanding this year was that it would be looked at.

Assuming all else being equal, you had two different facilities of equal military value -- it might be appropriate to make a trade-off between one or two. But we didn't see that that actually happened.

MR. HINTON: The Navy, General, was the only case where we saw a deviation from the process, and we raised that in our report.

COMMISSIONER ROBLES: Okay. Thank you, Mr. Hinton. The DOD substantially revised the economic multipliers used to measure the amount of impact on the workforce, employment levels, et cetera. As a matter of fact, they were revised downward, lower estimates this time. The question is, do you think the changes are justified? Do you in fact agree with the methodology or the published impact that multiplier effect would have because of closures or realignments on the local economy and on the workforce?

MR. HOLMAN: Everything we've seen on the economic impact model tells us it is a sound process. It tends to be

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conservative in that it tends to overestimate the impact, for the most part. That model has been looked at by outside experts, and they've indicated that it is an appropriate model to use. We see no reason, really, to question it.

COMMISSIONER ROBLES: I remember in my days in uniform, you used to write a lot about force structure in the GAO, so I'm going to ask you a force structure question. It appears that there were several major force structure decisions made by the services prior to the release of the BRAC '95 recommendations. Some could view that as a preemptive strike in that if you do a major force structure action, it is not rolled up or included in the BRAC action.

Did you look at this and see if per chance there were some force structure decisions that more appropriately should have been part of the BRAC process, that in fact were a preemptive strike to take issues off the table?

MR. HOLMAN: We did not see that these -- we're aware these decisions were made. But we saw no indication that it was a preemptive strike, so to speak, or that they materially affected the subsequent BRAC decisions.

COMMISSIONER ROBLES: Did you in fact look at the volume of force structure actions that occurred in all

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services, just prior to the release of the BRAC '95 data?

MR. HOLMAN: I can't say that we looked at every one of them in detail, but we have some general awareness of what was occurring, yes, sir.

COMMISSIONER ROBLES: Fort Monroe -- an issue that's been around for a while that you've written about. In fact, in your '93 report, you were critical of the DOD decision on Fort Monroe and the huge cost of de-dudding and environmental clean-up, et cetera. Did you look at -- since it wasn't on the list this year, did you go back and take a look at maybe why it wasn't on the list? Or do you have any further recommendations on Fort Monroe, Virginia?

MR. HINTON: I think on the Fort Monroe issue, they went back and followed the recommendations coming out of the '93 report, related to some of the environmental issues. The issue came up again this year, and Fort Monroe is there. And based on what we have seen, we have no problems with it being there.

COMMISSIONER ROBLES: Okay. Also in '93, your report noted several differences in the way that the COBRA data was used by the various services. There appeared to be some inconsistencies in the application of COBRA data. Do

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you have any reservations or similar comments on the use of COBRA data this round, or everything is copacetic?

MR. HINTON: We think the process on the COBRA has been improved, General, this round. And that's largely to a lot of the efforts in the services, but also the service audit agencies who did a lot of work overseeing that process and verifying the information that went into it. The Air Force was the only service that did not fully attest to all the information going into the final COBRAS.

But by and large, we think the information that is in there -- and we've done some sensitivity testing -- that it's pretty sound.

COMMISSIONER ROBLES: Okay, good. And my final question is a follow-up to the chairman's question on D-Fast. This whole unfurling of D-Fast centers has been an interesting proposition. A lot has been written about it in ink. The question is, in today's world of technology, or if you look in the private sector, because of the use of improved communications, faxes, other media -- information technology media -- there's not a great need to have functions like pay operations geographically dispersed.

Yet you notice that the plan still geographically

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disperses them there. It's almost as if it had to be a certain quota per geographic parts of the United States. The question is, do you think there could have been more done in this area, with respect to looking at consolidating D-Fast centers without respect to geography; and maybe looking at areas where there are active bases open, where they could be put, as opposed to putting them on some bases that are slated for closure, and sort of, in some degree, adding fuel to the fire that BENS has about, you really don't close all the bases you say you're going to close?

MR. WARREN: What we think in that area is that we would have much preferred to see D-Fast do, I think, General, just what you're suggesting -- go in and re-engineer, so to speak, using modern technology, the business practices of D-Fast; and have a picture of how they would like that to come out in the future. And then size an infrastructure against it in a way that makes the best business sense for the technology that you're going to use.

And as I mentioned earlier, that's one of the issues that we'll be raising in the report that we'll have out shortly. And again, we'll make that available to the commission.

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COMMISSIONER ROBLES: That would be very helpful, because there seems to be -- information technology since it ves at a geometric rate now, there ought to be some erent ways of doing business in that whole area. Thank

CHAIRMAN DIXON: And we'll have that in a timely fashion, well before May 17th?

MR. WARREN: Yes, sir. That one I think I can assure you.

MR. HINTON: That report, we're getting to send out, Mr. Chairman, to DOD for comments. But we can make a copy of the draft available to you.

CHAIRMAN DIXON: Before I recognize Commissioner Steele, let me say that we may run a few minutes over here. I hope my colleagues -- we never permit this to happen, but this is a pretty important round, and I want it completed. And if we take you a few minutes beyond the 10:00 a.m. hour, accept my apologies in advance. It won't be much over.

MR. HINTON: We're at your service.

CHAIRMAN DIXON: Commissioner Steele.

COMMISSIONER STEELE: Thank you, Mr, Chairman. You've mentioned today, and your report mentions a criticism

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that the department didn't look at the impacts and costs to other agencies, regarding different closures. My site visits, anyway, have led me to believe that in many circumstances, the department may not have looked at other services and the impact of recommended closures.

Are you comfortable that OSD did look across the services and how individual recommendations would affect those services? And would you recommend we look at any particular areas?

MR. HOLMAN: We don't have any particular areas in nd.

COMMISSIONER STEELE: Okay.

MR. HOLMAN: Certainly, from your site visits, you may have picked up some things that we did not.

COMMISSIONER STEELE: Okay. Secondly, regarding DLA, they prepared a very effective presentation, I believe, before the Commission. And the premise largely was to have their distribution hubs on the East Coast and the West Coast. Visiting defense distribution depot Ogden last week, it was brought to our attention that 85 percent of their outflow of material goes east of Utah.

And in fact, during Desert Storm, the ports were

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largely blocked up on the West Coast, so most of their shipping ended up going to Louisiana. My question for you is, do you think the methodology of splitting the country to East Coast-West Coast is an effective starting point, regarding DLA? Or should we look closer at the individual efficiencies of depots around the country?

MR. HINTON: When we looked at the DLA activities, we didn't have much reason to challenge the decisions that were made. I'm aware of the issues that you raise there. But by and large, we felt like their methodology that they used to approach their decisions were pretty sound, and the decisions they made flowed from the analysis that they did. So I don't have any issues that I can raise for you on that, Commissioner Steele.

COMMISSIONER STEELE: Okay. And Mr. Warren?

MR. WARREN: Yeah, I think with modern business practice, and going somewhat in the direction of the General's question, the technology, the enhanced transportation capabilities that are present today, I think, , in fact, lend itself to the set-up that's there. There's ationale.

COMMISSIONER STEELE: Just to kind of counterpoint.

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MR. WARREN: Yes.

COMMISSIONER STEELE: A comment that they would make at Ogden is, the transportation costs are much more reasonable going from Ogden. And they can always get to a port on time for the Navy's ability to load, or to an airfield, if it's the case for airlift. So due to the fact that transportation is more efficient across the board, doesn't that diminish what on the surface looks very logical, to go to the coasts? Doesn't that sort of diminish the strength of that argument?

MR. WARREN: I think we'd have to look at the specifics of their analysis on that.

COMMISSIONER STEELE: Okay. We may have you do that, as well.

MR. WARREN: That's fine.

COMMISSIONER STEELE: If that's all right. Switching to Army maneuver installations -- 11 installations in that category. The Army chose to look at 4 of 11. I know in one instance in particular, though the up-front costs may be significant, the payback period, according to your chart on Page 82, would only be four years. I wonder if you could comment about that category in particular -- maneuver

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installations.

MR. HOLMAN: Again, one of the things you see with the Army and its maneuver installations was the desire to retain installations, to have sufficient capacity, should it have to house all of its maneuver divisions in the United States. I think that was a driving force behind their analysis of the maneuver installations.

And looking at their stationing strategy, only in the case of Alaska do we see some indication where there might have been the potential to reduce a maneuver base. But again, in the final analysis, they made an operational decision not to do so.

COMMISSIONER STEELE: Realistically, do you think that we could ever be in a situation to pull back everything that's forward-based and yet maintain all those numbers? That doesn't seem real logical.

MR. HOLMAN: Well, that's a call that GAO is not in a position to make.

COMMISSIONER STEELE: But you often are not shy on subjects such as that.

MR. HOLMAN: I know, but on this one, that's clearly a policy call that's got to be made. And we're not

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in a position to make that.

COMMISSIONER STEELE: I was wondering if Mr. Chairman was going to pick up on that and say, but would you like to make a position on the subject? But he did not, so I will refrain from that as well.

CHAIRMAN DIXON: I'm sure staff would be glad to pursue that.

COMMISSIONER STEELE: Lastly, very quickly, it's my understanding that when the Air Force came back at our staff level last week, regarding the downsizing of the ALCs, 85 percent of their recommendation has changed, subsequent from when we received our report, a bit over a month ago. My question for you is, do you have any evidence of the Air Force taking a dramatic turn on how they were looking at the depot issue?

Given that they had been looking at the category for the two years, looking at the functional analysis, how they could come up with a recommendation that now is perceived by the Air Force as 85 percent wrong or less efficient than they could have come up with.

MR. HINTON: That's an issue we spoke to earlier. You know, the Air Force and its depots were -- up until early

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1 1995, January-February timeframe, was moving in the direction
2 of probably closing up to 2 of its depots. Something in the
3 February timeframe changed that decision. We don't know what
4 that is, but it has resulted in a downsizing in place.
5 And we have laid out and discussed this morning our
6 concerns about that, because we don't think that's a very
7 good plan of action, based on our reading of it right now.
8 COMMISSIONER STEELE: When their course appeared to
9 change more or less overnight, I understand there was a
10 meeting in Washington by the powers that be at the Pentagon
11 on that subject. Has GAO been able to review the minutes
12 from that meeting?
13 MR. HOLMAN: We have seen no minutes of that
14 meeting.
15 COMMISSIONER STEELE: Have you requested the
16 minutes from that meeting?
17 MR. HOLMAN: No, we have not, because I didn't know
18 there was a specific meeting like that. We have requested
19 all the minutes of the base closing process, and we have
20 those, as far as we know.
21 COMMISSIONER STEELE: Okay, thank you. My time has
22 expired.

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1 CHAIRMAN DIXON: Thank you, Commissioner Steele.
2 Commissioner Cornella.
3 COMMISSIONER CORNELLA: Thank you, Mr. Chairman.
4 To follow up on the maneuver base question -- and I will try
5 to be a little more specific, and just one question. Page
6 82, Fort Drum, Fort Riley, the Army considered these two
7 installations because of their relatively low maneuver value
8 -- relatively low military value as maneuver installations
9 and the Army's desire to do a broader assessment of this
10 category.
11 While estimated savings from closing these
12 installations were significant, so were the associated
13 closing costs. Citing the overall importance of maneuvering
14 installations to station and ground training forces and to
15 support the stationing strategy, along with the high cost
16 associated with closure, the Army decided that Forts Drum and
17 Riley should remain open.
18 Did they remain open, in your assessment, because
19 of the associated costs or the maneuver value, as you
20 indicated a moment ago? And if that's the case, then why do
21 you cite relatively low military value as maneuver
22 installations?

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1 MR. HOLMAN: Low, relative to the ranking of all
2 military maneuver installations. But I think, again, in the
3 final analysis, the decision was made, I would say, one, part
4 cost. But in looking at the Army's stationing strategy, I
5 would have to say a major part of it had to be its desire to
6 retain maneuver installations in case of the need to house
7 all its maneuvered divisions here in the United States. I
8 would think that was probably an overriding concern.
9 COMMISSIONER CORNELLA: Okay, you indicated opinion
10 on a number of Air Force depots. So you're indicating an
11 opinion on a number of maneuver bases by saying that you feel
12 that they are adequate and should remain at that level?
13 MR. HOLMAN: No, sir, we're not in a position to
14 say at what level they should be. What we have tried to
15 point out in our report is the Army's own analysis of where
16 they were in the two installations that they indicated that
17 they were going to study more rigorously. But then the final
18 analysis decided not to recommend for closure.
19 MR. HINTON: Commissioner, one of the things that
20 we did in our report this year, and I know the question has
21 come up, where are other areas where there might be excess
22 capacity? And while we've spent a lot of time this morning

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1 talking about the cross service areas, if you went through
2 the service chapters here, we tried to put in table form in
3 each of those chapters, those that were excluded along with
4 the relative information to help the Commission here as you
5 go forward in your endeavors in looking at some of these.
6 Because while there's excess capacity that we
7 believe out in some of these cross service areas, I do
8 believe that in some of these others, there is excess. But
9 for whatever reasons, whether it's cost and the need to
10 maintain some of these because of stationing strategies, they
11 were judgment calls that the services made that the
12 Commission themselves -- you may want to press on with the
13 services on those issues.
14 COMMISSIONER CORNELLA: Thank you. Mr. Hinton, in
15 December 1994, GAO issued a report concerning the Newark Air
16 Force Base aerospace guns and meteorology center, which was
17 closed by the 1993 Commission. The report challenged the Air
18 Force attempts to privatize a center's workload in place, and
19 recommended the Secretaries of Air Force and Defense
20 reevaluate the 1993 DOD recommendation to close, and
21 challenged the Air Force's approach to implementing the
22 recommendation through privatization in place.

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1 Mr. Hinton, what was the Air Force response to
2 GAO's recommendation? And did GAO find that the Secretary of
3 the Air Force and the Secretary of Defense reviewed the '93
4 closure?
5 MR. WARREN: They generally agreed with the report
6 as we put it out, and said that they were going to do some
7 additional studies and assessment, and also noted that in the
8 final analysis, the true cost would not be known until they
9 could actually let a contract and see what the private bid
10 would come in to be. We understand now that they are
11 continuing to look at that issue, and have two options: one,
12 looking at the privatization in place; and then a second,
13 looking at a realignment strategy.
14 In other words, so to speak, where these activities
15 would go out to other bases. We do not have all of that
16 information yet for full evaluation. But that is where they
17 are today.
18 COMMISSIONER CORNELLA: Well, discounting that
19 they're still evaluating; and given that the Air Force and
20 the Department of Defense did not request the Commission to
21 redirect its '93 recommendation; and given that the Air Force
22 appears not to have fully investigated other approaches to

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1 the 1993 recommendation, other than privatization in place,
2 do you believe that the Secretary of Defense has
3 substantially deviated from the 8 selection criteria; or that
4 force structure is not requesting a redirect of the Newark
5 Air Force Base? I know that's a long question.
6 MR. HINTON: I'd like to prepare a response to the
7 record on that, Mr. Chairman. I'd like to give that some
8 thought.
9 CHAIRMAN DIXON: That would be satisfactory to the
10 chair, if it is to Commissioner Cornella. I would remind you
11 that we need a response as quickly as possible.
12 MR. HINTON: Promptly. Yes, I understand.
13 CHAIRMAN DIXON: Thank you very much. Is that
14 satisfactory to you, Commissioner?
15 COMMISSIONER CORNELLA: Yes, it is. If I could
16 just make one last comment, and that's on the Selfridge Army
17 Garrison, in regard to the housing that was mentioned by
18 Chairman Dixon. In the case of the Selfridge Army Garrison,
19 I visited with some people from that garrison, and they
20 informed me that they felt only about two or three people
21 involved were actually Army people.
22 The majority of people living in those thousand

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houses were other branches of service. They would have to be relocated because of that, go out into the private sector, and pay up to $800 per month rent, where they're now paying out $400 or $500 through their quarters allowance. So that would be something I would want you to look at. As you indicated, you will look at those issues. Thank you. Mr. Chairman.

MR. HINTON: Okay.

CHAIRMAN DIXON: Thank you, Commissioner Cornella. And as you can see, we're all quite concerned about this housing issue.

MR. HINTON: Yes, sir.

CHAIRMAN DIXON: Commissioner Rebecca Cox.

COMMISSIONER COX: Thank you. Mr. Hinton, the Air Force base closure executive group deliberated on base closures for both active and reserve components. In looking through the process, can you tell if the Reserve component officials played any role, or what role they played in the closure and realignment commissions?

MR. HINTON: We don't have a feel for that, Commissioner.

COMMISSIONER COX: I wonder if you'd look. My

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impression in some of my visits is that the Reserve really didn't play a role. And in fact -- and maybe you all could look at this, I'm not sure if you have the data -- that where there were decisions made to close bases that would then be turned over to the Reserves, or in some cases, to the Guard, almost in whole, 85 to 90 percent, apparently, of some of these bases, will move to the Reserve and the Guard.

And those numbers don't seem to be taking into effect that there will still be a military presence there which will still be funded in larger, or all, by the federal government. And I wonder if you would just take a look at whether there's sort of an assumption that the Reserve will take it over, and that that's what the Reserve wants and they'll pay for it. And I worry about how that works out.

MR. HINTON: Sure.

MR. WARREN: Just on an information piece on that line.

COMMISSIONER COX: Mm-hmm.

MR. WARREN: We did some prior work on re-use of bases for the 1988 and '91 closures.

COMMISSIONER COX: Right.

MR. WARREN: And that showed, I think, about 11

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percent of the property staying within the Department of Defense is staying with National Guard and Reserve components. So I think you're on the mark, that there is a lot of property that is, in fact, being turned over to Guard and Reserve through this process.

COMMISSIONER COX: Well, one gets the impression, not to be too cynical, that in some of these cases, the services themselves still want to continue using these bases. They just don't want them on their budget. And so they're sort of recommending that they be taken over by the Reserves or the Guard, which the government will then continue to pay for and the military will continue to use; which is fine, except that I'd like to see some real numbers on how that works.

MR. HINTON: Let us look into that.

COMMISSIONER COX: Thank you. And maybe you'll want to look into this, too. I know the services have to consider the DOD force structure plan when making their closure and realignment recommendations. But I'm not sure if the Air Force used the force structure, regarding the Reserve component in making their recommendations. One gets the impression that they sort of looked at costs, period, and not

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necessarily the force structure plan.

But I'd be interested in if you would look through to see what the data shows. And then, lastly, the GAO report comments that the Air Force initially looked at in excess of 8 operational aircraft bases. And as I found in wandering around and looking at missile bases, we seem to be closing missiles one place, but not the operational side; and closing the operational side in other places, but not the missiles.

And sort of nothing happened on aircraft operational bases. And I wonder if you all had a chance to look at whether or not the Air Force was justified in not recommending a closure of any operational aircraft base.

MR. HOLMAN: Again, one of the difficulties we had was the lack of documentation.

COMMISSIONER COX: Same problem.

MR. HOLMAN: Really didn't allow us to look at that closely.

COMMISSIONER COX: Yes. And that would be, again, both as to cost and military value, just not the documentation. Again, not that there was something wrong there, but no documentation.

MR. HOLMAN: That's right.

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COMMISSIONER COX: Thank you.

CHAIRMAN DIXON: Have you concluded?

COMMISSIONER COX: I've concluded.

CHAIRMAN DIXON: Thank you, Commissioner Cox. General Davis

COMMISSIONER DAVIS: Mr. Chairman, I'm absolutely astounded to hear that GAO shies away from criticizing policy decisions. You must have had a new procedure change since I was last involved with it.

[Laughter.]

CHAIRMAN DIXON: There you are, take that.

COMMISSIONER DAVIS: Back to the discount rate, and I don't need an answer, I know you kind of showed us in a chart how to look at that. Do you have a recommended procedure or recommended discount rate on how we might normalize those figures? In other words, do you have a view on that? And if you could give us that for the record.

MR. HOLMAN: Okay.

COMMISSIONER DAVIS: My last question is, in your excellent report, on Page 78, on Letterkenny Army depot. You say concerns have been expressed the 1995 recommendation represents some departure from the plan. The '95

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recommendation would split up some of the work by transferring missile guidance workload to Tobyhanna, while preserving tactical missile disassembly and storage at Letterkenny and sending the maintenance of the vehicles to Anniston.

And then you go on to say that there are difference of opinions concerning the impact of separating these functions on the concept of consolidated maintenance. The Commission may want to examine this issue further, and I would ask you to take that a little bit further, if you would. In what way would you like us to look at that? In efficiencies; as to readiness; as to transportation capability? What would you suggest?

MR. HOLMAN: One of the things you may consider doing -- we understand the Army is currently looking and developing an implementation plan for that recommendation. We understand that plan is supposed to be briefed to the Army material command probably in the May-June timeframe. I would recommend that you request an earlier briefing to satisfy yourself as to the adequacy of the implementation plan. See if any operational problems are not being identified, fuller bases for the cost.

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1 COMMISSIONER DAVIS: So you're suggesting from an
2 operational and cost standpoint, we ought to relook it?
3 MR. HOLMAN: Yes.
4 COMMISSIONER DAVIS: Well, I can't stand any more
5 pleasure, Mr. Chairman, I yield the rest of my time.
6 CHAIRMAN DIXON: Thank you, General. Now,
7 gentlemen, we're going to have one last question from
8 Commissioner Kling. And then I do want to say to you, I have
9 a couple of things I'm not going to pursue at length from
10 three congressmen. But to the extent that you can deal with
11 us in real specificity between now and the end of this month
12 and the next two weeks, it will be greatly appreciated,
13 because we're under pretty severe time constraints here, as
14 you know.
15 MR. HINTON: We understand.
16 CHAIRMAN DIXON: Commissioner Kling.
17 COMMISSIONER KLING: Yes, sir, thank you.
18 Gentlemen, the joint service group recommended that Wilford
19 Hall be realigned to a clinic, due to the high bed and the
20 concentration of medical facilities in the San Antonio area,
21 by, I might add, by the military, as well as the private
22 sector. This recommendation did not come forward. What is

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1 your opinion of the recommendation? And why do you think the
2 recommendation was not supported?
3 MR. HOLMAN: We have not looked at that in depth,
4 but we'd be glad to look at it and provide it for the record.
5 COMMISSIONER KLING: If you would, please. And a
6 follow-up with that is that there are some 56 hospitals of a
7 size less than 50 beds throughout the country. And many of
8 those are clustered right within 50 to 100 miles. Did you
9 give any consideration to, or did you look into that these
10 might be realigned, merged together, just as being done in
11 the private sector?
12 MR. HOLMAN: No, sir, we did not look at that.
13 COMMISSIONER KLING: Would you mind doing that for
14 us?
15 MR. HOLMAN: Okay.
16 COMMISSIONER KLING: And lastly, it goes the same
17 thing. At Ogden, there is the only installation, as I
18 understand, that has the mobile hospitals. And these are a
19 quite sophisticated. And I might add, it's a wonderful
20 facility to be able to put down in fold-up manner these
21 operating rooms and these facilities. With it being the only
22 installation of its kind in the country, to close that and

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1 move it so far away -- or to move it quite a distance --
2 would we not have been better off to consider moving that
3 right to Hill Air Force Base?
4 Because if it is one of a kind, you don't want to
5 lose that, even with the people that know how to do this for
6 a short time. Was there any consideration given to that?
7 MR. WARREN: No, I don't believe any consideration.
8 We did visit that particular base, and did discuss that
9 issue. In terms of the specialized skills and the
10 discussions that we had with the folks out there, they had
11 developed an expertise over a period of time to do that
12 particular activity. However, they didn't indicate to us any
13 special or unique skill that you might not be able to find in
14 a general populace around the country. So that's where we
15 came out on that one.
16 COMMISSIONER KLING: Thank you. We'll consider
17 that further. Thank you very much.
18 CHAIRMAN DIXON: Can you please supply all this
19 again? Mr. Kling has spent a lot of time, and has been very
20 helpful to us in his quest of hospitals. If you could
21 develop that by the end of the month, we'd appreciate it.
22 Now very quickly, Congressman Richard Gephardt, the

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1 distinguished Democratic leader of the House, sent us a
2 question.
3 The General Accounting Office report states that
4 the Army did not fully adhere to its regular process for
5 installations in assessing military value when recommending
6 leased, leased, facilities for closure -- specifically notes
7 that the Army did not prepare installation assessments for
8 leased facilities. And he pursues that line of questioning,
9 which of course relates to ADCOM in his district -- or, not
10 really in his district, Congressman Clay's district, but in
11 his city of St. Louis.
12 We're going to give you his written question. Will
13 you please answer it, certainly by the end of the month?
14 PANEL: Yes, sir.
15 CHAIRMAN DIXON: From Congressman Gerry Studds,
16 10th district, Massachusetts, the distinguished congressman
17 says, while the GAO's 1995 report describes the Navy's
18 recommendations as "generally sound," does the GAO continue
19 to view the Navy's disregard for military value, particularly
20 in the case of NAS South Weymouth, as a problem in its
21 decision-making process?
22 Would you answer that, please, in writing, this

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1 letter? And a letter to Commissioner Kling from Congressman
2 Harold Ford, the distinguished congressman, 9th district,
3 Tennessee -- the Department of Defense and the Defense
4 Logistics Agency created 1,000 point ranking system to
5 evaluate its distribution depots. Within this 1,000 point
6 system, only 20 points related to a depot's transportation
7 capabilities.
8 Does the GAO believe it was appropriate to allocate
9 only 2 percent of the evaluation of a distribution depot to
10 the issue of transportation capabilities? And would you
11 answer all of those in writing, please? They're lengthy, and
12 we will send them all to you; and we thank you. And
13 gentlemen, may I say, we thank you very much for your
14 contributions.
15 We stress, again, the time constraints. And we are
16 under some great pressure to consider adding numbers here
17 that we think are justified, and would like to have your
18 responses very quickly.
19 MR. HINTON: Sure.
20 CHAIRMAN DIXON: We thank you all. Thank you very
21 much for being so helpful.
22 PANEL: Thank you.

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1 [Panel I dismissed.]
2 CHAIRMAN DIXON: Ladies and gentlemen, we're only
3 five minutes late getting to our next section, which is the
4 from 10:00 a.m. to 4:00 p.m, with an hour for lunch. We'll
5 do the DOD joint cross service groups, and we will have
6 different chairs. From 10:00 a.m. to 12:00 noon,
7 Commissioner Al Cornella will chair the depot maintenance
8 joint cross service group.
9 From 1:00 p.m. to 2:00 p.m., General J.B. Davis
10 will chair undergraduate pilot training joint cross service
11 groups. From 2:00 p.m. to 3:00 p.m., Commissioner Lee Kling
12 will chair medical joint cross service groups. And from 3:00
13 p.m. to 4:00 p.m., Admiral Ben Montoya will chair labs, test
14 and evaluation joint cross service groups.
15 Would the folks from the depot maintenance cross
16 service group please join us at the front table?
17 COMMISSIONER CORNELLA: [Presiding] Good morning.
18 Our first testimony today in the joint cross service area
19 will be from the depot maintenance group. We are pleased to
20 have with us Major General James Klugh, U.S. Army, Retired,
21 who headed the group. General Klugh serves as the Deputy
22 Undersecretary of Defense for logistics.

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He is joined by a distinguished panel of senior personnel from the Army, Navy, Air Force and the Defense Logistics Agency, who will remain with us all day for the succeeding cross service testimony on pilot training, medical services, and labs and tests and evaluations. They are Brigadier General James E. Shane, Jr., Director of Management, the Office of the Chief of Staff of the Army; Mr. Charles Nemfakos, Vice Chairman, Navy Base Structure Evaluation Committee; Major General Jay D. Blume, Jr., Special Assistant to the Chief of Staff of the Air Force for Base Realignment and Transition; and Ms. Marge McManamay is ill today and won't be with us, but we will forward all questions for the DLA to her.

There will be no opening statements, so we can proceed directly to the questions from the commissioners. First, however, would you please stand and be sworn. Also, if there are any that will be giving back-up testimony with the panel, please stand and raise your hands also.

(Panel sworn.)

COMMISSIONER CORNELLA: Mr. Klugh, please explain in general terms the joint cross service group study of depot maintenance.

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MR. KLUGH: Mr. Chairman, the joint cross service group on depot maintenance complied with the memorandum and direction the Secretary of Defense issued in January of 1994. We established a joint cross service group with representatives from all the military departments and defense agencies. The representatives were specifically selected by the secretaries of those departments, or heads of those departments.

We set up objectives to remedy the criticism from BRAC '93, but focused on reducing capacity and reducing the infrastructure; increasing efficiency; and increasing our support to readiness. We established an analytical team to support the group, and we established a data action team to support the group; that is, to provide the database support that we needed to handle the myriad of depot maintenance.

COMMISSIONER CORNELLA: Would the timer please give me 10 minutes on the timer? Please describe excess capacity, or current excess capacity in DOD facilities in percentage terms, and I know that may be difficult. Could you do that by service and by depot?

MR. KLUGH: Yes. The method for determining excess capacity, or determining capacity is spelled out in the DOD

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-- Department of Defense -- directive. Essentially, it determines the work hours, annual hours, per individual. It determines the number of work stations within the depot, and the number per commodity. And so you also apply the availability of time that an individual can devote to the primary duty.

So there is a formula, then, that suggests that the number of work stations multiplied times the annual hours applying and availability factor, equals the capacity of that particular line or that particular commodity. And of course, you carry that on to that particular depot. We determined that there was sufficient excess capacity that ranged from about 4 to 8 depot equivalents.

COMMISSIONER CORNELLA: What is the impact of the DOD's BRAC recommendations on the excess capacity?

MR. KLUGH: Prior to BRAC '95, we had already processed depots through the BRAC process, and had concluded that -- and gotten approval through that process -- 11 maintenance depots for closure. That's 11 out of 35. That represents about 30 percent, 31 percent of depots approved closure prior to the beginning of BRAC '95.

Applying BRAC '95, we carried that on to 42 percent

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reduction. For a military department, if we look at the closures through the BRAC process from '88 through '95, the Army would have reduced depots by 55 percent; the Navy would have reduced shipyards by 50 percent; the Navy would have reduced aviation depots by 50 percent. The overall reduction, as I said, sir, would be about 42 percent.

COMMISSIONER CORNELLA: Now, that's in number of depots, not in capacity, or is that capacity?

MR. KLUGH: That's in number of depots. As far as capacity is concerned, in BRAC '95, we determined that we had about 40 million direct labor hours of excess capacity. The report that we forwarded to the Commission will take that down by about 24 million direct -- I'm sorry, 24 million labor hours would remain after applying BRAC '95, which means that we're taking it down, totally, now, about 42 percent.

COMMISSIONER CORNELLA: Ms. Kelleher, have you been administered the oath?

MS. KELLEHER: [Nodding.]

COMMISSIONER CORNELLA: Thank you. What would have been the impact on excess capacity if the joint cross service alternatives had been accepted?

MR. KLUGH: The joint cross service group submitted

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two alternatives to the military departments. Number one alternative would have had remaining, after BRAC '95, about 20 million direct labor hours; again, taking the capacity down about 50 percent. The alternative number two took that down a bit further. Applying alternative number two, we would have had about 15 million direct labor hours remaining after BRAC '95.

The specific number to the decimal point has been provided to you in the report, and we will refine that number. But about 15 million direct labor hours remain after applying the second alternative. The report that we forwarded to the Commission has about 24 million direct labor hours remaining, after applying BRAC '95.

COMMISSIONER CORNELLA: The Air Force's elimination of excess capacity requires re-engineering of the core work load. What would the Air Force's excess capacity be if the re-engineering cannot be accomplished?

MR. KLUGH: First of all, I do not believe that the Air Force is re-engineering the core work load. Core is a capability to perform depot work -- the essential systems necessary for war fighting, representing the skills and capability to perform the workload. And there is associated,

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direct labor hours, of maintenance hours, associated with that core function.

What I believe the Air Force is doing is, re-engineering the processes within those depots to become more efficient. That is, changing the number of work stations, the number of people in the line; putting in enhancement tools, enablers, automation and things of that nature. And so to the extent that they can accomplish that, they can reduce the number of hours that it takes to perform work.

What they are also doing is reducing, eliminating the occupancy of a number of buildings. In other words, they are contracting in the facilities that they have, but not re-engineering the core, but re-engineering the process.

COMMISSIONER CORNELLA: I'm not sure the question was answered in regard to what would the excess capacity be if it is not accomplished?

MR. KLUGH: If it's not accomplished?

COMMISSIONER CORNELLA: If it's not accomplished.

MR. KLUGH: The BRAC cross service group determined that the excess capacity in the Air Force ranged from about a depot and three-quarters of a depot. And therefore, if they do not accomplish eliminating that excess capacity, we still

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1 have excess capacity remaining. Our first alternative -- the
2 Air Force reduce their excess capacity rather -- well, in
3 line with the alternative.
4 And number two would have required the Air Force to
5 consider closing two depots. To the extent and then the
6 submission that the Air Force has forwarded of reducing five
7 depots rather than closure, they have reported that they
8 would reduce the direct labor hours in line with the same
9 number that we had in alternatives one and two. Now, to the
10 extent that they accomplished that, the OSD reduction in
11 capacity would be as I outlined earlier.
12 COMMISSIONER CORNELLA: If it would not be
13 accomplished, it would increase, would it not, the excess
14 capacity?
15 MR. KLUGH: Yes. If they do not accomplish that, w
16 will maintain very significant excess capacity.
17 COMMISSIONER CORNELLA: Thank you. Mr. Klugh,
18 please describe the concept of maximum potential capacity.
19 MR. KLUGH: Maximum potential capacity assumes the
20 current funding and current program workload. It does not
21 assume significant increase in military construction or
22 investment in capital. It assumes re-engineering the

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1 processes. It assumes rearrangement of the depot into any
2 configuration which would enable you to do more than what
3 your current capacity is; to optimize the capabilities of the
4 particular depot.
5 COMMISSIONER CORNELLA: You addressed the military
6 construction expenditure. Would it also require a second
7 shift to achieve that potential?
8 MR. KLUGH: No, sir, it would not.
9 COMMISSIONER CORNELLA: Describe how your joint
10 cross service group assigned functional values to each of the
11 depots and shipyards.
12 MR. KLUGH: We divided the commodities into 16
13 groups. We established an objective to size the depots to
14 core. We weighted the work that is performed in depots. And
15 we applied the greatest amount of weight to the core areas.
16 In fact, of 100 points, we applied about 60 points to the
17 core category; about 30 points to workload that is above
18 core, outside the core range; and about 10 percent to the
19 environmental function.
20 We rank the depots in that way, by applying those
21 weighted values to the functions, the workload, that is being
22 performed in the depot.

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1 COMMISSIONER CORNELLA: My time is expired. I'm
2 going to allow each commissioner 8 minutes to question the
3 panel in the first round. And we'll start on my right, with
4 Chairman Dixon.
5 CHAIRMAN DIXON: Thank you, Mr. Chairman. Mr.
6 Klugh, I was out of the room for a few minutes, so if I
7 duplicate something, would you forgive me? I'm looking at
8 the chart, chart one, on the explanation of the 8 joint cross
9 service group proposals. You see it up there now? Have we
10 discussed that in your testimony so far?
11 MR. KLUGH: No, sir.
12 CHAIRMAN DIXON: Now, as I understand it, this is a
13 work product, pretty much of the cross service groups that
14 said, in effect, close Red River and Letterkenny. And the
15 result has been that the DOD is closing Red River and
16 realigning Letterkenny. Is that a correct interpretation of
17 that chart?
18 MR. KLUGH: That is correct, sir.
19 CHAIRMAN DIXON: Then on Navy shipyards, the cross
20 service groups -- one said, close Portsmouth and Pearl
21 Harbor; the other one said, close Long Beach, Portsmouth and
22 Pearl Harbor; and the DOD recommends Long Beach.

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1 MR. KLUGH: That is correct.
2 CHAIRMAN DIXON: The Navy aviation depots, both
3 groups said Jacksonville should be closed, that DOD did not
4 close.
5 MR. KLUGH: That is also correct.
6 CHAIRMAN DIXON: Navy weapons center, Crane-
7 Louisville and Keyport were on each list. Crane-Louisville
8 is closed, and Keyport is realigned. And on the Air Force
9 aviation, San Antonio, which is Kelly, and Sacramento, which
10 is McClellan, were on the one list. On the other list, San
11 Antonio was on the list alone for closure. And all were
12 downsized instead, in the DOD report. Is that accurate?
13 MR. KLUGH: That's correct, sir.
14 CHAIRMAN DIXON: I'll ask you, first of all, your
15 view with respect to Navy shipyards. That is to say, what is
16 your view of the DOD's recommendation, having in mind the
17 recommendations of the cross service groups.
18 MR. KLUGH: As it pertains to shipyards, the joint
19 cross service group recognized that that workload is probably
20 not conducive to intraservicing. That workload in the
21 shipyard is principally Navy. And you have about three
22 categories, but two basic categories -- a nuclear workload

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1 and non-nuclear workload. And then, in the Navy, they have,
2 in addition to depots, special weapons centers, warfare
3 centers, some on the list of 24 depots and some smaller
4 facilities that are not.
5 And some of the workload that specifically relates
6 to depot maintenance had been transferred and done outside of
7 those 24 depots in some instances. And so in the cross
8 service group number two, to the right, where we identified
9 those three depots, what we said to the Navy -- that it
10 appears to us in the alternative that we provided them, that
11 you have sufficient capacity to close two of those.
12 And it compares with alternative number one, where
13 it showed two. The difference in two, it showed Long Beach.
14 Well, one of those is a non-nuclear depot, Long Beach, and
15 the other two are nuclear. So we did not try to, in the
16 joint cross service group, to really come to the specific
17 option when you looked at the weapons centers, the shipyards,
18 and depots, but specifically seaside. We asked the Navy to
19 look in depth and make that assessment.
20 So the Navy, after reviewing that in detail, came
21 back with Long Beach. But they transferred quite a bit of
22 work to other activities.

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1 CHAIRMAN DIXON: But in effect, the Navy has
2 finally selected -- or, I apologize, well, in fact, the
3 Department of Defense has testified exactly what the services
4 gave them. So I can correctly represent that it was the
5 Navy's decision, given to the DOD, which took them to close
6 Long Beach, as distinguished from Portsmouth on the one hand,
7 or Pearl Harbor on the other; each of the other two having
8 nuclear capabilities. Is that --
9 MR. KLUGH: That's correct, sir.
10 CHAIRMAN DIXON: It's almost an interesting thing
11 to observe that on one of the lists, Long Beach didn't even
12 make the list originally.
13 MR. KLUGH: On alternative number one, Long Beach
14 was not on that list.
15 CHAIRMAN DIXON: Do you know the reason why?
16 MR. KLUGH: There were six runs, if you will, in
17 our linear programming model, to come up with the best
18 alternatives to provide to the military department. In fact,
19 we made about 18 different runs.
20 CHAIRMAN DIXON: I see.
21 MR. KLUGH: But six of those runs were the best
22 that would accomplish the objective. And that is to

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eliminate excess capacity; reduce number of depots; but also reduce the number of places that we perform work. So those six alternatives, four of them were identical. Four of them were identical to cross service group one.

CHAIRMAN DIXON: I see.

MR. KLUGH: Only one of the six was different, and that was the one which identified Long Beach. And that was the run based on minimum excess capacity in applying the function of values.

CHAIRMAN DIXON: Is all that information available for us, Mr. Klugh?

MR. KLUGH: Yes, sir. In fact, I have provided the charts which identify the specific runs. But I've also provided the spreadsheet that provides all of the details as to where that work went.

CHAIRMAN DIXON: Now, in the Navy aviation depots, Jacksonville was on both lists that DOD did not close.

MR. KLUGH: Correct, sir.

CHAIRMAN DIXON: Navy weapons center Crane-Louisville and Keyport were on both lists for closure. And Crane-Louisville is closed, and Keyport is downsized, realigned.

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MR. KLUGH: Yes, sir.

CHAIRMAN DIXON: Now, with respect to the Air Force, as I understand it, Kelly made both lists; McClellan, one. All have been downsized in place, under the recommendations of the Air Force.

MR. KLUGH: That is correct, sir.

CHAIRMAN DIXON: And what do you have to say about that, Mr. Klugh?

MR. KLUGH: First of all, the Navy, in Jacksonville, showing up on one and two --

CHAIRMAN DIXON: Yes.

MR. KLUGH: -- and the department not including Jacksonville, the Navy had some alternatives. Remember I mentioned that some of the depot work is done in weapon centers, in warfare centers, due to a Navy strategy sometime ago, prior to the last two BRAC processes. The Navy chose to close some of those centers. They had a choice -- close Jacksonville, or close some of those centers and transfer the depot work into the depot, or leave those centers open and transfer some of the work out to those centers.

The Navy chose to close some of the warfare centers, and transfer the depot work back into its depots.

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The key that we were focused on in this case was to reduce the excess capacity and reduce the number of lines, and maximize saving of dollars. And I think the actions the Navy took in this case falls within the range, I think. It complements those objectives.

As far as the Air Force and the air logistics centers, if you focus on one logistics center, and the question is, do I save more money by closing or realign? It probably always most times, saving more money by closure. But if you focus on eliminating one depot equivalent, and you have five by which to realign, then perhaps the alternative of realigning five depots may be the best solution.

The Air Force -- it was identified for the Air Force that they had excess capacity, ranging in the 10 million direct labor hour area. And through this process, they are reporting that they will be able to realign all depots and achieve something pretty close to that.

CHAIRMAN DIXON: My time is up, but I'll ask this final question. To be more simple than the numbers you've used, how many depots -- Air Force excess depots would there be in the numbers, by the analysis you made?

MR. KLUGH: Excess depots on the analysis we made.

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If you focus on the depot's activities, specifically, and not realigning all the activities within the air logistics center, would be about a depot and three-quarter equivalent; about 10 million direct labor hours.

COMMISSIONER CORNELLA: Commissioner Cox.

COMMISSIONER COX: Thank you. I just want to follow up on one thing, because I think I got confused. When the chairman asked you about the Navy yards and you said there was a group of, I think, 12 scenarios that went through and that Long Beach only ended up on one of those scenarios. And what I think you said is that the reason it only ended up on one was because it had the minimum excess capacity. Is that what you said?

MR. KLUGH: We had two categories of runs to come to those alternatives. One was based on minimizing the number of sites; that is, the maximized number of closures. And the second one was, minimize excess capacity. And we applied a linear programming model to that. When you minimize sites, the model is trying to close the number of sites.

COMMISSIONER COX: Right.

MR. KLUGH: When you minimize capacity, the model

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is attempting to utilize the capacity that you have more efficiently. So we expected the specific closures to come out somewhat different. We were surprised that they came out so close, in that minimizing sites, even while applying maximum military value and applying functional values, we got the same alternatives.

When applying the minimizing excess capacity, we got the same as minimized site in two cases. But in one case, we had a different list. So since we had two different alternatives to work from, two different ways to get to the end state of reducing excess capacity, we chose to send to the military departments both for further analysis.

Our first submission to the military department was to give us a quick look back as to whether this is feasible, and secondly, to do more detailed analyses -- run the COBRAs, determine the cost and report back to the group.

COMMISSIONER COX: But you didn't look at costs. For example, you talk about two different philosophies -- one, minimize sites and at least, arguably, if you close more sites, you've saved more. Although, obviously, it depends on each one. And the other one, you looked at minimizing excess capacity. You didn't look at costs -- that just got sent out

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as alternatives?

MR. KLUGH: Yes. Cost is really determined by the COBRA model runs.

COMMISSIONER COX: Uh-huh.

MR. KLUGH: And it was decided up front that the military departments would actually make the COBRA runs, not the joint cross service group.

COMMISSIONER COX: Right. And so without the costs, though -- putting that aside, then, because you didn't do that -- either way, you came out with closing at least two shipyards.

MR. KLUGH: That's right.

COMMISSIONER COX: Interesting. And I'm sorry, why would it be, for example, in minimizing capacity that you -- maybe I don't understand the philosophy here -- but why would you end up with Long Beach not on that list?

MR. KLUGH: It is.

COMMISSIONER COX: I'm sorry, that is on the list?

MR. KLUGH: Yes.

COMMISSIONER COX: And why does that minimize capacity?

MR. KLUGH: When you minimize retention of excess

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1 capacity --
2 COMMISSIONER COX: Right.
3 MR. KLUGH: -- then you tend to use up the capacity
4 that you have in larger depots. And when you maximize the
5 number of sites to be closed --
6 COMMISSIONER COX: You tend to close smaller ones.
7 MR. KLUGH: That's right.
8 COMMISSIONER COX: I see.
9 MR. KLUGH: And so we ran it both ways. And by
10 running it both ways, we had more alternatives to provide to
11 the military department for further detailed analysis.
12 COMMISSIONER COX: I see. But in each case,
13 military value was considered?
14 MR. KLUGH: yes.
15 COMMISSIONER COX: Right. Let me ask just an
16 overall question, and it's probably way too vague, and you're
17 welcome to beg off. But in general, in going through your
18 cross servicing idea, do you believe that consolidation of
19 functions is more efficient, saves money, is more productive?
20 There are always exceptions, of course.
21 MR. KLUGH: It depends a lot on the circumstances,
22 like the number of alternatives that you have. If you were

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1 looking at a single depot, then, in general, I would say that
2 shrinking and consolidating probably would not give you the
3 same savings as elimination, whether it's elimination of
4 things or the whole part.
5 But when you have a lot of other activities that
6 you can consider, then you have a lot of other flexibilities
7 by which to do that. And in some cases, I would suggest that
8 downsizing or shrinking may give you a better alternative
9 than actual closure.
10 COMMISSIONER COX: Mm-hmm. And when you looked at
11 the, I guess what you called the core capacity at each of
12 those, what does that mean? You looked at the specific
13 functions? Each of these depots had its own sort of major
14 function. And I guess you had to look at that because moving
15 that would be very expensive and you were trying to avoid
16 MILCON and that kind of --
17 MR. KLUGH: That's correct.
18 COMMISSIONER COX: I see. So the main reason --
19 getting back to, I think, the point you just made -- that you
20 would have to downsize rather than close is because you do
21 have these core functions that are difficult, at least in
22 cost, to move?

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1 MR. KLUGH: That's correct. And in some cases, you
2 may only have the capability to do a certain function within
3 a particular depot.
4 COMMISSIONER COX: Uh-huh. Did you do any, in
5 looking at the depots, any sort of separate analysis on
6 military value?
7 MR. KLUGH: No, we did not. We asked the military
8 departments to determine military value of the site. We
9 think that's very appropriate because what is of military
10 value to a seagoing operation would certainly be different
11 than perhaps a land campaign type of activity.
12 COMMISSIONER COX: So you took -- GAO testified
13 this morning that, at least in the Air Force side, the
14 assigning of military value may have been fine, but they
15 can't really document it. You didn't do anything separate to
16 look at that yourself?
17 MR. KLUGH: No. We accepted the military
18 department's input. We received the military value from each
19 of the military departments with their certified data.
20 COMMISSIONER COX: Right.
21 MR. KLUGH: And we accepted that data.
22 COMMISSIONER COX: Okay. Let me ask Mr. Nemfakos,

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1 regarding the proposal to privatize the naval surface warfare
2 detachment at Louisville, have you been involved in that?
3 MR. NEMFAKOS: We have looked at what the community
4 is proposing at that activity. And what we've said is that
5 there certainly is an enormous amount of promise in what
6 they're trying to do. The community is talking, as I
7 understand it, about establishing -- if the Commission
8 confirms our recommendation -- establishing a large
9 industrial complex.
10 They are, as I understand it, dealing now with two
11 major manufacturers to bring their product lines into those
12 facilities. That we would work with them in re-use, for them
13 to take over and use. And then, essentially, competing for
14 additional work. As you know, probably, the plating facility
15 at Louisville is a world-class plating facility. Right now
16 it's limited to the kind of work it can do because we can't
17 compete with the private sector to bring work into Navy
18 industrial activities.
19 But for example, if the local community was to put
20 that to use, there is a broad range of activity that would be
21 of potential. So that's what they're talking about doing. I
22 think they're working very hard to come up with a good idea.

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1 And what we have told them, from the Department of the Navy
2 perspective is that if they can come up with something that
3 makes sense for them and sense for the Department of the
4 Navy, we're prepared to support them in terms of post-base
5 closure allowing them to bring work in to the extent they're
6 cost competitive.
7 COMMISSIONER COX: And did you consider that
8 privatization proposal, which at least was around in 1993
9 when you wrote the language recommending closure of the naval
10 surface warfare detachment?
11 MR. NEMFAKOS: We were aware, Commissioner Cox,
12 that they were working on something. As we testified in the
13 opening session before the Commission, we deliberately have
14 worded that recommendation, as well as all our other
15 recommendations, to provide us the greatest amount of
16 flexibility in dealing with the communities. It's our view
17 that the wording of the recommendation provides enough
18 latitude for the community to execute the program that they
19 are currently -- as we understand it -- they are currently
20 pursuing.
21 COMMISSIONER COX: Thank you.
22 MR. NEMFAKOS: Yes, ma'am.

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1 COMMISSIONER CORNELLA: Commissioner Davis.
2 COMMISSIONER DAVIS: General Klugh, with your
3 permission, I would like to address my first question to
4 General Blume, since, one, he hasn't had one, and I don't
5 want him to get off easy. But it's not really a question --
6 well, it is. In the previous two hours, Jay, the Air Force
7 was rather severely pilloried by the GAO about their
8 process -- the fact that the GAO did not have access to your
9 working groups and to your data.
10 I think it would be appropriate before we get into
11 some of the questions which will clearly come to you, your
12 thoughts on that process; why the Air Force did it the way
13 they did. And if you had it to do over again, would you
14 change it?
15 GENERAL BLUME: The answer to the last part of your
16 question, sir, is, I think the Air Force would do it exactly
17 as they did before. I think, though, that there's always
18 improvements. The Air Force, in this particular BRAC '95,
19 tried to improve from the previous rounds. The Air Force
20 process has not changed. It was the same process that was
21 used -- basic process, let me say -- in 1991, '93 and '95.
22 It is true the Air Force restricted the GAO from

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coming in to their meetings and the BCEG, the Base Closure Executive Group, and they were not in our deliberative process. This was not an intent to try and keep them out, to give a clear and open opportunity for the BCEG members to discuss whatever was to be discussed on that particular day.

The documentation allegation, I think, in my personal opinion, is totally -- if they can read, they should be able to follow the Air Force process. And the reason I say that is, there are minutes to every Air Force meeting. Every one of the 22 meetings with the Secretary of the Air Force and the Chief of Staff of the Air Force was also documented, as far as the happenings in those meetings.

So I don't understand. I do think that there are two places where the Air Force and the GAO have a disagreement. One is, at the beginning of the Air Force process -- and this is different than the previous two rounds -- in trying to meet the GAO requirements that they had alluded that the Air Force was too subjective, the Air Force put weights and measures on their evaluations of all the subgroup and subelements; and used a database and a computer just to roll these up into aggregate grades.

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However, the Air Force feels very firmly that it should not be a five decimal place number as far as the scoring; that there should be functional experts that look at this analysis and then do the final scoring to build a tiering of bases, which then goes to the Secretary of the Air Force.

So this scoring is the contention -- or contentious point -- between the Air Force, I believe, and the GAO. It's hard to get in the minds of 13 functional experts, throughout the air staff, and to know how they're going to score the line reading -- that is, the first three colors, the numerical costing, plus the return on investment, all A criteria, as well as the final impact on the community, impact on the base, and the impact as far as the environment is concerned.

This is done in the heads of those particular gentlemen who are sitting around the base closure executive group table. Their voting, then, aligns our bases -- the Air Force bases -- into a particular alignment, and then you look for natural break points. Those that are scored high come to the top. Those that are scored low come to the bottom. There is no quota or anything like that, so you look to see

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which are the best and which are those that are not the best.

And that's the Air Force process, as it goes. But the GAO has a very difficult time of taking that tiering, then, even though -- I'll guarantee you, if you look at the top line, I think a rational person would say, "This base should be" -- and we call it tier 1, tier 2, and tier 3 -- "should be our good, better, or best base."

COMMISSIONER DAVIS: Thank you very much. Can you bring up chart 5, please?

General Klugh, while he's bringing this up, this is a comparison of closure COBRA data from each military department. It's kind of hard to read.

COMMISSIONER DIXON: Can you brighten that a little?

COMMISSIONER DAVIS: Yeah. We'll provide you a copy of it.

General Klugh, there are significant differences between the services' COBRA estimate to close depots. For example, there are substantial differences in percentage of people who would be moved. Did the joint service group come with an estimate, a percentage of people, that would move in closure of a depot?

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1 GENERAL KLUGH: To the extent that direct labor
2 hours would remain at a depot or would not remain at a depot,
3 in case of closure, that's the extent by which we, as the
4 joint cross-service group, could identify the people shift.
5 The COBRA runs is the model to determine exactly how many
6 would go to a certain location or not, because, as you absorb
7 work in a depot, you don't need a one-for-one. So there has
8 to be some analysis as to the people that you really need to
9 do that, and that is done in the COBRA model.
10 COMMISSIONER DAVIS: But, General Klugh, there
11 seems to be a significant difference between the percent
12 realigned, the bottom line there, between services -- where,
13 you know, the Air Force falls outside two sigma on a bell
14 curve, and probably the mean is somewhere around the 25
15 percentile. Did the joint service group take a look at that
16 at all?
17 GENERAL KLUGH: No. There was no way that the
18 joint cross-service group could really compare these. It is
19 obvious from these -- it was obvious to us -- that the
20 services have a different way of applying the COBRA runs.
21 COMMISSIONER DAVIS: All right, sir.
22 If I could switch to Army depots, General Klugh,

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1 the cross-service initially recommended the decentralization
2 of the tactical missile maintenance and then, later, approved
3 the Army's plan, which is kind of a decentralization but
4 takes it a bit different than your original recommendation.
5 Can you tell us why that change in views? Or do you
6 remember?
7 GENERAL KLUGH: Well, in applying the linear
8 program model, we really were trying to offer up to the
9 military department the alternatives, where the centers of
10 excellence exist, in order to perform specific work. We
11 still feel that there is something to be gained in reducing
12 the number of sites where work is performed. In fact, we had
13 as an objective, where something is common to two or more
14 services, to reduce to one place where the work is performed.
15 As you know, the tactical missile is a follow-on to
16 BRAC '93. We were very careful, as we reviewed what to do
17 with tactical missile, as it impacts the BRAC '93 decisions.
18 In changing -- when you look at all the depots together --
19 and specifically look at the Army depots, in this case, and
20 the capabilities of Tobyhanna and Letterkenny -- an option
21 the Army chose to optimize what Letterkenny is best at in
22 their realignment business and what Tobyhanna could do for

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1 that particular commodity, it seemed to me, was a reasonable
2 conclusion.
3 COMMISSIONER DAVIS: Mr. Chairman, I've got more
4 questions in that area, but my time is expired. I'll come
5 back to it later. Thank you very much.
6 COMMISSIONER CORNELLA: Thank you, Commissioner
7 Davis. Commissioner Kling?
8 COMMISSIONER KLING: Thank you, Mr. Chairman.
9 Mr. Nemfakos, turning back to the naval warfare
10 centers, I believe -- and I hope I'm not going to be
11 redundant; maybe I missed it. But we commented on the
12 privatization in Louisville, and I don't believe we touched
13 on it in Indianapolis. Did we?
14 MR. NEMFAKOS: No, sir, we didn't talk about it
15 earlier.
16 COMMISSIONER KLING: Could we have the same
17 questions to you concerning Indianapolis?
18 MR. NEMFAKOS: Yes, sir. As a general proposition,
19 my answers would be the same, except for the circumstances of
20 the two activities are somewhat different, in the sense that
21 Louisville is a much more heavily industrialized activity, as
22 you know, and therefore is further along, in my judgement, in

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1 dealing with the private sector, to bring manufacturers in,
2 than is Indianapolis.
3 But the proposition is generally the same. It is a
4 proposition that says, "If the Commission endorses, the
5 President forwards, and the Congress approves the base
6 closure list and we close those activities, the local
7 community would like the opportunity to take over the sites,
8 utilize what is there, create a private venture that could
9 then compete for public work." And in both cases, an
10 envisioning of, if, in fact, they can create a center of
11 excellence, having the government potentially rent space
12 there and work with certain of the systems there, as opposed
13 to building space somewhere else.
14 Both those ideas are not, as you can tell from my
15 comments, mature. Both communities are working very hard.
16 And I believe the recommendations that we have made in
17 neither instance would preclude bringing what they would like
18 to do to fruition. The issue is, can they bring it off? Can
19 they bring the private-sector interests in? Can they create
20 a viable commercial enterprise zone that would be able to
21 compete for both private-sector work as well as work for the
22 government?

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1 Those are the kinds of things that we would be
2 prepared to aggressively pursue with them, because, clearly,
3 it's a win-win proposition. If they can do it, it's great
4 for the community, and if they can do it successfully, the
5 implication is that the Department of the Navy, and therefore
6 the United States taxpayer, is going to be able to get his
7 work done at a lower cost.
8 COMMISSIONER KLING: I think that's a great answer
9 and a great comment, and I totally support that and agree
10 with you.
11 MR. NEMFAKOS: Thank you, sir.
12 COMMISSIONER KLING: So I hope we can go forward.
13 And I guess you will continually have dialogue with them as
14 they go forward.
15 MR. NEMFAKOS: Yes, sir. My understanding is that
16 both the local communities, as well as the warfare center
17 leadership, as well as the commander of the Naval Sea Systems
18 Command, are working closely together to see how this kind of
19 an idea could work, upon approval of a closure process.
20 COMMISSIONER KLING: Great.
21 Does the Navy's rejection of a proposed commercial
22 and government use of the propeller shop and foundry in

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1 Philadelphia relate to the potential for the Indianapolis
2 proposal?
3 MR. NEMFAKOS: I'm sorry, sir.
4 COMMISSIONER KLING: Does the Navy's rejection of a
5 proposed commercial and government use of the propeller shop
6 and foundry in Philadelphia relate to the potential for the
7 Indianapolis proposal?
8 MR. NEMFAKOS: No, sir, it doesn't.
9 COMMISSIONER KLING: Okay. Thank you.
10 The General Accounting Office testimony this
11 morning recommended that the Commission thoroughly examine
12 the bases for exclusions to the cost and savings data
13 associated with recommendations for naval air warfare centers
14 at Louisville, Indianapolis, and Lakehurst. Could you please
15 comment on that issue?
16 MR. NEMFAKOS: Commissioner Kling, as we went
17 through our processes, as you can imagine, when you're
18 dealing as openly as the Department of the Navy's process
19 does with its field commands, and you, as you work through
20 the process, go out to them and say, "Here's the scenario
21 that I'm thinking of. Give me back costs," we generally, in
22 the military establishment, tend to be conservative, in any

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1 case. When the issue becomes an issue of "They're talking
2 about closing my base, moving my job," I think it's a very
3 understandable tendency to become very conservative.
4 We had significant amounts of excess capacity,
5 still, in 1995, even after the enormous closures of 1993, so
6 we attacked the estimates of what's it going to cost -- and
7 when I say "we," the base structure evaluation committee --
8 and asked very probing questions, had specific protocols on
9 how to deal with certain costs. And what we found is, in
10 many cases, sometimes through lack of understanding,
11 oversight, whatever, we had estimates that, for example,
12 included things that were already included in the COBRA
13 algorithms. We had cost estimates that shouldn't have been
14 included at all in the context of the Department of Defense
15 process. And we had, then, other estimates that, very
16 frankly, we felt were unsupportable, for a specific reason.
17 Obviously, the local commands and the people
18 working at the local commands are somewhat distressed that
19 their full estimate was not included in our analysis. We
20 believe we have substantiated the reasons. As you know, both
21 the audit service and the inspector general have been looking
22 into that issue, and to date, at least, they have not

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1 identified anything that would have changed the
2 recommendations that we made.
3 So, while I understand the local distress that
4 their full estimates were not provided, I also think there is
5 good and valid reason that those full estimates were not
6 included. But it is to that specific disagreement that the
7 GAO addressed itself, I believe.
8 COMMISSIONER KLING: Thank you.
9 MR. NEMFAKOS: Yes, sir.
10 COMMISSIONER KLING: Back to the plating point. I
11 think somebody had asked a certain question. Did the Navy
12 consider consolidating plating operations at Louisville's new
13 $36 million facility, by any chance?
14 MR. NEMFAKOS: No, sir, we did not. And the reason
15 is, what we looked at is -- we looked at Navy work, and we
16 looked at the -- I believe -- and General Klugh can correct
17 me if I'm wrong -- close to one million hours, direct labor
18 hours, of depot-level work that was being conducted at
19 Louisville. And our view was that that work could
20 significantly reduce our excess capacity at our major
21 industrial depots -- the shipyards.
22 We chose, therefore, to look at consolidation at

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1 shipyards, as opposed to moving work. We looked at our
2 plating work. The initial estimates were to build a new
3 plating facility at one of our shipyards.
4 As we -- as I described earlier -- aggressively
5 pursued that cost, what we determined was that there was
6 enough capacity at Watervliet Arsenal to take care of the
7 minimal type of work that the Department of the Navy needed
8 in this area, and therefore that's where we would have sent
9 the work if Louisville were completely closed. We would not
10 be moving additional work into Louisville.
11 COMMISSIONER KLING: It's a fine facility -- and I
12 see my time is up, Mr. Chairman.
13 COMMISSIONER CORNELLA: Thank you, Commissioner
14 Kling. Commissioner Montoya?
15 COMMISSIONER MONTOYA: Thank you.
16 My questions -- I don't want them to appear that
17 I'm going to try to set up a battle between the services; I'm
18 not. But I'm looking for empirical data that may lead to
19 some areas of inquiry that they'll be helpful to us.
20 So, Mr. Nemfakos, I wanted to ask you some
21 questions regarding the previous closure of depots. Do you
22 have enough information yet to come to any conclusions, or

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1 preliminary conclusions, audited or not audited, regarding
2 the costs that you've experienced? Were they close to your
3 estimates? And what savings -- and have the savings that you
templated begun to show fruit, both in terms of efficiency
he new places, or otherwise?
MR. NEMFAKOS: Commissioner Montoya, as you know,
7 the depots that we closed in '91, principally Philadelphia
8 Naval Shipyard, were held up for some time, and the full
9 return costs on that particular closure are not in. In the
10 '93 round of base closure, we are aggressively working those
11 closures, because in '93, as in '95, it's our intent to close
12 as quickly as possible.
13 But considering that those were two nuclear naval
14 shipyards and 50 percent of our aviation depot capability
15 that required moving work both to the Army depot in Corpus
16 Christi, as well as to other places, and completely
17 realigning, in other words, where work had been distributed,
18 the return costs are still, I think, at least a year away.
19 What we do have, sir, is -- in the process of the
20 budget review, the Office of the Comptroller of the Navy
21 aggressively, again, looked at the estimates for both cost of
22 closure and savings. To date, the savings numbers are

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1 relatively close to what we projected for the '93 round of
2 base closure for those activities. The costs, other than
3 environmental -- the costs, because of the COBRA model, that
4 COBRA algorithms do tend to be somewhat conservative, appear
5 to be running a little bit behind.
6 And finally, what we're seeing is, as our people
7 are going through the planning process, both the facilities
8 people -- the Naval Facilities Engineering Command -- but
9 also the users and the managers, the activity group
10 managers -- they are, in fact, finding better, cheaper ways
11 of getting the job done. And so my expectation is that, when
final accounting is done, other than environmental, the
ts will be lower than what we anticipated.
COMMISSIONER MONTOYA: Would you comment on the
15 environmental costs? That was my next question, as to what
16 did you -- how is it in reality, versus what you anticipated?
17 MR. NEMFAKOS: Well, as you know, Commissioner
18 Montoya, we did not estimate environmental costs in the
19 closure round in '93, and, as you also know, probably better
20 than anybody else, this is an area that, until you get in
21 there and start doing the work, you don't have a clue. I do
22 not -- I have not heard of any ugly surprises, particularly

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1 with the nuclear shipyards and some of the other places, of
2 the kinds of costs that the facilities engineers would have
3 expected to see being inordinately greater.
4 I know that's not a very good answer, but on the
5 environmental piece I just think we still have work to do.
6 COMMISSIONER MONTOYA: But you apparently accepted
7 that risk, given your base closure decision -- that it had to
8 be dealt with.
9 MR. NEMFAKOS: Well, you know, the issue of
10 environmental clean-up, of course, is one to which we're
11 committed. As you recall from your days in the facilities
12 engineering command, the several administrations' commitment
13 to cleaning up the environment and getting it over with has
14 been continuous, so these activities are eventually going to
15 have to get cleaned up, in any case.
16 The other piece, I think, that has been playing
17 very heavily in our mind is the view that we cannot -- should
18 not -- use as an excuse "Hey, it's too dirty, so let's just
19 keep it in our inventory, because it's too hard to clean up."
20 Because it was not our view that that was a prudent public-
vard position.
So, regardless of the environmental costs, we

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1 proceeded.
2 COMMISSIONER MONTOYA: General Blume, a couple of
3 questions. Did the Air Force, going into the BRAC process,
4 have some specific reduction targets, either savings or
5 people or planned value? Did you have some bogeys going in
6 that were very broad guidelines, within the Air Force?
7 GENERAL BLUME: As far as our analysis, Mr.
8 Montoya, we looked at the capacity that the Air Force had, as
9 far as its depots. We allowed the -- actually, the joint
10 cross-service group -- to develop the excess capacity. And
11 we looked at that relative to additional analysis that we
12 did, and we're pretty much in line. Between one depot and a
13 depot and a half equivalence of man-hours of work load was
14 essentially what the Air -- we didn't have a specific target
15 as we went into it, but we developed that as our analysis
16 progressed.
17 COMMISSIONER MONTOYA: Can you tell me, at what
18 point in time did you leave the depot question from a closure
19 prospective to a downsizing perspective? When did you get
20 off of that particular path, and why?
21 GENERAL BLUME: Well, as you know, we walked down
22 that path for several months, looking at the potential of

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1 closing either one or two depots, and analyzing those, too.
2 As we came up to where we had, essentially, the roll-up of
3 all of our actions for the BRAC '95, then we came to the
4 reality that there were some cost implications. What could
5 the Air Force really afford? Was there -- and this is, I'm
6 sure, what the Secretary of the Air Force had to come to
7 grips with before she made her recommendation. Knowing what
8 was budgeted, knowing what the Air Force had excess capacity,
9 was there another way? And that's the question that she
10 asked.
11 This was the latter part of January. This was when
12 the Air Force essentially put our entire package -- that is,
13 the base closure executive group put our entire package --
14 before the secretary. At that point in time, she asked us --
15 the Air Force BCEG -- to look if there are other
16 alternatives. And that's when we turned to looking to see if
17 there was something else, something that was less expensive
18 than the closure of one or two depots.
19 COMMISSIONER MONTOYA: So it was, if I can
20 paraphrase, near-term, budget-driven, cost-driven. Those
21 large numbers is really what spooked you, when you got to
22 looking at those big numbers.

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1 GENERAL BLUME: It certainly did, and the fact
2 that, if you took on essentially one depot, and certainly if
3 you took on two -- if you took on one depot, then, quite
4 frankly, the Air Force, from what we had budgeted, would not
5 be able to do any other of the actions that were recommended.
6 COMMISSIONER MONTOYA: Thank you very much, and
7 thank you, Mr. Nemfakos, for your answers. Good to see you.
8 COMMISSIONER CORNELLA: Commissioner Robles.
9 COMMISSIONER ROBLES: General Klugh, so nice to see
10 you again.
11 GENERAL KLUGH: Thank you.
12 COMMISSIONER ROBLES: You know, I'll have to say up
13 front, the issues are the same, the numbers are just bigger.
14 So much has been said about military value. It
15 clearly is the overarching principle that guides this whole
16 base-closure process, in many respects, because it is --
17 those four elements of military value are, in many cases, the
18 predominant force. But I want to make sure I get military
19 value, as you see it, in perspective, on this issue of depot
20 maintenance.
21 I think what intrigues us most is the fact that, as
22 you look from base closure round to base closure round, even

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1 from service to service, from DOD to services, the military-
2 value rankings are really a function of many factors:
3 judgement, experience, maturity, leadership, et cetera. And
4 we're often using these military-value rankings as a cardinal
5 measure, when in fact they really are an ordinal measure,
6 because, although you try to be objective about the criterion
7 that goes into doing the military ranking -- you try to be as
8 objective as possible and try to be as quantitative -- there
9 are just some things that just aren't quantifiable and are
10 judgement.
11 And so, given that as sort of a prelude, and that
12 they really are more ordinal in nature than they are cardinal
13 in nature, is your sense that the military values of the
14 depots, as they were ranked by the individual services, in
15 your estimation, are appropriate, a good measure of what they
16 should have been -- that is, a way to take this mass of data
17 and put some sort of ordinal ranking around it?
18 GENERAL KLUGH: Very challenging question, sir. I
19 would say that there are a lot of things involved here. One
20 is, we had a number of criteria, and the criteria were
21 minimize the number of sites, minimize excess capacity,
22 maximize functional value, and maximize military value. All

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1 had to be considered.
2 We ran a model -- linear program model -- to,
3 without military value and without functional value, reduce
4 sites. We came up with a set of depots.
5 We than ran the model with maximizing functional
6 value, and we came up with a number of depots.
7 We ran the model again with maximizing military
8 value, and we came up with a number of depots.
9 We came up with the same number of depots for
10 closure, which means that the predominant thing that was
11 driving the closure was capacity. Although applying military
12 value -- and the services' ranking of military value was
13 rather subjective, and, by the nature, as you explained, I
14 think that's quite appropriate. But we were able to apply a
15 quantifiable number to the linear-program model.
16 Is it the best that we can do, or is there room for
17 improvement? I would suggest, yes, sir, there is.
18 Military value did influence the results, and we
19 kept military value in focus, as the military departments
20 provided to us, but did the military value -- I think is your
21 question -- influence this sufficiently, given what you just
22 said? And I would say, "Probably not."

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1 COMMISSIONER ROBLES: Okay. Well, thank you.
2 A follow-on to that question: This is -- I don't
3 need you to answer this question right now, but to provide it
4 for the record. If I remember my ORSA days, when you ran
5 your objective function, you said you ran it several
6 different ways, to minimize, maximize, et cetera. There also
7 is a series of subject-to or constraint equations. I'd be
8 interested, if you would provide us what those constraint
9 equations were, because that also frames the issue very
10 neatly and tells you exactly what the real issues are.
11 And I'd also like to look at -- if you would
12 provide us what the slack is -- the slack in the
13 algorithms -- to see where that slack is and compare that
14 against that ranking chart. Because I -- having known a
15 little bit about linear programming, there are a lot -- it's
16 again like everything else. There's assumptions that go into
17 it, and if the assumptions are well-founded, then the
18 analysis comes out well-founded. If the assumptions are
19 questionable, then the analysis comes out questionable.
20 But obviously, in your case, they correlated very
21 highly, because you did it various ways.
22 But I would like it, if you would have your

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1 analysts provide that.
2 GENERAL KLUGH: Yes, sir. We actually did do
3 actually as you suggested. In our data analysis team we had
4 two experts in operations research systems analysis. They
5 developed a database by which to be able to be flexible in
6 responding to the options that we laid out. And I would be
7 happy to provide you the spreadsheet of the database.
8 We went beyond the six runs that I mentioned. We
9 looked at all depots equally. We looked at a number of
10 depots that do not show up on the alternatives that we
11 provided to the military department. I'd be happy to provide
12 all that data to you.
13 COMMISSIONER ROBLES: Thank you, sir.
14 Now, cascading that down to the Air Force, you got
15 the rankings, and it was a good baseline to see the various
16 options that were available. And it was in the Air Force
17 analysis that the up-front costs were the driving force, it
18 appears, for not closing versus downsizing.
19 General Blume, could you elaborate a little bit on
20 the up-front costs again? What went into it? If you had
21 gone back now, since you did some revisions -- have there
22 been any revisions to the up-front cost?

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1 Again, I'm trying to find -- having done some of
2 these analyses in previous lives, I never did find the
3 downsizing alternative to maximize anything. But maybe,
4 because of the special nature of your depots and the high up-
5 front costs when you have to move things around or replicate
6 them or whatever, there's something here that I'm missing.
7 So could you elaborate a little bit on that?
8 GENERAL BLUME: Well, let me make a couple of
9 comments. One, we were trying to, essentially, minimize
10 cost, in a certain fashion, while accomplishing the intent of
11 what was -- and, really, that's to a great extent trying to
12 reduce the excess capacity, at the same time minimizing cost.
13 And let me also comment, first, on the fact that
14 the Air Force recommendation was not subjective. It was not
15 subjective at all. The Air Force did not consider military
16 value as just the first four. The Air Force, in all its
17 depots, looked at all eight DOD criteria. Cost is certainly
18 one, and it was a very important one when we came down -- the
19 secretary made the final decision.
20 But we looked at all of those eight values for all
21 five of the depots, or the installations, and those are the
22 things -- all eight criteria were what drove those particular

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1 installations into what you term, or what the joint cross-
2 service group termed, was military value, which was an
3 installation tiering of those five bases.
4 That information was used by them, then, in the
5 linear programming model that General Klugh was talking
6 about.
7 The costs were COBRA costs, and those were
8 developed for each one of those installations, using the
9 standard COBRA model, sir.
10 Now, help me with trying to enlighten you, if you
11 would.
12 COMMISSIONER ROBLES: Well, there are several
13 components: enormous up-front cost to close a depot, so you
14 went to the alternative of downsizing, and that gave you
15 better economics. I'm just trying to understand, because the
16 last time I looked at those numbers there were some numbers
17 there -- like the number of civilian personnel transferred,
18 et cetera -- that just were counterintuitive. And I'd like
19 to see --
20 GENERAL BLUME: Well, I've got -- if you would,
21 I've got Mr. John Beach here with me today, and John has done
22 some -- he has done some discussions with the Commission

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staff. He has addressed some of the questions, and maybe at this time it might be appropriate for him to sort of give an explanation of why so much difference between the Air Force posal, in downsizing, versus the other proposals, of sure. If you would accept that, then I would let him --

COMMISSIONER ROBLES: I don't want to tie up the hearing to do that, but maybe we can do that later on, maybe after the hearing.

GENERAL BLUME: Okay. Maybe I could explain it in just two elements. One is that the Air Force has been, for some time, trying to downsize and reduce its capacity in its depots, and has quite successfully done a great deal of that. There is still more out there, as we have determined.

But besides that one element, those depots are only one entity on those installations, and, as General Davis said in this chart that's still up right here, you can see the Air Force eliminates only 7 percent of those personnel, personnel being the big driver, as far as cost is concerned, and realigns 86 percent.

If you take Kelly, to move Kelly, take the depot out, move the depot infrastructure to the other depots, that's one thing. But there's a lot more at Kelly, as you

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well know, than just the depot -- product center; there's the Guard, the Reserve -- you know, a lot of other things that exist on Kelly Air Force Base.

That explains that, and I think, to some extent, because of the magnitude of the problem -- that is, the magnitude of the number of people on an Air Force installation which has a depot -- presents a significant and unique problem.

And that's why the Air Force -- one of the reasons that they looked to downsizing, versus trying to close that entire installation.

COMMISSIONER ROBLES: Thank you very much.

COMMISSIONER CORNELLA: Commissioner Steele?

COMMISSIONER STEELE: I'll just follow up on General Robles' questions for this round and move to the Navy in my second round. General Shane, I think you're going to get off the hook, as I predicted to you this morning. It's nice seeing you. I'll bet you wish all hearings were this easy.

Up-front costs -- if we could dig into that subject a little bit more, some of the assumptions that went into the numbers. Firstly, if 7 percent of the personnel -- only 7

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percent -- would be eliminated if there was a closure of the depot, I'm wondering, one, where that number comes from and if we're assuming that -- what is it, 86 percent -- of the personnel would have to be relocated, historically, how many individuals do relocate when you close installations? That seems extremely high, compared to past data that I've seen.

GENERAL BLUME: That number comes from your staff, and I would -- you know, maybe Mr. Beach could answer that, but I'm sorry. I'll have to take it for the record. If you prefer, he can do it afterwards.

COMMISSIONER STEELE: Well, if it can be addressed, it might be helpful if we could address it now. If you'd rather report back to us later, that's fine with me. Whichever you would prefer.

COMMISSIONER CORNELLA: It's our understanding that number comes from your COBRA run. It's what I've been informed.

GENERAL BLUME: Well, one more comment that may have a little light on it is that, even with the -- you know, certainly the depot portion of a large installation like -- only some of those people move. Those which are ciated with the core. A lot of the other civilians,

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1 certainly, do not move. Many of them stay and elect to
2 retire. Some are RIFfed. A lot of other personnel actions
3 relative to that population.
4 COMMISSIONER STEELE: So what number would you give
5 for a viable assumption of the number of personnel that would
6 move? Because that, again, drives the up-front assumption of
7 closing costs, because moving individuals is obviously very
8 expensive. Could you give us a ballpark figure?
9 GENERAL BLUME: I could, but I'm not sure how
10 accurate -- I'd rather get back to you on the record.
11 COMMISSIONER STEELE: Okay. That would be fine.
12 Secondly, infrastructure: same thing. The Air
13 Force assumed -- actually, perhaps you could tell me, because
14 I forget the number. What percent of infrastructure would
15 have to be physically moved or reconstituted within depots,
16 should a depot close?
17 GENERAL BLUME: What percent of infrastructure
18 would move?
19 COMMISSIONER STEELE: Right, the reason being --
20 GENERAL BLUME: The infrastructure would not move.
21 The infrastructure would -- now, there would be movements
22 within the infrastructure on a base. Those would not be BRAC

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1 moves. Those, as General Klugh was referring to a while ago,
2 may be like re ngineering. If you had, you know, one
3 production group in a building and you could move that
4 production group to another building, leaving that building
5 completely unoccupied, and then taking that building down,
6 either mothballing it, pickling it, whatever you call it, or
7 maybe destroying it, to reduce excess infrastructure, there
8 would be some of the things in the buildings -- that is, the
9 equipment and so forth -- certainly, that would move.
10 COMMISSIONER STEELE: That's what I'm getting at.
11 I believe the assumption was fairly high -- the number, what,
12 85 percent?
13 COMMISSIONER DAVIS: Chart 5.
14 COMMISSIONER STEELE: Chart 5, someone is telling
15 me.
16 Whatever percentage of the infrastructure -- we'll
17 find out in a second here; I don't recall the number -- would
18 actually move, if there is so much excess capacity at the
19 different depots, why would you need to replicate a function
20 where the tooling already exists somewhere else to do that
21 mission.
22 GENERAL BLUME: Well, you imply that a lathe is a

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1 lathe is a lathe. In many cases, that's not true. You have
2 some very expensive and special equipment, in some cases, to
3 work on aircraft parts, and in many cases, rather than to --
4 certainly to either divest yourself of that equipment, you --
5 certainly it would be cost-effective to move it to the new
6 location. Those types of things certainly should be moved.
7 COMMISSIONER STEELE: The Air Force, I gather,
8 plugged into the COBRA number a flat assumption of what would
9 move. Why didn't you look at the individual ALCs to see what
10 actually would have to move? Because it varies greatly
11 between the ALCs.
12 GENERAL BLUME: We did do that, and it has been
13 done, essentially, in the site surveys and the consolidation
14 work that has been ongoing and that we discussed with your
15 staff last weekend. That equipment -- special equipment and
16 things like that -- are identified, and the places that it
17 would go -- the things on a base, or in a depot, that would
18 be moved from one building to another. And those building
19 numbers, also, have been supplied, so that you would have an
20 idea, then, of, is the Air Force really downsizing and moving
21 and consolidating these things, or is it some mystical
22 process.

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1 No, we certainly agree, and we think that the plan
2 now is much more specific than the one that we were able to
3 give you before, because we've been out and we've walked the
4 walk.
5 COMMISSIONER STEELE: That begs the question. Why,
6 sir -- if you could help me on the process here, why would 85
7 percent of the Air Force's recommendation change between when
8 your report came to us and the meetings you've had with BRAC
9 staff that I haven't been privy to details of yet?
10 GENERAL BLUME: Well, I don't know where you get
11 the 85 percent. There are --
12 COMMISSIONER STEELE: Looking at the functions and
13 where they would relocate.
14 GENERAL BLUME: There are four of the original
15 functions where we had consolidations that have changed. One
16 of those has changed because it's called plating, and we --
17 quite frankly, I think we made an error there, because, if
18 you're going to do composites and plastics at McClellan Air
19 Force Base -- and that's going to be your center -- there is
20 chemical milling that needs to be done there, and I think we
21 overlooked that in our original estimate.
22 But that is really the only essential change in

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1 that entire -- the number -- if you recall, we had our BRAC
2 submission; we went out and did our site surveys, as best we
3 could; and we've come back to you, and we say, "There is no
4 change, except for that one, that we would essentially think
5 would be a refinement." We also said to your staff, "There
6 are a total of four, including that one, that probably could
7 be more effective if you would decide to look at it."
8 But that is the only reason that we would propose a
9 change: because it would be more cost-effective and probably
10 do a better job, if you would take a look at those. And we
11 would be glad to help you with that.
12 COMMISSIONER STEELE: One last quick question on
13 the up-front costs, and then a follow-up question regarding
14 measuring capacity. Thirty percent of the overall rating of
15 the bases in question was the ability to receive missions,
16 the different types of missions, at 25 percent each. Why was
17 there -- it appears there was not a measurement of current
18 collocated missions and how the closure of a depot, an ALC,
19 or a base would affect the costs versus efficiencies of
20 collocated missions at the different installations. That,
21 obviously, drives up-front costs, again.
22 GENERAL BLUME: It --

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1 COMMISSIONER STEELE: The synergy --
2 GENERAL BLUME: Yeah. I'm trying to get the
3 question, but I'm having difficulty.
4 COMMISSIONER STEELE: I can restate it.
5 GENERAL BLUME: Try, please.
6 COMMISSIONER STEELE: Pick your depot. Missions
7 that are located at Robins, Tinker, Kelly currently -- when
8 you visit those installations, you'll hear that those
9 missions are there largely because of the synergy of being
10 there with the ALC and the cost-effectiveness and how it
11 helps missions and operations -- all that stuff. Why, when
12 you looked at measuring and tiering the depots, was there not
13 a measurement of the missions that are currently collocated
14 on those bases? Why did you only look at the ability to
15 receive different operational missions?
16 GENERAL BLUME: I'll have to take it for the
17 record. I don't recall -- I'm trying to remember -- our
18 analysis, and I'd have to dig into my notes here to try and
19 go through the percentages.
20 But let me say, when we came back -- and this is on
21 the same line. Collocated missions, such as, let's say,
22 sheet metal, sheet metal being accomplished at all of the

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1 five depots, if I'm understanding --
2 COMMISSIONER STEELE: No, I don't mean functions,
3 depot functions.
4 GENERAL BLUME: Okay.
5 COMMISSIONER STEELE: I mean wings, whether it's
6 fighters, bombers, whatever -- different --
7 GENERAL BLUME: Different activities on an
8 installation -- is that what you're referring to?
9 COMMISSIONER STEELE: What are there, F-15s or 16s
10 at Robins? There's AWACS at Tinker. There's C-5s at Kelly.
11 GENERAL BLUME: Okay. They've got -- yes.
12 COMMISSIONER STEELE: The costs associated with
13 moving those missions, should an ALC close, should the Air
14 Force want to then relocate those missions close to an ALC,
15 if they chose to do so, or the efficiencies now of being at
16 that facility -- I obviously am not explaining this very
17 well. If anybody wants to help me out, feel free.
18 GENERAL BLUME: You mean like moving 141s to Robins
19 Air Force Base, as a base, and it would also be the ALC, and
20 so you'd have a wing of 141s at Warner-Robins, and the
21 activities would also be going -- the logistic activities
22 associated with the 141s would be going on there, too? Was

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1 there some cost associated with that?
2 COMMISSIONER STEELE: Why don't I try to readdress
3 it at a later point.
4 GENERAL BLUME: I've got a good expert here that
5 might be able --
6 COMMISSIONER CORNELLA: Why don't we save that one
7 for the second round.
8 COMMISSIONER STEELE: Actually, I don't think I
9 want to try that one again. I think that horse is really
10 dead.
11 (Laughter.)
12 GENERAL BLUME: I'm sorry, ma'am.
13 COMMISSIONER CORNELLA: What we'll do is -- thank
14 you, Commissioner Steele. And we'll move into the second
15 round at this point. We will run slightly past 12. I beg
16 your indulgence on that, but there are some questions that we
17 would like to have answered.
18 If I could have chart 1, please.
19 To achieve minimum excess capacity, it's the
20 recommendation of the joint cross-service group that two Air
21 Force depots be closed. Is that not correct, Mr. Klugh?
22 GENERAL KLUGH: One alternative suggested two

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1 depots, and one alternative we gave them suggested one depot.
2 COMMISSIONER CORNELLA: Could you read the names of
3 the two depots, please?
4 GENERAL KLUGH: Yes, sir. Alternative 1 suggested
5 San Antonio, as a depot, and alternative 2 suggested San
6 Antonio and Sacramento for further analysis.
7 COMMISSIONER CORNELLA: General Blume, if the Air
8 Force was faced with the closure of two depots, would those
9 be the two depots?
10 GENERAL BLUME: The Air Force's position,
11 certainly, as you know, is well stated. However, the Air
12 Force analysis was consistent with the joint cross-service
13 group.
14 COMMISSIONER CORNELLA: Thank you.
15 Chart 5, please.
16 General Blume, Secretary Widnall testified that a
17 depot closure is prohibitively expensive. We are interested
18 in understanding the relatively high cost that you estimated
19 for the closure of an Air Force depot. This chart, chart 5,
20 shows that the Air Force calculates a steady-state savings
21 from closing Kelly Air Force Base, with a base population of
22 19,104, to be just over half the cost of the closure of the

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1 Long Beach Naval Shipyard, with a base population of 3,891.
2 The reason for this is that the Navy estimates that
3 ing the Long Beach Naval Shipyard will result in the
4 ination of 44 percent of the jobs at the shipyard, while
5 Air Force estimates that the closure of Kelly Air Force
6 Base will result in the elimination of only 7 percent of the
7 jobs and that 16,415 of the jobs will be realigned to other
8 bases, resulting in moving costs alone of $160 million.
9 Why does the closure of an Air Force depot result
10 in the elimination of such a low percentage of jobs at the
11 depot, particularly compared to the closure of industrial
12 facilities in the other services?
13 GENERAL BLUME: In some ways, I think, I may have
14 already touched on this answer, sir, and that was the fact of
15 the makeup of the Air Force installation, because the Air
16 Force installation is a lot more than just the depot.
17 If you would, as far as the -- would you
18 consider -- I could defer to Mr. Beach, who may be able to
19 address this in more detail, with your approval, sir.
20 COMMISSIONER CORNELLA: I would like to move on, if
21 you don't mind. And I would like that for the record. I
22 would like the answer of Mr. Beach for the record.

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1 GENERAL BLUME: All right.
2 COMMISSIONER CORNELLA: General Blume, assumptions
3 drive closing costs and savings calculations. I understand
4 that almost all of the savings in the depot downsizing option
5 come from a 15 percent re ngineering factor, which assumes
6 personnel savings of approximately 15 percent based on
7 increased efficiency in certain depot operations as a result
8 of the downsizing plan. Is that accurate, sir?
9 GENERAL BLUME: Yes, sir, that is accurate.
10 COMMISSIONER CORNELLA: Let's focus on three key
11 mptions that the Air Force made in determining the cost
12 ose one of your depots: first, that only 7 percent of
13 personnel positions would be eliminated; second, that the
14 closure would take six years; and, third, that no personnel
15 savings would be achieved until year 6. Changing these
16 assumptions can have a dramatic effect on the projected
17 savings.
18 This chart -- chart 6, please -- uses the Air Force
19 COBRA and changes a few of these assumptions. I'll give you
20 a moment to study the chart.
21 General Blume, if you assume the same increased
22 efficiency from a depot closure and calculated a 15 percent,

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1 instead of a 7 percent, personnel savings, the one-time
2 closure cost would be 572 instead of 582 million dollars, and
3 the annual steady-state savings would be 154 million, versus
4 the 76 million.
5 Change the personnel savings to 25 percent --
6 significantly less than what the Navy calculates from the
7 Long Beach Naval Shipyard and less than half of what the Army
8 calculates from the closure of the Red River Depot -- and
9 phase the closure over four years, the annual savings from
10 closing the depot rise to $244 million, and the net present
11 value rises to more than $2.7 billion.
12 What is your reaction to that analysis, sir? And I
13 know you haven't had a lot of time.
14 GENERAL BLUME: I certainly don't disagree with the
15 analysis, but what I would say is the Air Force, I think,
16 took a very learned -- they used experts in this field to
17 develop those percentages and the years to close that the Air
18 Force used. Are those -- you know, they certainly don't
19 ve the best numbers, from one perspective. Are they the
20 numbers? As far as the Air Force is concerned, we feel
21 they used the appropriate numbers, sir.
22 COMMISSIONER CORNELLA: Did your joint cross-

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1 service group, General Klugh, do any kind of independent
2 analysis of the Air Force's calculation on the cost to close
3 one of its depots? And, if so, do you conclude that their
4 assumptions about positions eliminated and the time to carry
5 out the closure were appropriate, even though they differed
6 significantly from the estimates of the other services?
7 GENERAL KLUGH: Mr. Chairman, we received the Air
8 Force data some time after the 10th of February. There was
9 not sufficient time to analyze that data, requiring
10 additional data calls, so we did not, as a joint cross-
11 service group, analyze that data. That was too close to the
12 submission.
13 And so we rely on the Air Force recommendations.
14 It just wasn't sufficient time..
15 COMMISSIONER CORNELLA: And I apologize. I think
16 you had answered that question earlier.
17 General Shane, please explain the Army's
18 assumptions which drive the number of positions which will be
19 moved, versus those realigned.
20 GENERAL SHANE: I think the first assumption that
21 the Army made was the fact that major savings come from
22 personnel eliminations. The second assumption comes in

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1 reduction of infrastructure, which basically says that, when
2 you look at repair and maintenance and base operating
3 costs -- we looked at approximately 30 percent of savings.
4 And there's some other savings that you need to look at.
5 So that's basically what we were looking at. We
6 were looking at either closure or realigning the depots.
7 COMMISSIONER CORNELLA: General Klugh, have you had
8 time since to analyze those numbers that we were talking
9 about earlier -- since the --
10 GENERAL KLUGH: Speaking of the Air Force numbers?
11 COMMISSIONER CORNELLA: Right.
12 GENERAL KLUGH: No, sir, we did not.
13 COMMISSIONER CORNELLA: You have not made any
14 attempt to analyze that?
15 GENERAL KLUGH: We did not. The process was,
16 moving from about the middle of February, to provide the
17 information to the departments' BRAC office and provide that
18 data on to the Commission. So we did not really analyze that
19 data.
20 COMMISSIONER CORNELLA: Mr. Nemfakos, in 1993, the
21 Navy recommended closure of three of the six naval aviation
22 depots. When do you expect to have each of the three

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1 facilities closed?
2 MR. NEMFAKOS: They're in various stages of
3 closure, Mr. Chairman. I would say that, by the end of the
4 following fiscal year, all activity will be over at those
5 three depots and the work load will be completely moved.
6 What is there now is the residual, as we move work load from
7 depot to depot, both in-house, in the Department of the Navy,
8 but also to Department of the Army activities.
9 COMMISSIONER CORNELLA: It was projected that there
10 would be annual recurring savings of over $230 million. Do
11 you expect to attain those savings?
12 MR. NEMFAKOS: Mr. Chairman, as I indicated to
13 Commissioner Montoya, the best we have right now are the
14 budgetary estimates of savings, because we haven't realized
15 full return costs. But what we're seeing is that we're going
16 to come very close to those estimates that we made in the '93
17 round of base closure.
18 COMMISSIONER CORNELLA: Mr. Nemfakos, the joint
19 cross-service group offered an alternative, to close the
20 Jacksonville aviation depot. Did the Navy assess this
21 alternative?
22 MR. NEMFAKOS: Yes, sir, we did. We tried,

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1 wherever we felt there was a meaningful technique, to analyze
2 all the joint group alternatives that they recommended to us,
3 to look at it.
4 We did look at Jacksonville. Very frankly, when
5 one considered the costs of moving the various work load
6 there to several different activities and, secondly, the
7 problems that we would have at a major fleet concentration
8 without a significant depot capability, either a shipyard or
9 an aviation depot, and then compounded it with the ability
10 that we had to move something between 250 and half a million
11 direct labor-hours of work out of the technical centers into
12 the aviation depot in Jacksonville; and, in addition, in
13 looking at our operational activities, create in the Mayport-
14 Jacksonville area a concentration of all of our ASW aircraft
15 types, it was our view that Jacksonville needed to be
16 retained.
17 COMMISSIONER CORNELLA: If Jacksonville was closed,
18 where would the Navy be able to get their engine work done,
19 or would they be able to?
20 MR. NEMFAKOS: Well, the Navy currently, sir, has a
21 lot of its engine work being done at Air Force depots. We
22 have, I think, in the aviation world -- I don't know the

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1 exact numbers, but I think right now the Department of the
2 Navy has almost 25 percent of its aviation depot work done at
3 non-Navy activities. So we would do that.
4 As you know, for example, the TACAMO aircraft are
5 not only completely supported at Tinker Air Force Base but
6 are operationally based there. So we would end up moving
7 work to a variety of different activities. Our problem would
8 be that we would completely deprive a fleet concentration of
9 a much-needed depot capability, and we would have to find an
10 alternative home for the almost one-third of the work load in
11 that depot which is direct fleet support of the carrier
12 battle groups operating on the Atlantic side.
13 COMMISSIONER CORNELLA: Thank you.
14 We'll proceed to Chairman Dixon.
15 COMMISSIONER DIXON: Thank you, Mr. Chairman.
16 May I have chart 5 again?
17 General Blume, frankly, staff has considerable
18 trouble with the numbers suggested by the Air Force in
19 connection with job eliminations. In all candor, we find it
20 difficult to figure out how the Air Force's situation is so
21 dramatically different from the Navy and the Army, in what
22 has been suggested on that chart.

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1 I've heard your testimony, and I understand what
2 you're saying about other facilities being present where you
3 have depots, and I get that point, but, getting back to just
4 Air Force -- Kelly Air Force Base -- on that chart, I think
5 you show 19,000 there, but there's at least 9,000 or so, I
6 think, at the depot, is there not?
7 GENERAL BLUME: I think there are --
8 COMMISSIONER DIXON: You can help me on that
9 number.
10 GENERAL BLUME: Well, there's a notional that an
11 ALC has something in -- I think something --
12 COMMISSIONER DIXON: Well, let's take a figure of
13 9,000, unless I'm terribly off the mark.
14 GENERAL KLUGH: Mr. Chairman, we do have the
15 information that you've asking for, the percentage of people
16 that are depot, and will be happy to provide it. But in that
17 case, it was about 7,000.
18 COMMISSIONER DIXON: Seven thousand?
19 GENERAL KLUGH: Yes, sir.
20 COMMISSIONER DIXON: Okay.
21 GENERAL BLUME: It depends on the terminology, sir.
22 It was like 9,000 for the ALC, which is significantly more,

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1 but then something like -- around seven or so for the depot.
2 COMMISSIONER DIXON: But if I confine it just to
3 depot, General, because we'd like to get simplistic about
4 this, are you still suggesting that your figures are as far
5 off the mark as those other figures, which raise, you know,
6 considerable questions for us?
7 Where the other services are suggesting anywhere
8 from the middle 40s to the low 60s in job losses, you're
9 suggesting 7 percent. It's hard for us to accept that,
10 unless you can show us something particularly unique and
11 special. And we need to ask you to do that, because we're
12 frank to say our people have been to your shop, and we don't
13 come back with the view that we have that.
14 Are we missing something? You need to tell us if
15 we're missing something.
16 GENERAL BLUME: Well, we'll be glad to get with
17 your people, certainly, to try and clarify this.
18 COMMISSIONER DIXON: But you understand, if I may
19 interrupt -- please accept my apology. I don't mean to
20 interrupt, but when my friend, the chairman, suggests that 25
21 percent figure -- may I have chart 6 now?
22 Bear in mind, General, the others are talking from

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1 43 percent, 44 percent to, I think, 63 percent. When my
2 friend the chair says to you, "Take 25 percent," you are way
3 lower on your numbers. You see that.
4 GENERAL BLUME: I certainly do.
5 COMMISSIONER DIXON: Admittedly higher than your 7,
6 General. I don't mean to quarrel with that, but you're at a
7 number somewhere in the middle there.
8 I want staff to correct me if I'm wrong in my
9 understanding of this, because this commissioner doesn't
10 suggest any special expertise, but I'm told the other
11 services are saying to us two or three years to get the job
12 done, and you're saying six. Appreciate the fact they're
13 larger, but we're saying, if you take four and you take 25
14 percent, look at the difference in those numbers. You get a
15 dramatic increase, a quantum leap, almost three and a half
16 times the numbers.
17 So you see the problem. We're talking about, you
18 take a couple of basic numbers, and you make a fantastically
19 different result. This is what troubles us, because we don't
20 understand it.
21 GENERAL BLUME: I understand. One thing, though,
22 that doesn't change up there very much, and that's the cost.

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1 The cost, sir, stays about the same, and it's that up-front
2 cost that is, essentially, the problem. It's not how much
3 you're projected to save. I mean, certainly, that is an
4 important element, but the Air Force position, the Air Force
5 decision -- the DOD decision -- actually comes from that up-
6 front cost.
7 COMMISSIONER DIXON: Well, I respect that, and I
8 understand what you're saying, and I concede that. The costs
9 remain relatively stable, but you can look at the value, and
10 you jump from a relatively -- I'm almost hesitant to say
11 "insignificant amount," but as a man who spent 12 years in
12 the Senate I'll take the change -- and you jump to a pretty
13 substantial amount on the numbers. Look at the savings.
14 It's a tenfold savings.
15 GENERAL BLUME: That's right. But if you consider
16 the downsizing proposal, which was originally 183 and has
17 since been -- the number been -- $183 million up-front cost,
18 versus the significant savings there. I think the comparison
19 between these closure alternatives and the downsizing
20 proposal makes an awful lot of sense for the downsizing
21 proposal, sir.
22 COMMISSIONER DIXON: Well, I would greatly

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appreciate it if your folks could spend a little more time with our folks on that. Candidly, we're having a little trouble reconciling those numbers. Now, I don't mean to rrel with you about the nature of it. I don't quarrel you at all on the one-time costs in the front. You w, we accept that, and we have no reason to argue with you about it at all.

GENERAL BLUME: We have discussed the downsizing with your staff. These closures alternatives, though -- we need to get together, to explain this to them.

COMMISSIONER DIXON: I greatly appreciate it, because there is not, apparently, a satisfactory understanding on our side of what you're trying to tell us there. And I don't mean to suggest that there is anything the matter with the numbers, but you would agree there is a dramatic difference in the numbers -- a dramatic one, you see.

GENERAL BLUME: And it would be even more dramatic if you went to 50 percent and two years.

COMMISSIONER DIXON: Yes, sir.

GENERAL BLUME: Being realistic, though, sir --

COMMISSIONER DIXON: Well, I'm not even arguing the

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best-case scenario. You understand that. I'm arguing a fairly moderate-case scenario.

GENERAL BLUME: Yes. And let me tell you that, in my experience -- and I was the center commander at Lowry, at a closure base -- two years, or three years, as the potential closure of a facility like -- and I had a lot of big, heavy equipment that we had to move, also. I was only there for two years, from the other BRAC round.

But let me tell you, I would not like to be the commander of one of these big installations and try to move it out in a cost-effective manner in three to four years. I k it would be -- personally, I think it would be an olute disaster.

The Air Force proposal gives you a lot more lexibility and slack, as far as moving equipment, work load, from one facility to the other. When you downsize one of these installations, not only is it a big cost to pay, it's a big amount of turmoil, as far as a large population of people, not only the civilians that are there, but also the military.

COMMISSIONER DIXON: Thank you, General.

GENERAL BLUME: Yes, sir.

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COMMISSIONER CORNELLA: Thank you, Chairman Dixon.

Commissioner Cox?

COMMISSIONER COX: Thank you.

Mr. Klugh, I hope you'll forgive me if I express a little bit of frustration. In 1993, we had hoped to do some cross-servicing, some consolidation. That was not possible, with the possible exception of Letterkenny, where we at least consolidated the missiles that you're now recommending that we change. And we put some particular language in the bill that said -- in the report that said -- we wanted to have cross-servicing more formally studied by the Department of Defense the next time around, and that's the process that you all have been through.

Now I guess what I'm hearing -- and I think it may be a process problem, and I guess I'm looking for some advice on a future cross-servicing study, if that's where we go -- is that, for a variety of reasons, partially because you didn't get the data until too late to look at it, you all spent a lot of time and a lot of effort and made a number of proposals, some of them in the alternative, which went out to services. Looking at the first chart, they were ntially ignored.

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Because you didn't -- couldn't -- relocate costs and couldn't relocate military value, given the time that you had, you're now testifying that those decisions were fine -- and they are fine. I don't mean that that way. But you all didn't seem to have the ability, given that current process, to make a difference on cross-servicing.

And maybe the answer is, there shouldn't be cross-servicing, but it's frustrating to me that this process has ended up in such a way that we really didn't make any more progress -- in fact, we seem to be going backwards -- from cross-servicing in 1993. Maybe I'm wrong, but maybe you could tell me where there are -- maybe there are a couple of areas that you felt like you really did make a difference, or -- and I'd also like to know if there is one area, let's say, where you felt like the work you've done should have been given more authority by either the Department of Defense or the services.

GENERAL KLUGH: Well, I would say to you, Commissioner Cox, that since BRAC '93, we have continued emphasis on interservicing, picking up on the criticism that we received at that time, and we established a process in the Department of Defense by which to do that, through a

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Department of Defense depot maintenance council.

Since the effort by that group, we have achieved about 2.8 million direct labor hours as interservicing. And I will provide a list of those, and the hours, for the record. But some of the very significant work, other than the missile, that was directed in '93 has to do with tanks, has to do with helicopters, has to do with various engines, even core work. The F&A-18 was interservice to the Air Force -- some of the work on the F&A-18.

Of that approximately 2.8 million hours that have been interserviced, the leading depots right now are the Navy's at Cherry Point, Letterkenny, Corpus Christi, Oklahoma City Air Logistics Center, and San Antonio. At Corpus Christi, we are able to fill it up to its capacity.

One of the reasons we couldn't address closure, in our group, of Cherry Point was there wasn't sufficient capacity to handle the rotary-wing aircraft, and that became a show-stopper. But we interserviced to Corpus Christi to the extent that the current capability would allow.

We also were able to accomplish something else -- we were focused on saving dollars -- and that is reducing the number of places that we do things. We were able to reduce

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the number of places to one within the military departments easier than we were across the services because, as you point out, we didn't get to that stage in the -- near the end of our process.

In the Army we reduced to 28 places -- 28 things -- done at one place; in the Air Force, seven; and in the Navy, nine -- about 34. That's a significant effort, and it relates to interservicing, in that it reduces the number of locations where you have to maintain people and skills to actually do work.

COMMISSIONER COX: A lot of -- I guess maybe what you're saying -- and I certainly don't disagree -- that a lot of it has been done outside the BRAC process, which is good.

GENERAL KLUGH: That's correct.

COMMISSIONER COX: But I guess what I'm looking at: when we had that first chart up there that showed your various recommendations or alternatives, versus the DOD recommendation, within this process, essentially none of those recommendations were taken. The -- let me just leave it at that.

Is there one of those recommendations that you feel should have been given more weight?

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1 GENERAL KLUGH: In addition to just the depot
2 activity for a realignment, a closure, along with that were
3 recommendation of interservicing or transferring work. We
4 really did not get to issuing the alternative variance during
5 the month of January -- December and January -- as we had
6 hoped.
7 Is there an opportunity there for interservicing?
8 Yes, there is, because there still is excess capacity in each
9 one of the military departments. That depends, however, on
10 the commodity.
11 Now, we do have the best data, and we know where
12 the work is now, and we know what the capabilities are, in
13 terms of capacity, so the process of continuing on after this
14 BRAC to do interservicing is in place, through the Defense
15 Depot Maintenance Council.
16 COMMISSIONER COX: Assuming there is a new statute,
17 would you, for the record, recommend a process that would
18 allow you the data earlier in the process, to relook at some
19 of the stuff once you've made recommendation to the services
20 and it's been dealt with by the services?
21 GENERAL KLUGH: There's no question that, for the
22 process to work better, there should need to be time where

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1 the interaction -- the process was an iterative process
2 between the OSD joint cross-service group that had service
3 representation and the various BRAC activities within the
4 military departments. We did not have time for that process
5 to be exercised fully at the tail end of our process.
6 COMMISSIONER COX: Right. I'm sorry. I had some
7 other questions for the record. If I could just submit them.
8 COMMISSIONER CORNELLA: Sure.
9 COMMISSIONER COX: Thank you.
10 COMMISSIONER CORNELLA: Commissioner Davis?
11 COMMISSIONER DAVIS: Thank you, Mr. Chairman.
12 In the interest of time, I'd ask, General Blume,
13 could you help us understand better -- go back to the staff
14 and ask them to submit -- give us the core function of each
15 depot -- you know, depot by depot? In words, electronic
16 warfare, aircraft engine.
17 GENERAL BLUME: We can do that.
18 COMMISSIONER DAVIS: And then probably the quickest
19 way -- and also the aircraft, getting to Commissioner
20 Steele's question -- the aircraft that are associated with
21 those F-16s at Hill -- provide us the --
22 GENERAL BLUME: I understand.

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1 COMMISSIONER DAVIS: General Shane, you've had it
2 far too easy. It's your turn now. And I'd like to go back
3 to this -- I really need you to help me understand. I asked
4 General Klugh about their initial recommendation of
5 decentralizing tactical maintenance, and then, of course,
6 approve the Army plan to centralize it. I'm not sure how
7 sending the tractors one place, the disassembly to another,
8 and the avionics maintenance is centralization, although it's
9 probably within a 300-mile drive, given where they're
10 located.
11 In your going to a centralization concept, did
12 you -- can you explain that to me? And then the last part of
13 that question would be, did you look at any other facilities,
14 like putting it all at Anniston, putting it at Barstow, or
15 putting it out at, say, the Air Force's missile area at Hill
16 Air Force Base?
17 I'm a little confused, and I know you can clear it
18 up in a very short period of time.
19 GENERAL SHANE: Commissioner Davis -- General
20 Shane -- I'll try. Can you hear me?
21 The first thing I'd like to say is the fact that I
22 was here when -- I listened to GAO report on Letterkenny --

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1 specifically Letterkenny -- and that recommendation. If you
2 look at that -- and we talked to them -- there's two things
3 that came out clear on that. One, there was concern -- and I
4 want to ensure you that the Army had that concern, likewise,
5 with regards to the '93 commission's finding and
6 recommendation -- and, two, there were varying opinions with
7 regards to whether we did or did not support that
8 recommendation from the '93 commission.
9 What the concept calls -- first, let me say that
10 it's not an issue of ammunition storage. It's really an
11 issue with regards to transfer of work load, with regards to
12 electronics. This debate is going on now, trying to figure
13 out exactly what the degree of that is, but what you really
14 get here is the fact that, still, the centralized concept
15 with regards to the tactical missiles -- is the fact that it
16 still goes to Letterkenny.
17 The difference is the fact that we disassemble it
18 now. We'll get that in various parts, so what we've planned
19 to do is to simply reduce the work load that is currently
20 being done at Letterkenny and just ship it down the road to
21 Tobyhanna, who is really the experts and has the equipment
22 and the facilities and the capacity to accommodate that work

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1 load.
2 When I looked at that, I felt like that was still
3 keeping in the spirit of the '93 commission, so we're just
4 disassembling and sending it down the road. I see no change
5 to that, as we pursue that.
6 The thing that drive the Army, with regards to that
7 concept, sir, was the fact that, when you look at it with
8 regards to was to save money for the Army, it provided -- and
9 it's laid out here in the chart -- a substantial savings,
10 with minor costs. And we felt like -- and I got varying
11 opinions from the legal people with regards to were we will
12 consistent with the intent of the '93 commission.
13 So that's what we're kind of looking at.
14 With regards to did we look at the work packages
15 that we got from the other services with regards to parceling
16 that out, the answer to that is yes, and it was a twofold
17 answer. One is, we felt like it was not -- if you sent the
18 tactical missile guiding systems to another service, like
19 Ogden or Barstow or wherever, you were then definitely not in
20 support of the '93 commission, because that is truly
21 decentralizing, back to where we were in '91.
22 The second is the fact that, when we looked at

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1 those alternatives, there was no cost savings that could be
2 recognized by the Army. It was cheaper to do it the way we
3 did it. And we worked with the joint cross-service group to
4 come up with the most costly-efficient process.
5 COMMISSIONER DAVIS: Thank you, Mr. Chairman. In
6 the interest of time, I yield the rest of my time.
7 COMMISSIONER CORNELLA: Thank you, Commissioner
8 Davis. Commissioner Montoya?
9 COMMISSIONER MONTOYA: The first question is on
10 behalf of my colleague, Commissioner Kling, who has this
11 question for General Blume: Apparently, two years ago, the
12 then-DAS -- deputy assistant secretary -- for installations
13 for the Air Force advised the commission that, if we chose to
14 close a major Air Force depot, it should be McClellan. And I
15 quote: "Not only can closure be accommodated within the DOD
16 cost and payback guidelines, but it was also lowest ranked of
17 the five major depot bases." And the question is, if the
18 cost to close was not prohibitive in '93, why is it now, when
19 it appears the costs today are lower than they were
20 calculated back then?
21 GENERAL BLUME: Well, I think, sir, that you have
22 to put it in perspective, that things are changed to a good

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extent in two years. The Air Force budget -- the DOD budget -- has continued to go south. There is a significant difference. Hopefully, we're approaching the bottom of the trough.

I am not exactly -- I was not aware of the comment that you made, or that was made. However, every BRAC is different. Quite frankly, I think our costing is probably better today than it was then, even though -- I think our analysis, quite frankly, is better and was better on this particular BRAC. Certainly, Mr. Boatright, who has been through all of these, is more knowledgeable of this than I.

But I would say that I think the Air Force proposal -- our analysis bears up our proposal. It bears up the DOD position in this case.

As far as the cost differential, I would have to go back and look, sir.

COMMISSIONER MONTOYA: If you have any more substantive data that compares the two, I'd like to have you submit that. On McClellan, specifically, what has changed -- just a general question of what has changed between then and now -- better estimating, environmental issues, change in work load and therefore costlier --

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GENERAL BLUME: Well, I don't think environmental piece would have been considered in either one, sir, so it would be a relative case, and we will take a look at that.

COMMISSIONER MONTOYA: Okay.

My own question, for Mr. Nemfakos -- it ought to be pretty straightforward -- I think you answered this before, in a previous hearing, but let me ask again. To determine nuclear capacity, did the Navy consider the capacity for both maintenance and refueling at Newport News Shipbuilding and Electric Boat -- refueling, i.e., for submarines?

MR. NEMFAKOS: No, sir. Consistent with our practice in every round of base closure, what we looked at was the government's capability to perform the necessary work, as provided for by the force structure plan in the year 2001, in this case, and the budgets at that time.

COMMISSIONER MONTOYA: A follow-on: is there a potential for private nuclear yards to do nuclear submarine refueling, as they do aircraft carrier refueling, apparently?

MR. NEMFAKOS: There is certainly the potential, if you want to facilitize and bear those kinds of costs -- if you want to train the personnel. I don't mean to suggest that there are radical differences, but it is a substantially

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different industrial enterprise, and -- one could certainly do that, but in our process what we looked at was the government's capability to perform work.

COMMISSIONER MONTOYA: Thank you.

MR. NEMFAKOS: Yes, sir.

COMMISSIONER MONTOYA: Thank you, Mr. Chairman.

COMMISSIONER CORNELLA: Commissioner Robles?

COMMISSIONER ROBLES: This normally would be directed to you, General Blume, but I'm going to deflect it over to General Klugh, because I recall -- it was yesterday -- and it's a follow-on to Admiral Montoya's question -- that in February of 1993 I was still in the Pentagon, and McClellan was on the list to close, and the Secretary of Defense pulled it off. And there is no secret there.

And again, I'd be very interested, at that time, why the decision was made and how that decision factored. Did you review this decision? Obviously, last time it was kicked upstairs and the decision made. This time, as I understand it, it was kicked downstairs, and the Air Force made the decision. Why didn't you all get involved this time, since it's clearly a subject of high interest?

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GENERAL KLUGH: We did not look at the BRAC '93 decisions and what went into that decision, Commissioner Robles, as we addressed it. We did this purely on the analytical process and determined potential closures and sent those down.

The ranking that the Air Force provided us on military site value was pretty high, as far as Sacramento was concerned. I remember the figure -- they ranked it two ways, one as an installation, and then they ranked it as a depot activity on that installation. And I believe that, in their 1, 2, 3 process, they ranked that depot, as they submitted it to us, number 1.

So we considered, one, the input, and we considered the direct labor hours, the excess capacity, and the uniques that are being done at various bases. But it wasn't uniques that played a role in Sacramento. It was the analytical process and the work load shifts.

COMMISSIONER ROBLES: General Blume?

GENERAL BLUME: Commissioner Robles, let me comment and make a correction. These analyses were done almost simultaneously, and they were both done analytically, not looking back at the '93 commission.

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I've got a copy, for the record -- as a matter of fact, it's already in the record. This was provided, and it was in the DOD submission.

But, just to clarify it, that in the installation tiering -- because we didn't know exactly what form the joint cross-service group wanted this information, but in the third tier -- let's say good, better, and best -- in the good tier, the lowest tier, for installations, there was Kelly Air Force Base and McClellan Air Force Base, ranked together.

As far as the tiering for the depot asset at those installations -- good, better, and best -- the lowest tier was Kelly Air Force Base. This came out of Air Force analysis. This analysis essentially, quite frankly, should have come out about the same as the joint cross-service group, because we mirrored their functional value analysis.

COMMISSIONER ROBLES: And I appreciate the fact you didn't look back, but we're asking you, when you're submitting this additional data, to look back and tell us how a tier 3 base has a tier 2 depot on it and what has changed in that whole analysis. Because, I mean --

GENERAL BLUME: I understand.

COMMISSIONER ROBLES: -- again, some things are

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counterintuitive. What changed?

And please, if there is any -- if there were new, additional missions that were added or new factors that were added this time in the military value ranking and the other ranking, please submit those.

GENERAL BLUME: I think what we will find, again I would say, is an improved analytical process.

COMMISSIONER ROBLES: Finally, General Shane, I need to ask this just from an old -- like I said, the issues are the same, the numbers are just bigger.

The Army plans to transfer ground vehicle work load from Letterkenny to Anderson, but none of the personnel authorizations are being realigned, or at least that's as I understand it. My question is, how can this be done? How do you transfer work load without -- do you have that much excess capacity at Anderson to do ground vehicle maintenance so that you don't have to transfer any personnel?

GENERAL SHANE: That's correct. There is substantial excess capacity there to do that.

COMMISSIONER ROBLES: Okay. Thank you.

COMMISSIONER CORNELLA: Commissioner Steele?

COMMISSIONER STEELE: As promised, only one last

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1 question in the Air Force category, on ALCs. Regarding
2 maximum potential capacity, the chairman asked a question at
3 the beginning of the hearing about that. I just wanted to
4 clarify it for myself.
5 I know it's measured on a single shift, versus two
6 or three shifts. My question is, what year are we using for
7 single-shift capacity: what we're currently doing, what we
8 did in '91 or '88, when it was at a peak?
9 GENERAL KLUGH: The joint cross-service group did
10 base the analysis on one shift, 40-hour week. We based it on
11 the current program funded work load for year of 1999.
12 COMMISSIONER STEELE: Thank you.
13 Switching to Navy, the GAO mentioned this morning
14 that, though they didn't see substantive data to back it up,
15 they felt that the Navy looked at private-sector shipyard
16 capacity on the West Coast when analyzing decisions, and
17 they -- I believe they were either uncertain or they didn't
18 think the Navy looked at the private-sector capacity at all
19 on the East Coast. I just wondered if you could address the
20 private-sector shipyard capacity.
21 MR. NEMFAKOS: Commissioner Steele, I,
22 unfortunately, was busy answering the request for information

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1 and wasn't here to listen to the GAO testimony. I hope what
2 they meant to say was that, in making its decision on Long
3 Beach Naval Shipyard, the Department of the Navy had a good
4 understanding of the private-sector capabilities, dealing
5 with the issue, would there be support for non-nuclear work
6 of surface ships in that particular area.
7 We did not analyze private-sector capacity on the
8 West Coast, just as we didn't analyze private-sector capacity
9 on the East Coast, in the context of, here's how many labor
10 hours of capacity they have.
11 It was an issue of asking ourselves the question,
12 if we close Long Beach Naval Shipyard, the work that has to
13 be done in the local area -- is there a capability to do the
14 work in the local area. And that was it.
15 And our assurance was based on the fact of the very
16 successful record of the private sector in competing in
17 public-private competitions for surface ships in that area.
18 COMMISSIONER STEELE: Okay. This doesn't take into
19 consideration private-sector capacity -- this question -- but
20 the COBRA for shipyard scenarios that you ran on the
21 alternative 1 indicates that virtually all of Portsmouth's
22 work load can be moved to Norfolk for a cost of $100 million.

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1 Since the COBRA predicts annual recurring savings,
2 from closing Portsmouth, for $150 million, does this suggest
3 that you ran that scenario -- that there wasn't a requirement
4 to retain Portsmouth? Or does this suggest that, even though
5 the savings would be very great by closing Portsmouth, the
6 fact that the Navy chose not to do so was that there wasn't
7 the capacity to absorb those missions, or what?
8 MR. NEMFAKOS: If I can say it in my own words, we
9 looked at the closure of Portsmouth Naval Shipyard, and as
10 you can see, consistently throughout our entire process, any
11 time we close a major industrial activity, the savings,
12 particularly the 20-year net present value, is exceptionally
13 high.
14 The decision on Portsmouth was not because it
15 didn't pay off, because we could, with relatively small
16 costs, move the work to other activities.
17 The decision was, as both the Secretary and the
18 Chief of Naval Operations testified in our opening hearing, a
19 decision looking at future naval operations and the
20 requirement to have retained in service certain types of
21 submarines through refueling, as opposed to defueling.
22 Then, when one looked at the margins of

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1 flexibility, if one also closed Portsmouth, particularly in
2 line with changing a decision from defueling to refueling, it
3 was our judgment that we should maintain Portsmouth to give
4 ourselves that operational programmatic flexibility.
5 COMMISSIONER STEELE: Okay. Thank you. I know
6 we're meeting with the Navy, some of us, anyway, tomorrow
7 morning on that subject, because that fell into the
8 classified category. So I'll leave that one be for now.
9 The last question is from Senator Santorum, and he
10 asks, "In your depot analysis, was Hill Air Force Base
11 considered a potential consolidation candidate for tactical
12 missile consolidation currently being conducted at
13 Letterkenny Army Depot?"
14 GENERAL KLUGH: Yes, Commissioner Steele. We did
15 look at the Ogden Air Logistics Center capability, and some
16 of the things that come to mind there is that the capability
17 to do the ancillary equipment, the ground support vehicles
18 and ground support functions must be done as well.
19 And with the investment already made and with the
20 movement to consolidation at Letterkenny, we determined, in
21 the Joint Cross Service Group, that the option of
22 consolidating to Hill was not the preferred option.

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1 Now, we also believe that privatization of tactical
2 missile is very appropriate. You know, once you fire one of
3 those, you don't want it back for depot maintenance, is the
4 way we talk about it in Joint Cross Service Group, so
5 tactical missile being core but still, with the line
6 replaceable units and where the state-of-the-art in
7 maintenance is today, privatization of tactical missiles is
8 an option, and we're looking at that.
9 And I would ask you to look at that. So rather
10 than stomp the consolidation now at Letterkenny and the
11 technical components being done by a very efficient capable
12 depot to do that kind of work, that perhaps the future toward
13 privatization, not consolidation to another organic depot.
14 COMMISSIONER STEELE: Thank you very much, and I
15 have no further questions.
16 COMMISSIONER CORNELLA: Thank you, Commissioner
17 Steele. It's been the practice of the Committee to accept
18 questions for members of Congress, and I have one such
19 question. I will not read it. It's from Congressman Chris
20 Smith of New Jersey to Charlie Nemfakos. I would ask that
21 you submit an answer in writing both to the congressman and a
22 copy to the Commission for our records. We will provide that

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1 to you after the hearing.
2 MR. NEMFAKOS: Yes, sir.
3 COMMISSIONER CORNELLA: The other thing we would
4 ask you to do is to take a look at this chart -- you don't
5 need to put it up -- that's been prepared by BRAC. Did you
6 receive a copy of it?
7 GENERAL KLUGH: No, we did not.
8 COMMISSIONER CORNELLA: All right. We will provide
9 you a copy, and if you could make comments regarding this
10 chart and submit them to us for the record, we'd appreciate
11 that, and with that, I thank the distinguished panel for the
12 time that they have spent with us here this morning. I
13 apologize -- go ahead.
14 GENERAL KLUGH: Could I have one last --
15 COMMISSIONER CORNELLA: Absolutely.
16 GENERAL KLUGH: That the whole area, Mr. Chairman,
17 of privatization that we didn't get into, I would say that
18 even beyond tactical missiles that there is an opportunity to
19 due privatization in a greater way.
20 As far as the capacity, and you asked some
21 questions about that, we do have some charts, I think, will
22 provide really specific information as to what the end state

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of this BRAC by military department and provide commodity that --

COMMISSIONER CORNELLA: We would appreciate that. Anything you can provide us we would appreciate that.

GENERAL KLUGH: And the other thing is, sir, that this is pretty hard. The end state of what you give us is going to be hard and a challenge, we all know, to implement.

My request would be to try to avoid conditional situations and where possible provide clear language as to what you really intend to do. In the past BRAC, they've been left kind of vague, and we have had some instances of conditional approaches, and my request would be to try to give us some insight that might make it a little easier.

COMMISSIONER CORNELLA: I agree with you completely, and we'll make every effort to comply with that request, General, and I thank you for your time. I know many of the others will be joining us this afternoon, so I especially thank you, sir. With that, we will break for lunch, and we will reconvene at 1:00 p.m. sharp. Thank you.

(Whereupon, at 12:20 p.m., a luncheon recess was held.)

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AFTERNOON SESSION

(1:00 p.m.)

COMMISSIONER DAVIS: Good afternoon, ladies and gentlemen. Welcome to our afternoon session. I'm General J.B. Davis. It's my honor to chair this portion of the hearing, and I do it with some trepidation, because Senator Dixon is such a great Chair.

But you will hear testimony from the Undergraduate Pilot Training Joint Cross Service Group, of course, an area of great importance, as far as I'm concerned, because it not only services the services but services the national asset of pilots.

We're joined by -- and I'd like to welcome Mr. Louis C. Finch, Deputy Undersecretary of Defense for Readiness, who headed up the UPT Group, our senior Defense personnel for this morning, General Shane, of course, General Blume, Mr. Nemfakos, and Ms. Kelleher, I guess, will be here later.

Again, there are no opening statements -- there you are. We can begin as soon as I've sworn in Mr. Finch. Everybody else has been sworn. Before I start, Mr. Finch, is there anybody that will provide testimony here this afternoon

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other than the people sitting at the head table?

MR. FINCH: General Davis, the witnesses before you at the table will be the ones that will be speaking for us.

COMMISSIONER DAVIS: All right. Then, sir, you're the only one. If you would please raise your right hand.

(Witness sworn.)

COMMISSIONER DAVIS: Thank you, sir. If I may, so I can understand the process, I will ask you a few process questions and then accede to each Commissioner.

MR. FINCH: That will be fine.

COMMISSIONER DAVIS: Did Cross Services analysis directed by the Secretary of Defense take place in the UPT Joint Cross Service Group in a manner sufficient to yield a joint result and to provide savings due to the elimination of unnecessary DoD capacity in the final recommendation by the Air Force and the Navy?

MR. FINCH: Yes. General Davis, as you know, the Joint Cross Service Group for Undergraduate Pilot Training went through a process to provide alternatives for the military departments for them to consider.

And based on their considerations of our alternatives and other factors that they took into account,

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provided recommendations that collectively for the Department of Defense will indeed reduce overall excess capacity for the flight training function.

Just to give you an example, within the area of fixed-wing training, the excess capacity went from a figure of about 35.5 percent down to a level of about 8 percent, down to a very low level.

So in terms of our overall objectives of reducing excess capacity and the long-term savings that we would expect to accrue from that, that yes indeed, we did accomplish our objectives.

COMMISSIONER DAVIS: Along that line, Secretary Finch, given, you know, we're looking at the force levels we have today, did the Joint Service Group look at the surge capacity of all of services to meet out-year unknown requirement, or was that left up to each individual service?

MR. FINCH: General Davis, it was principally a matter of each of the individual services, though I might add that within the Joint Cross Service Group we did have some discussion of that very important factor.

And in our discussions, the general consensus of the Group was that indeed inherent in the site structures

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that we were considering that you would have an inherent capacity for surge should some unforeseen contingencies arise sometime in the future.

COMMISSIONER DAVIS: The scope of analysis chosen by the UPT Joint Cross Service Group was as follows put out by your organization: "Insulation of UPT category included all DoD flight programs that support and facilitate selection and training of pilots, able flight officers and navigators to the point of award wings.

"The scope included fixed and rotary wing training of all officer and enlisted student pilots, naval officers and navigators."

Did you find the scope of the UPT training programs, installation and student types you chose to be either too broad or not broad enough?

MR. FINCH: General Davis, that in terms of its scope, clearly one could make it larger or smaller, but in terms of something that gave a good, meaningful result in terms of our overall analysis, I would say that it was just about right, in terms of what we included and didn't.

COMMISSIONER DAVIS: Okay. Can you put up Chart 1, please? Mr. Secretary -- give each member a copy of it. So

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we may better understand the process, this shows the ten functional areas, if this one up over here is working, selected for analysis by the UPT Joint Service Group, can you discuss how we arrived at the ten areas, and were all of them used in the analysis process?

MR. FINCH: The basic approach to deciding on these particular functional areas was to consider within flight training those functions that would involve the wording of wings. It was an undergraduate approach to the problem.

And having sent that as the basic criteria, then, upon review of the military departments of what functions that were out there that met that criteria, we came up with this list, and indeed, as I look over it, this is exactly the list that we used in terms of our Joint Cross Service analysis.

COMMISSIONER DAVIS: So, essentially, all these functional areas played in your analysis or just some of them?

MR. FINCH: All of these did, yes, sir.

COMMISSIONER DAVIS: Okay. Of course, having been with the process off and on over the years, we've considered consolidation of training, and I know the Air Force and the

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1 Navy has been talking to each other for a long time but
2 currently are in the process of coming up with a finalized
3 plan, even though it's not final, as I understand it, today.
4 Did you consider their draft plan in your
5 deliberations when you were going through the UPT Joint Cross
6 Servicing?
7 MR. FINCH: Yes, General Davis. As a matter of
8 fact, as you pointed out, this plan for consolidating Navy
9 and Air Force flight training in the fixed-wing area has been
10 underway for some time.
11 During the past year, this plan did come to
12 maturity, at least in terms of the basics, in terms of
13 looking at in which of these functional areas we could find a
14 common enough basis to be able to have a common syllabus to
15 be followed both by the Air Force and Navy in the fixed-wing
16 training area.
17 Given that level of maturity, we took the
18 recommendations of the Air Force and Navy and through a
19 memorandum signed out by the Deputy Secretary of Defense,
20 threw those into policy with respect to the Department of
21 Defense in pursuing consolidated joint training in the fixed-
22 wing area.

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1 And the analysis and assessments and work of the
2 Joint Cross Service Group was based on that statement of
3 policy promulgated by the Deputy Secretary that, basically,
4 incorporated the recommendations of the two services.
5 Now, I might add, of course, in terms of given the
6 basics of concepts of where we can have consolidated
7 training, there are an immense amount of details, in terms of
8 working out the specifics of the curricula in each of these
9 areas, and of course, that work continues on, and I would
10 expect it to continue on for some time.
11 COMMISSIONER DAVIS: You testified just a little
12 while ago that each service -- you thought that we had a
13 surge capacity. With your permission, I'd like to start with
14 the Navy and say how much surge capacity do you have? And
15 I'll ask the Air Force the same question.
16 MR. NEMFAKOS: Mr. Chairman, the Navy's excess, I
17 guess, has to be described best in what kind of a ceiling of
18 surge, if any, exists. As you know, pending the approval of
19 the recommendations of the Department of the Navy, we're,
20 essentially, at two regional training complexes, one in West
21 Florida and one at South Texas.
22 As we looked at alternatives through our capacity

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1 analysis, through the range of a 20 percent surge, those two
2 regional complexes, in our analysis, provided us sufficient
3 capacity. We did not stress though regional complexes above
4 the 20 percent level.
5 COMMISSIONER DAVIS: Any reason why you didn't
6 stress it -- because we've stressed our pilot training
7 organizations before more than 20 percent.
8 MR. NEMFAKOS: Yes, sir, we have. We looked at the
9 force structure in the out years. We looked at where the
10 budget lines were. We felt that a 20 percent surge was a
11 very significant surge given where those resource levels,
12 both manpower and dollars, were.
13 COMMISSIONER DAVIS: Colonel Bloom, same question.
14 GENERAL BLUME: Sir, as far as a surge capacity, I
15 understand that the capacity analysis that was accomplished
16 was done on, essentially, a five-day week. So you
17 automatically have some built-in surge capacity right there,
18 much less that we're not, you know, operating at -- and
19 should not operate at a 100 percent.
20 And for that reason the Air Force looked at the
21 three alternatives that were presented by the Joint Cross
22 Service Group, the first one taking care of a certain amount

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1 of excess capacity, the other two reducing it on down,
2 essentially, to about zero.
3 The Air Force did not recommend that we go to
4 either the second or the third alternative. The first
5 alternative was appropriate.
6 COMMISSIONER DAVIS: General Shane, same question.
7 GENERAL SHANE: Commissioner Davis, let me provide
8 that for the record for the Army.
9 COMMISSIONER DAVIS: Okay. Fine. All right. What
10 we're going to do this today, so we don't get in a bad habit,
11 we're going to start down on the left-hand side and go right.
12 Fighter pilots always like to go towards the grovels anyway.
13 Commissioner Steele, please.
14 COMMISSIONER STEELE: Well, I'll do a lot less
15 scrambling, because people won't have stolen all my good
16 questions. Thank you.
17 We'll start with an issue that was brought up by
18 the GAO this morning regarding the Reese recommendation for
19 closure. It says, "The Air Force recommended closing Reese
20 Air Force Base... community concerns arose over the issues of
21 potential errors in the Air Force's scoring of Selection
22 Criteria One and its reliance on data gathered under the

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1 Joint Cross Service process to make this assessment.
2 "The Air Force's initial review of community
3 concerns indicated that while there were data errors, they
4 did not significantly alter the relatively scoring of the
5 bases for Criterion One and would not have changed the
6 recommendation," and then go on to say, "but your work wasn't
7 finalized at the Air Force prior to completion of their
8 report."
9 If you could both, Mr. Secretary and General Bloom,
10 address those issues that were raised by the community and
11 your subsequent findings and if you're satisfied that you've
12 come to whatever conclusion it is that you've come to.
13 MR. FINCH: Very good. Perhaps, in terms of the
14 detail, I could refer to General Bloom, but upon review for
15 the particular areas where we found some discrepancies in
16 data, my observation is that even with the changes that might
17 be subjected as a result of that review, that in terms of the
18 work of the Joint Cross Service Group it would not have
19 changed appreciably, in terms of the basic alternatives that
20 we provided for the military departments to consider.
21 But I know the Air Force has reviewed in some
22 detail the whole data set in each of the specific points

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1 raised, and perhaps I could refer to General Bloom in terms
2 of his assessment of how those changes may have affected the
3 overall result.
4 GENERAL BLUME: Yes. Commissioner Steele, the Air
5 Force has provided the Commission with a detailed accounting
6 of every one of those specific individual elements that was
7 brought up by the groups supporting Reese.
8 That has been presented to the Commission, and in
9 no case did the Air Force find that if there was an anomaly
10 or an error that the -- as we carried on additional analysis,
11 that it would have caused any different recommendation.
12 COMMISSIONER STEELE: Did you review only errors
13 that were pointed out, or did you in any way remeasure how
14 you would evaluate footprint versus volume of airspace or
15 proximity of airspace?
16 GENERAL BLUME: No. The analysis remained
17 consistent because we felt confident that we had captured the
18 appropriate -- both the Air Force and the Joint Cross Service
19 Group -- the appropriate areas that should be evaluated, but
20 every specific element that was brought up by the LCC was
21 identified and looked at.
22 MR. FINCH: Commissioner Steele, if I might add,

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1 too, that within the work of the Joint Cross Service Group,
2 we really bent over backwards in terms of trying to ensure
3 at we were as error free as possible and beyond that did a
4 great deal of work at ensuring that the date that we received
5 from the various military departments was compatible one with
6 another.
7 I think my colleagues will agree that we, you know,
8 went through a great deal of in-depth discussion. My charge
9 to the group was again and again that, you know, we should
10 have people go back, review the data, check it, and overall,
11 I'm reasonably confident that, you know, there is certainly
12 no major glaring errors out there.
13 There may be a few small discrepancies here and
14 there, but I'm quite sure, given the quality control measures
15 that we've put into place, that the data that we used would
16 be quite good.
17 COMMISSIONER STEELE: When you did the review
18 recently, as a result of the errors that were found, did you
19 look at all of the UPT bases for errors or only select some
20 out for a second review?
21 GENERAL BLUME: For every place there was a
22 potential error that could have been translated to another

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1 base. In other words, did we go back and assess all the
2 airspace at every other base? The answer is no.
3 Did we look to see that the same type of error that
4 crept in, possibly, to the -- not counting 2,000 foot in the
5 Reese-specific accusation was certainly looked at throughout
6 all of the bases.
7 COMMISSIONER STEELE: Okay. So it wasn't just two
8 bases out of a group of five that were reviewed?
9 GENERAL BLUME: Two bases? No. Well, Reese is
10 only one.
11 COMMISSIONER STEELE: Oh, so you only reviewed
12 Reese in particular? You didn't make different calculations
13 regarding any of the other UPT bases?
14 GENERAL BLUME: No. Except as I said, if there was
15 a specific allegation that this may have been erred in Reese,
16 we went back and looked at all of them to see that a similar
17 error did not creep into the data.
18 COMMISSIONER STEELE: Okay. Thank you. I'm clear
19 on that now. The other issue I was curious about, military
20 value and that whole rating, the Air Force chose to do its
21 own calculations for the final Criteria 2 through 8 but
22 adopted -- it's my understanding adopted the Joint Cross

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1 Service Group's work for Criteria Number 1, getting rid of
2 just a few of those functional categories that General Davis
3 was showing earlier.
4 My question to you is are you confident with the
5 foundation of the data that came out of the Joint Cross
6 Service Group to have that be the Air Force's sole source for
7 grading Criteria Number 1 for military value?
8 GENERAL BLUME: Probably the most jointness of
9 anything that we even did. I mean, we relied upon our
10 specialists, the people that we put in that Joint Group, to
11 get the best number of our functional value capacity.
12 And on their recommendation back to the Air Force
13 and the alternatives that were recommended by the Joint Cross
14 Service Group we felt confident that this was a good analysis
15 and a good means of looking at functional value and assessing
16 Criteria Number 1.
17 COMMISSIONER STEELE: Okay. My time has expired.
18 Thank you very much, Mr. Chairman.
19 COMMISSIONER DAVIS: Commissioner Robles.
20 COMMISSIONER ROBLES: Yes. Mr. Finch, General
21 Klugh testified here this morning that they use a lineal
22 programming algorithm to help them as a tool and at least,

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1 sort of, sort things out.
2 Did you also look at a way to use a linear
3 programming algorithm to look at capacity and look at how you
4 could optimize in various ways?
5 GENERAL KLUGH: Yes. As a matter of fact, we did.
6 COMMISSIONER ROBLES: And can you, kind of,
7 summarize from your perspective the major results that came
8 out of that optimization model?
9 GENERAL KLUGH: We used the optimization model as,
10 basically, something to give us insights, to make us smart on
11 the problem and look for various ways that we could formulate
12 alternatives.
13 That is not something that we just used mindlessly
14 to have the output become our recommendations, but with that
15 said, we found it quite valuable in a number of ways.
16 First of all, one of the approaches we looked at
17 was to take a look at what are the minimum number of sites
18 that we could have in order to still meet our capacity
19 requirements and carry out the mission. So it gave us a
20 calibration point as to how deep we could go.
21 Another useful thing was to get a sense of the
22 following: that, you know, as a broad objective, I think we

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1 all share the view that we want to save money not only in the
2 long-term but also in the short-term.
3 And one of the ways that you can incur expense in
4 the short-term is moving functions around from base to base,
5 and so we did some analysis to say what are some feasible
6 solutions that will keep the number of moves down.
7 Beyond that, we used it to ensure, in addition to
8 getting the basic capacity right, that we would have as much
9 as we could a good military value for the collection of bases
10 that would remain open. So we used it as a tool to develop,
11 basically, benchmarks on what sort of alternatives might
12 produce a satisfying military value. So we used it as an aid
13 to our process in those principal dimensions.
14 COMMISSIONER ROBLES: And did you look across the
15 whole range of options from not shying away from putting any
16 subject to constraint equations in there that would cause
17 your decision set to shy away from any areas?
18 MR. FINCH: Absolutely. There were certain
19 practical constraints that we needed to impose. We did not
20 want to use the linear program approach to produce
21 nonsensical results.
22 For example, there are some bases that simply are

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1 not compatible with helicopter training and things like that.
2 So what we did was we developed a set of real world
3 operational constraints that said, okay, you know, you have
4 to do -- whatever solution comes out has to make sense in the
5 following operational ways, but beyond that we made no other
6 constraints that would particularly prejudge results one way
7 or another.
8 COMMISSIONER ROBLES: Well, I asked General Klugh
9 this morning to provide the subject to constraint equations
10 and the slack analyses that came out of that. I'd ask you to
11 do the same thing for your run just to, kind of, see what
12 sort of constraints were in there.
13 And I understand that they all were limiting, but
14 sometimes it's in the assumption of what can and can't be
15 done at a certain base that leads you in a certain direction.
16 MR. FINCH: Absolutely, and we'd be happy to
17 provide that for the record.
18 COMMISSIONER ROBLES: Great. Second question,
19 costs. Can you share a little bit of insight about costs?
20 Another thing that you look at, whenever you're looking at
21 functions, does the cost do something on any given base? And
22 they're all different.

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1 They're all different because, as General Bloom
2 eloquently stated, bases do different things. In my days as
3 a base commander, I had all sorts of things going on on the
4 base that support a core function, but there were other
5 things going on, and you get an overhead rate, a base ops
6 rate, base support rate, et cetera.
7 Could you maybe talk a little bit in general terms
8 about what you found when you looked at the various cost
9 rates of different bases, Reese versus Vance versus whatever?
10 And were there any ones that were -- were they all clustered
11 about the same or some higher, much higher, some much lower?
12 MR. FINCH: Maybe I could address the question in
13 broad terms and then, perhaps, asked my colleagues from the
14 military departments to fill in some of the details.
15 In the Joint Cross Service Group, we did not
16 address costs directly in terms of dollar costs. Just given
17 the broad look that we were looking -- we were trying to do,
18 given, you know, all of the literally, probably, millions of
19 alternative ways you can base these functions at a variety of
20 bases, it simply was not practical to go out and do a dollar
21 cost estimate of every combination that we had to consider.
22 And what we ended up doing was to consider some

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1 surrogates for costs, things that we knew that were
2 representative of costs but didn't necessarily work in a
3 precise dollar fashion.
4 One of the surrogates was excess capacity. We're
5 trying to minimize the amount of excess capacity out there.
6 Another one is just, basically, how many bases we would
7 ultimately end up operating. All other things being equal,
8 fewer sites cost less.
9 A point I mentioned a minute ago was we also looked
10 at how many functional moves you would have to make in the
11 short-term. In you're starting to move functions around,
12 that's going to be an expensive proposition, at least in the
13 short term. So we looked at a variety of surrogates for
14 costs but not dollars per se.
15 Now, within the military departments, of course,
16 given the alternatives we presented plus the alternatives
17 that served us within their own internal processes, there is
18 a much more detailed cost analysis getting down to dollars
19 that each of them conducted, and perhaps I could refer to my
20 colleagues here to give a descriptive --
21 COMMISSIONER ROBLES: Well, really, the question is
22 really at your level, and the reason I asked the question at

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1 your level is because they all have individual costs based on
2 what it costs to run their bases.
3 But someone needs to sort that out and say, well,
4 from a cost perspective, cost being one of the factors, it
5 makes more sense to train pilots at X base versus Y base
6 because it's inordinately cheaper to do it there than
7 somewhere else, and you can get the same equivalent training.
8 That's just one factor.
9 Obviously, military value is another factor.
10 Obviously, functional capability is another factor, et
11 cetera. And that has to be done, really, at your level,
12 because I -- that's the only way you can compare across.
13 So my real question is, now, did you do that
14 analysis, and if you did, did any of those recommendation get
15 adopted by the services with respect to training at a certain
16 base on a cross-service basis because it was economically
17 cheaper to do it there, and it can meet all of the other
18 constraints that you had?
19 MR. FINCH: As I'd mentioned, what we did as a
20 group was to look at things that were reasonable surrogates
21 for costs, but we did not look -- we developed a set of
22 alternatives that we provided for the consideration by the

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1 military departments.
2 They, in turn, went through a detailed -- using
3 their own methodologies, a detailed cost assessment of what
4 would be involved in each of those alternatives and then
5 ultimately produced their own recommendations.
6 So that we did not do a detailed cost analysis per
7 se in the Joint Cross Service Group, but the military
8 departments did indeed do that in their part of the analysis.
9 COMMISSIONER ROBLES: Okay. And my time is up.
10 I'm going to ask all of the departments to submit what their
11 average costs are to train pilots at their various bases, and
12 we'll form the question, for both variable costs and fixed
13 costs and just see how these all stack up, variable and fixed
14 costs, to train.
15 That's just one factor, but certainly costs have
16 been this underlying theme this whole BRAC '95. On one hand,
17 one of the big factors was how much does it cost to do this,
18 and we only had a limited amount of money to implement BRAC
19 '95. So that constrained it to some degree.
20 And on the other side was, you know, certain
21 decisions were made because it was "too expensive" to do it.
22 And so costs was a clearly underlying rationale in some of

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1 the decisions made in BRAC '95.
2 So it will be interesting to see how costs played
3 into this cross-servicing decisions and recommendations that
4 were made.
5 GENERAL BLUME: Could I make a comment? And that
6 is you have to realize, sir, that the primary function; that
7 is, the primary pilot training is one that will be joined is
8 now and will continue to be.
9 However, once you pass that or maybe even before,
10 the Air Force does flight screening, certainly it did for
11 cost aspect. The fact that the Air Force does all of its
12 training today on a base, you can compare one base with the
13 next.
14 I think it must be much more difficult, probably in
15 the Navy situation, where they have very different missions
16 at one base than the next.
17 COMMISSIONER ROBLES: I understand that, but I also
18 know that the cost accountants of the world slice cost every
19 way but loose. So there is enough way to get at the cost
20 data just with any good cost analyst start to dissect the
21 costs, right Charlie? We all know how to do cost analysis.
22 MR. NEMFAKOS: Sure. And if the Commissioner would

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1 tell me what answer he'd like, we can probably do that. I
2 think it's fair to say, Commissioner Robles, that in doing
3 our analysis we did not look at how much does it cost you to
4 move a pilot one day, two days, three days, unlike what we
5 did in some of the depots, for example.
6 What we did do on costs, however, in looking at the
7 alternatives that the Joint Cross Service Group recommended
8 that we examine, we did look at the cost aspect, and we
9 looked at the cost aspect in the context of closing something
10 down and moving the work someplace else.
11 So for example, the one that most immediately comes
12 to mind, in the context of co-locating helicopter pilot
13 training at Fort Rucker, we looked at the costs.
14 The costs we very high up front for this kind of an
15 activity, and the net present value after 20 years was under
16 $2 million. So we looked at a tradeoff between spending
17 $150- to $200 million up front to move it, and on a
18 discounted basis saving $2 million over 20 years, and we said
19 thank you but no thank you, and we didn't do it. So we
20 looked at costs in that context.
21 COMMISSIONER ROBLES: You say you looked at it from
22 a co-location, but did you also look at the from a

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consolidation point of view?
MR. NEMFAKOS: No, sir, we did not, because the Navy operational imperatives are not to train Air Force -- I mean Army and Navy helicopter pilots the same way. We have operational considerations on why we train our pilots the way we do, particularly given the B-22 coming in, as an example, and replacing the CH-46 in the inventory.
We have a completely different dynamic, I think, than what's being looked at elsewhere. That's an operational consideration that was discussed at the senior operational levels in the Department of the Navy.
And so co-location was what was looked at, and co-location was what was recommended out of the Joint Working Groups because the training is not the same.
COMMISSIONER ROBLES: Thank you.
COMMISSIONER DAVIS: I congratulate my Army colleague at taking six minutes and making it look like ten.
COMMISSIONER ROBLES: That's also a skill.
COMMISSIONER MONTOYA: I'll see if I can catch us up. Short questions, short answers. Put up Chart 2. General Bloom, I want to ask you -- you can give a yes or no answer or do a quick analysis for me, sensitivity analysis.

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Reese Air Force Base is clearly all by itself at the bottom of that list. To what extent did the way you calculated military value have an impact on that, or said differently, if you had substituted for military value component only that function dealing with actual pilot training, would that have changed those standings any? Do you understand my question?
The use of military value based upon what the Joint Cross Service team did, and they had all kinds of things in there besides just UPT training.
GENERAL BLUME: I guess I'm having trouble with military value." There was functional value developed by the Joint Cross Service Group, and that's what I see on this slide.
COMMISSIONER MONTOYA: And wasn't that used as the main component of military value?
GENERAL BLUME: No. Military value, if you read the DoD directives --
COMMISSIONER MONTOYA: It has four parts to it.
GENERAL BLUME: Four parts.
COMMISSIONER MONTOYA: Right.
GENERAL BLUME: How are they weighted? They're

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weighted according to equal -- probably the functional value or Criterion One, the operational value of that facility is probably the heaviest, but the others also --
COMMISSIONER MONTOYA: Well, let's stay with the very first one.
GENERAL BLUME: Well, I can't. I can't in the Air Force analysis, because the Air Force analysis takes in all eight. So the Air Force analysis, we looked at the first four.
We also looked at the cost, the payback and the impacts, and then we tiered, and that was the value of that installation relative to the other installations in that category.
COMMISSIONER MONTOYA: So your answer is, I guess, having sorted through that, is that regardless whether you use strictly a very narrow definition of pilot training as functional value for your first criteria, as opposed to what the Cross Service Team did, the answer would have been the same for Reese?
GENERAL BLUME: The answer would have been the same.
COMMISSIONER MONTOYA: You think it would have been

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the same?
GENERAL BLUME: Yes, sir.
COMMISSIONER MONTOYA: Okay. Mr. Finch, in closing Meridian and Reese Air Force Base, will the Navy and Air Force are sufficient capacity to remain and perform all UPT requirements and also accommodate surge? Is that your position?
MR. FINCH: Indeed they will.
COMMISSIONER MONTOYA: Mr. Nemfakos, by closing Meridian, we, apparently, put all our eggs in one basket regarding strike training, in Kingsville; is that correct?
MR. NEMFAKOS: Yes, sir, it is.
COMMISSIONER MONTOYA: And can Kingsville satisfy all your UPT requirements and still leave room for surge?
MR. NEMFAKOS: We believe it can, yes, sir.
COMMISSIONER MONTOYA: And General Bloom, same question regarding Reese Air Force Base. Closing that, that leaves sufficient capacity for the foreseeable future and any foreseeable surge? You're satisfied with that?
GENERAL BLUME: Yes, sir, it does. As a matter of fact, one more comment relative to the single siting of anything. I mean, we single site C-17 training. We single

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site F-117 training. Those are not unique as far as the military departments are concerned, if it is economically feasible to do that.
COMMISSIONER MONTOYA: Just a follow-on question. In visiting that base, it was gratifying to see some very successful joint training going on. To see Navy pilots and Air Force pilots praise each other, supporting each other was truly a joy. Where will that go if you do close Reese?
GENERAL BLUME: All of the bases, sir, that do primary training, will have what will be a replica of that particular example, and that will continue following the BRAC once it is decided which bases will stay and which one will go.
COMMISSIONER MONTOYA: I must say that was very, very gratifying. There were no service barriers there, Charlie. They were really working well together and willing to say so publicly. That's all I have, Mr. Chairman.
COMMISSIONER DAVIS: Thank you, Admiral Montoya. I appreciate the time back. Mr. Chairman.
CHAIRMAN DIXON: Thank you very much, Mr. Chairman. Charlie, I think I'm going to pick on you here a little, if you don't mind. Now that my friend Admiral Montoya has been

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so complimentary, let me jump on you a little bit.
I have a letter here from Senators Shelby and Heflin and Congressman Everett, and it touches on a subject matter that I've asked about from time to time and been somewhat confused about.
" Dear Mr. Chairman, as you prepare for your April 17 hearing on the Joint Cross Service Working Groups and so forth, we would be most appreciative if you would raise a number of issues with regard to the consolidation of undergraduate pilot training and so forth.
"We applaud the addition of the Joint Cross Service Working Groups into the base closure process. They provided a new and important analysis and so forth. Unfortunately, in the case of undergraduate pilot training, the Pentagon acted on only half of the mission.
"While they agreed that introductory fixed-wing training operations could be consolidated between the Air Force and the Navy, the Pentagon chose not to act on the recommendation to consolidate primary helicopter training between the Navy and the Army.
"We believe this a grave mistake," and so forth. I know it's an old saw, Mr. Nemfakos, but let me get into part

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1 of it here. In November 1994, the Joint Cross Service Group
2 on Undergraduate Pilot Training submitted three different
3 alternatives for consideration by the military departments
4 and Secretary Perry.
5 According to documents submitted to the BRAC, each
6 alternative reduced excess capacity while maintaining high
7 military value. Each of the three alternatives consistently
8 recommended consolidating all military undergraduate
9 helicopter pilot training at Fort Rucker.
10 So let's stop there, and then we'll go on to some
11 more from there, but what do you say to that? I know
12 that's -- like I say, we've been over this ground a lot of
13 times. I know we're not on something new, but I'd just like
14 to hear one more time.
15 MR. NEMFAKOS: Yes, sir, Senator. I think the
16 issue revolves around the word "consolidate." That is not
17 the recommendation from the Joint Cross Service Group.
18 CHAIRMAN DIXON: Okay.
19 MR. NEMFAKOS: The recommendation from the Joint
20 Cross Service Group was co-locate, and I believe, although I
21 was not part of that group, but I have an understanding of
22 what they were looking at, I believe the reason is that there

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1 is a fundamental difference in perspective of how the Navy
2 and the Marine Corps desire to train their pilots from a
3 operational perspective.
4 So the issue was to co-locate. That issue of co-
5 locating, as opposed to consolidating, is a very important
6 one because we use different systems both in terms of
7 aircraft systems as well as simulators and ground support
8 systems to train those bodies of pilots.
9 And so I think that's a fundamental difference that
10 the Department of the Navy, both the Navy and Marine Corps
11 and the service chiefs of those two services are convinced
12 that the way we are training our pilots and the systems we
13 are using to train those pilots are the correct thing, given
14 the way we utilize them.
15 CHAIRMAN DIXON: Are you satisfied with what's
16 recommended in this round to treat this problem?
17 MR. NEMFAKOS: Yes, sir.
18 CHAIRMAN DIXON: Now, on March 30, 1993, General
19 Powell stated at the House Armed Services Committee Army
20 Posture Hearing, "I believe the proper place to do the
21 centralization of UHPT where it can be done very well is at
22 Fort Rucker, Alabama."

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1 He went on to say, "I am committed to push this as
2 hard as possible, because there are real savings here. This
3 is where we ought to find the savings. The costs to transfer
4 the UHPT operation at Whiting Field to Fort Rucker is less
5 than $18 million," it's asserted here.
6 "In '92, the DODIG reported that relocation of UHPT
7 to Fort Rucker would save at least $79 million over five
8 years." What do you say to that?
9 MR. NEMFAKOS: Well, I have the highest regard for
10 the General, having worked with him off and on since the days
11 he was a colonel, and I'm not going to argue with him because
12 I don't know where that data came from.
13 I do know that the certified data that we have in
14 hand shows a cost of over $150 million to move the helicopter
15 portion of training from Whiting to Fort Rucker to co-locate
16 it there.
17 CHAIRMAN DIXON: All right. "During the BRAC '95
18 Navy hearing, as you know, earlier this year General Mundy
19 commented that in the '70s the Army was training marine
20 helicopter pilots and that this arrangement worked very well.
21 Is there any reason why the Marine Corps couldn't return to
22 this arrangement?"

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1 MR. NEMFAKOS: I would say to you that what General
2 Mundy was probably referring to were the measures that we had
3 to take because of surge requirements to use capacity that we
4 have and not necessarily the desirable methodology that we
5 want to train.
6 Given the changes, however, that are coming in the
7 Marine Corps inventory with the introduction of the V-22,
8 which, as you know, Mr. Chairman, works both as a helicopter
9 but then also works as a traditional prop plane, I don't know
10 that that statement by General Mundy was an indication that
11 he was prepared to change the syllabus of the training for
12 Marine Corps helicopter pilots.
13 CHAIRMAN DIXON: Mr. Nemfakos, according to the
14 Inspector General for the DoD, and I quote, "Relocating the
15 Navy's primarily helicopter training to Fort Rucker would
16 relieve ground and air traffic congestion as Whiting Field.
17 Is there a problem at Whiting Field both in the air and on
18 the ground, and if so, would relocation of Navy's
19 Undergraduate Helicopter Pilot Training Program free of space
20 at Whiting Field?"
21 MR. NEMFAKOS: In our military value analysis, and
22 I believe the staff has the matrices and can probably give

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1 you a better, more specific answer that I can right now, I do
2 not believe that we found that there was air traffic
3 congestion in the Pensacola Whiting area that worked to the
4 detriment of the value of that activity.
5 Obviously, moving anything out of that area is
6 going to relieve whatever traffic there is, but I believe
7 that the military value matrix, which the staff has, can
8 paint a more clearer picture for you, because there are a
9 whole series of considerations that were included in there on
10 the traffic issue.
11 CHAIRMAN DIXON: If you don't mind, I'm going to
12 send this letter to you. I've just taken excerpts out of the
13 letter. I'd appreciate it, as I do for all members of the
14 Congress, a response in writing to the letter in writing.
15 MR. NEMFAKOS: Yes, sir. We'll be happy to do
16 that.
17 CHAIRMAN DIXON: Thank you very much, Mr. Nemfakos.
18 MR. NEMFAKOS: Yes, sir.
19 COMMISSIONER DAVIS: Thank you, Senator.
20 Commissioner Cox.
21 COMMISSIONER COX: Thank you. Mr. Finch, I
22 apologize. I was in and out of the room. So if I'm asking

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1 you something you've already covered, I apologize in advance.
2 But I am still a little bit confused about
3 measuring of capacity and whether we're correctly at the
4 right number.
5 In your capacity analysis for factors that
6 influence it, do you look at things like aircraft
7 availability, instructor pilot shortages, delays of primary
8 student graduates as they come onto the base or whether
9 periodic runway maintenance -- are those kinds of things
10 included in the capacity?
11 MR. FINCH: What we look at when we're looking at
12 capacity are things that are inherent in the site itself as
13 opposed to, for example, number of students or instructors
14 available, which are really not inherent in the site but more
15 a matter, in that example, of personnel policy.
16 If you'd like, I can quickly read through a list of
17 the type of capacities that we considered.
18 COMMISSIONER COX: Okay.
19 MR. FINCH: First off is airfield operations, and,
20 basically, an airfield operation is one circuit around the
21 pattern, if you will, at an airfield.
22 COMMISSIONER COX: How do you get the number that

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1 determines the aircraft -- airfield operations? Is it based
2 on some past number?
MR. FINCH: It's based on -- from the Joint Service
oup, this is based on a data call that we put out to the
rvices based on that.
6 Now, it turns out in that particular number that
7 the services, particularly between the Air Force and the
8 Navy, used slightly different assumptions in terms of how
9 many circuits they could make within a given time.
10 They have, under current practice, often different
11 roles in terms of spacing between flights and that sort of
12 thing. So in that particular number, it was very important
13 that we have an apples-to-apples comparison across the
14 services.
15 So as a means of achieving this uniformity, what we
16 did in that particular case was to draft some rules used by
17 the FAA, which govern the rate at which aircraft can circle
18 through a pattern.
19 So in that particular case we, after receiving
20 information from the services and a great deal of discussion
21 decided that using this rule with respect that the FAA uses
22 that governs aircraft in the area of an airfield would be an

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1 acceptable one.
2 COMMISSIONER COX: Right. But the FAA, when they
3 look at that, use past history, in other words, not just a
4 number that says on a beautiful day you could have 55 flights
5 per hour or something.
6 MR. FINCH: At some point I will have to defer to
7 the real experts, but part of it is clearly safety of flight
8 that you want some special --
9 COMMISSIONER COX: Right. I guess what I'm getting
10 to is if we've gone back and said how many operations did you
e at this particular facility and that was the number that
ame the capacity because that's what they've handled,
n't that include, wouldn't that include different things
14 at different airports?
15 MR. FINCH: In the methodology we used, we tried to
16 not make it, you know, idiosyncratic but make it as a general
17 methodology, for example, in airfield operations just to
18 ensure that each of the sites concerned would be measured
19 equally.
20 And as I mentioned, in that particular example, we
21 used the FAA rules that govern how you conduct airfield
22 operations.

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1 COMMISSIONER COX: Okay. Maybe you could just
2 provide the actual formula that was used from the FAA, that
3 would be great.
4 MR. FINCH: Yeah. We'd be happy to do that.
5 COMMISSIONER COX: Okay. I'm sorry. Others?
6 MR. FINCH: Let's see, airspace, in terms of what
7 is the volume of airspace that you would have available in
8 order to conduct training operations.
9 COMMISSIONER COX: And that's just the military
10 airspace?
11 MR. FINCH: Yes. It would be airspace that would
12 be available for military training, which --
13 COMMISSIONER COX: Even if it were under FAA
14 control?
15 MR. FINCH: Yes. Right. Ground training in terms
16 of two dimensions. One is classroom capacity, another in
17 terms of simulators that would be available. A fourth area
18 is ramps, aprons and taxiways. This is, you know, sort of
19 the maneuver space, if you will, on the ground, and you'd
20 to be able to locate and move aircraft.
Another capacity is hangar capacity, the ability to
you know, indoor space to be able to store and maintain

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1 aircraft. Another is supply and storage having to do with
2 various ability to -- you know, for example, in POL and that
3 sort of thing.
4 And then also housing in terms of the ability to
5 provide housing for families as well as single members of the
6 service. So those are the type of capacity dimensions that
7 we considered.
8 COMMISSIONER COX: Okay. Well, if you wouldn't
9 mind providing the record with some more detail on how the
10 FAA measures in and therefore you all measure in. General
11 Bloom, you shook your head there for a minute on --
12 GENERAL BLUME: In essence, though, agreeing,
13 because all airspace is FAA airspace.
14 COMMISSIONER COX: Right.
15 GENERAL BLUME: We borrow it for a time to use
16 whenever we can. I have a quick note on that. It's like
17 Mr. Finch as said -- and I was not in the Joint Cross Service
18 Group, but General Profitt was, and his information to me was
19 that they did use windows; in other words, three years for
20 look back and for weather as much as ten years.
21 COMMISSIONER COX: Sure.
22 GENERAL BLUME: So that was the way they captured

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1 that.
2 COMMISSIONER COX: But that then -- I don't know
3 it's bad. Obviously, you have to look at something on that,
4 but that might get you in a position if you're -- depending
5 on which window you use --
6 GENERAL BLUME: Well, three to ten years is a
7 pretty good --
8 COMMISSIONER COX: Three?
9 GENERAL BLUME: Three or ten.
10 COMMISSIONER COX: Oh, I'm sorry. I thought you
11 said three --
12 GENERAL BLUME: Whether it's ten. It was different
13 depending upon which ones you looked at, and probably, if you
14 went back ten years on airfield operations, it probably
15 wouldn't be that consistent with what we're doing today.
16 COMMISSIONER COX: I don't know. That's why I'm
17 trying to figure out whether some of these factors would have
18 been included, and I guess if they did use the number of
19 operations, they may have been included, but we'll get the
20 information on how that number got --
21 If I could just ask you a couple questions about
22 Reese Air Force Base, General Bloom, the Lubbock, Texas,

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1 community, apparently, has offered to purchase and then lease
2 back some of the housing, the family housing as well as a
3 40,000 foot hangar at Lubbock International.
4 Do these offers make you think any differently
5 about the Air Force decision? Are you looking at them?
6 GENERAL BLUME: Almost kind of like bribes. No,
7 ma'am. Those offers we did not consider and were not a part
8 of our analysis nor did we consider them in any way.
9 COMMISSIONER COX: Would it make any difference on
10 when we settle on the military value as 622, would that bring
11 the cost down some?
12 GENERAL BLUME: Well, I suppose if we got in a
13 bidding war, then each one of the bases would try and do
14 something, but no, ma'am. It would probably influence it,
15 but I would say that shouldn't be a consideration in our
16 deliberations, I don't believe.
17 COMMISSIONER COX: Okay. d you're not reviewing
18 whatever these offers were?
19 GENERAL BLUME: N
20 COMMISSIONER CO you.
21 COMMISSIONER D ner Cornella, please.
22 COMMISSIONER oom, other UPT

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1 bases own or control more airspace than Reese Air Force Base,
2 but much of this airspace is not necessarily usable for UPT
3 activities.
4 Was Reese Air Force Base downgraded because it
5 lacks actual ownership and control of required airspace even
6 though access to the airspace it uses for UPT training
7 activities is unimpeded and lacks any encroachment problems?
8 GENERAL BLUME: Sir, all the airspace at every one
9 of the bases supports the mission, and there is enough
10 airspace at every Air Force base to support the mission
11 that's going on there now and would be in the future.
12 The airspace that was in contention at Reese.
13 However – you know, some airspace, you would probably say,
14 if it's closer in, is better than farther out. It takes you
15 less time to do your job.
16 But probably more -- not probably, but actually,
17 the more airspace that you would have, to a certain extent,
18 would certainly be beneficial, because assuming we're going
19 to train more pilots in the future or we have surge
20 capability, you may they'd that additional airspace.
21 So the quantity does have some significance as far
22 as importance. The airspace as Reese was looked at again

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1 from the aspect if there was a potential data problem that
2 was -- it was looked at. All the airspace was added up. The
3 additional areas were given in there. Reese still had less
4 airspace than any of the other bases.
5 COMMISSIONER CORNELLA: Although Reese contains a
6 smaller volume of airspace, its proximity to this airspace is
7 less than some other UPT bases. Why did the Air Force
8 measure the distance to the leading edge of available
9 training airspace rather than to its geographic center, and
10 wouldn't this more properly reflect actual flight training
11 practice?
12 GENERAL BLUME: And that was a problem that they
13 called our attention to. In two of the functional areas it
14 was measured incorrectly. That we went back and corrected,
15 but that was in the Air Force database.
16 The Air Force database was not used in develop the
17 Criteria One numbers. The database that was used in that was
18 a Joint Cross Service database, and those were correct.
19 Those distances measured were correct.
20 So the value, I would say, from the Joint Cross
21 Service Group back to the Air Force was a valid and accurate
22 value.

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1 COMMISSIONER CORNELLA: Several questions relating
2 to the weather, again at Reese. Why was percent of time in
3 the ceiling on visibility are better than 1,000 feet and 3
4 miles away given any weight in the analysis when it is 1,500
5 feet and 3 miles that represents a key weather decision
6 factor in conducting Air Force flight training operations?
7 GENERAL BLUME: I would have to defer this question
8 to the Joint Cross Service Group which developed the
9 methodology and the analysis that was performed. I could
10 give you a Jay Bloom answer, but I don't think that would be
11 appropriate.
12 I think that those -- in answer to that question,
13 sir, if it has not already been answered, we'll be glad to
14 present it for the record.
15 COMMISSIONER CORNELLA: All right. We will ask
16 that for the record, and also I have two other weather-
17 related questions I won't read, but we would like an answer
18 to that.
19 GENERAL BLUME: All right, sir.
20 COMMISSIONER CORNELLA: Mr. Finch, why did the UPT
21 Joint Cross Service Group functional analysis only measure
22 adequacy of housing and not whether it met Air Force Whole

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1 House Standards, a superior method, for measures the
2 condition on future cross requirements in military family
3 housing?
4 MR. FINCH: And that, sir, is one that I will
5 likewise have to take for the record.
6 COMMISSIONER CORNELLA: General Bloom, a lot has
7 been learned about conducting joint primary training at
8 Reese, as was mentioned by Commissioner Montoya. How has
9 this experience or how was this experience factored, weighted
10 or considered in the analysis to close a UPT base?
11 GENERAL BLUME: I don't think that this was
12 considered at all as far as the functional value is
13 concerned, and there is no measures as far as the DoD
14 criteria that would capture that particular element, sir.
15 COMMISSIONER CORNELLA: Mr. Finch, I understand the
16 Air Force operates a flight screening program to identify
17 suitable student pilot candidates for UPT. The Navy screens
18 by means other than a flight program. The Air Force
19 contended that including flight screening within the scope of
20 the UPT Joint Cross Service Group would unnecessarily
21 complicate the analysis of UPT base capacity and functional
22 value.

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1 The UPT Joint Cross Service Group concluded,
2 however, that since flight screening reduces attrition in the
3 primary UPT phase, it does have an impact on UPT capacity and
4 concluded -- and was included.
5 In the alternatives produced by the computer model,
6 the flight screening function was moved out of Hondo and the
7 Air Force Academy. Your group, however, chose to disregard
8 this result.
9 How does the functional value analysis of flight
10 screening help distinguish the relative merits of UPT bases
11 when the base has no intent to conduct a flight screening at
12 a UPT base?
13 MR. FINCH: To begin with, in our analysis, we
14 included flight screening more as a matter of completeness
15 and had as a result a great deal of discussion both with
16 respect to the Navy and the Air Force in terms of a variety
17 of ways that one can perform the general function of
18 determining prior to actually entering into flight training
19 whether or not candidate students are going to be adaptable
20 and suitable for those courses of instruction.
21 After a great deal of discussion, basically, what
22 we concluded was that each of the services, as you point out,

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1 have different methods for being able to conduct flight
2 screening and that there was no strong, compelling evidence
3 to say one service was better, had a better approach than the
4 other.
5 So failing any compelling argumentation evidence
6 one way or another, the group concluded that was best to
7 maintain the status quo with respect to that particular
8 function of flight screening, and given the arrangements that
9 were made for siting at those as well seemed to be sensible.
10 So as a result, when we actually began using the
11 linear program model in order no develop alternatives, the
12 thing that seemed to make sense was to just go ahead and say,
13 you know, with respect to the Air Force, you know, they will
14 continue using flight screening as a means of determining
15 suitability of candidate student and that the siting that
16 they're apparently using made sense. So we just settled it
17 that way.
18 COMMISSIONER CORNELLA: What you're saying is you
19 do not feel that the inclusion of the flight screening
20 constitutes a flaw in the process?
21 MR. FINCH: Absolutely not. In terms of the
22 alternatives that we provided for the consideration of the

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1 military departments, in retrospect, whether we included
2 flight screening or not would not have changed those
3 alternatives, and while, you know, the departments should
4 speak for themselves, I would anticipate that they would also
5 agree that flight screening did not affect their
6 recommendations.
7 COMMISSIONER CORNELLA: Thank you. Mr. Chairman.
8 COMMISSIONER DAVIS: Thank you, Commissioner
9 Cornella. Again, I beg your indulgence, Mr. Nemfakos. What
10 I'd like you to do is submit for the record, if you will, the
11 analysis on strike pilot training rates.
12 MR. NEMFAKOS: Yes, sir.
13 COMMISSIONER DAVIS: There are some that felt that
14 your percentages were a little tight, and I'm worried about
15 the capacity. That's one thing.
16 MR. NEMFAKOS: Yes, sir.
17 COMMISSIONER DAVIS: Mr. Finch, one final question,
18 and then we'll move on to the next group. This Commission
19 has the authority to add additional installations, and we
20 must add them prior to May 17th.
21 Some of the added installations may be reviewed for
22 cross-service potential. Obviously, there are allegations

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1 that the services have been a little tight with their data,
2 but my concern is would you be able to do on that short
3 notice to gather the data from the services, generate the
4 appropriate COBRA and other data to assist this Commission in
5 its review, which will be a very short time from the 17th of
6 May until the 30th of June?
7 MR. FINCH: Certainly, in principle, we'd be
8 prepared to assist you in any way that we can. In terms of
9 what is technically feasible, it really depends on what
10 specifics you're asking for.
11 If it were a matter of going through, for example,
12 another data call that required your going out to the bases
13 and asking for certified data, I mean, that was certainly a
14 very lengthy process for us, and there may be problems with
15 that.
16 In terms of exercising methodology and other
17 things, depending on what specifically your needs are, we may
18 well be able to provide --
19 COMMISSIONER DAVIS: Then I'd be happy with your
20 assurances that you'll be prepared to go full speed ahead and
21 provide us whatever data, because we want the best possible
22 data to make the best possible decisions.

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1 MR. FINCH: Absolutely, General Davis, and we
2 certainly support that and will help you in any ways that we
3 can.
4 COMMISSIONER DAVIS: Thank you, Mr. Finch. I
5 appreciate your time and that of the witnesses, and we'll
6 close this portion. I'll turn it over to Commissioner Kling
7 for the next portion.
8 COMMISSIONER KLING: Next we will hear testimony
9 from the Medical Joint Cross Service Group, and we are
10 privileged to have with us Dr. Edward D. Martin, welcome
11 Doctor, Principal Deputy Assistant Secretary of Defense for
12 Health Affairs, who headed the group.
13 We will begin Commissioners' questions as soon as I
14 have sworn in Dr. Martin and any other backup witnesses. Are
15 there any Doctor?
16 DR. MARTIN: There will be one.
17 COMMISSIONER KLING: Well, if there is, would you
18 all please rise, whoever is joining you? Perhaps that
19 gentleman would care to sit right forward here. And your
20 name is, sir?
21 DR. PONATOSKI: Edward R. Ponatoski.
22 COMMISSIONER KLING: Edward R. -- we'll just call

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1 you Edward R., I guess. Would you gentlemen please rise and
2 raise your right hand?
3 (Panel sworn.)
4 COMMISSIONER KLING: Thank you. Dr. Martin, in
5 this day of excess hospital beds throughout the country and
6 all the mergers and consolidations that are taking place in
7 the private sector, which are, of course, in order to
8 economize and consolidate special cares, I do not understand
9 or we don't understand why more was not done to reduce our
10 hospital structure in the military services, realizing, of
11 course, the need to provide superior medical services, the
12 need for additional beds in time of multiple engagements and
13 the costs associated with CHAMPUS and so forth.
14 And many of the questions I will ask, kind of, go
15 to this general point. So let me begin with the first
16 question, which I'm sure you're, kind of, anticipating, and
17 that has to do with the San Antonio area.
18 And if I could specifically, we have Chart Number
19 1, which chose the San Antonio, Texas, area, and we can see
20 from this chart that it is home to two large medical centers
21 and a large number of civilian hospitals.
22 This appears to be an example of an opportunity to

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1 eliminate as substantial portion of excess capacity and
2 indeed the Air Force facility Wilford Hall was on the Joint
3 Service Group list of realignment alternatives, yet neither
4 facility is on the Department of Defense list.
5 Would you mind commenting, Doctor, on why this is
6 so?
7 DR. MARTIN: Yes, sir, Mr. Chairman. I'd like to
8 preface it with commenting on your observation about
9 consolidation, because I think it's very important.
10 When our joint work group undertook the
11 identification of alternatives for infrastructure reduction,
12 there had already been a very sizeable activity that we had
13 accomplished, and in that regards were quite different than
14 other parts of the other joint working groups.
15 In the case of medical, we actually have the
16 responsibility for managing the Defense Health program. We
17 have the money. So for example, the Army, Navy, Air Force
18 budgets for health care delivery, essentially, are managed
19 directly by the health affairs -- the Defense Health program
20 in the Office of the Secretary of Defense.
21 So we've had much more aggressive opportunity in
22 the past to make changes in reducing excess capacity.

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1 Specifically, we closed 35 percent of our hospitals. We've
2 already reduced the number of expanded beds by almost 48
3 percent.
4 That becomes important that where our requirements
5 are a little bit different than other requirement for
6 infrastructure. While the active duty force, in fact, has
7 come down by 30 percent since 1988, the beneficiary
8 population we're responsible for has only come down by 90
9 percent.
10 So relative to the numbers of people that we serve
11 or continue to serve through the end of year 2000, there has
12 been a dramatic reduction in the number of beds available
13 within our system in CONUS and worldwide.
14 Specifically, in that context, looking at the
15 recommendation as an alternative that we posited to the Air
16 Force -- and it's not the first time there has been a
17 question about Wilford Hall and Brooke, as you well know,
18 essentially what you have is a situation where you have a
19 major Air Force medical center, in fact, the major medical
20 center for the Air Force in a very heavy Air Force populated
21 area with large numbers of active duty, dependents of active
22 duty.

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1 You also have, essentially, a brand new facility,
2 state-of-the-art facility that's been built for the Army in
3 that community. If an action had been taken, we would have
4 wanted to see Wilford Hall, as the much older facility,
5 reduced considerably, and that would only work if Brooke Army
6 Medical Center then could have become, essentially, the Air
7 Force medical center there.
8 We met with both the Air Force and the Army, and
9 the real crucial issue is duplication. And as we have done
10 or seen in many communities across the country, essentially,
11 it was decided that we needed about 130 to 150 percent of the
12 beds that we had, and the much smarter way of consolidating
13 our capability was to dramatically change how we did work at
14 both facilities.
15 In fact, as of last week, based on this exercise,
16 all the graduate medical education at the two major medical
17 centers, which makes them the unique centers in that area,
18 will be consolidated, completely integrated and, in fact,
19 ultimately integrated with University of Texas at San
20 Antonio. So one of the great drivers for duplication will be
21 gone.
22 The second set of changes or what other facilities

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1 or other hospitals are doing that you know very well, and
2 that will be the consolidation of duplicate services. For
3 example, we intend to do no more obstetrics and neonatal
4 intensive care at Brooke.
5 We will take that capacity and probably expand our
6 capability at Darnell, which is a very large dependent of
7 active duty population needs augmentation, and essentially
8 systematically move through the services as we've done in the
9 national capitol region where we also have two major medical
10 centers within the same distance, essentially, that used to
11 be duplicated, as these two are.
12 We've been able to accomplish consolidation of all
13 the residences here or plan by 1997 and, essentially, the
14 reduction of all duplicate services.
15 This was what the Army and the Air Force felt was
16 the appropriate way to "right-size" or reduce excess and
17 duplicative capacity, and I think the plan is, in fact,
18 superior, particularly given the unique roles those two
19 facilities serve in trauma training and a major role they
20 serve in San Antonio for trauma care, which is an important
21 part of our training.
22 So we feel that the alternative proposed

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1 effectively accomplished the intent of the Joint Working
2 Group.
3 COMMISSIONER KLING: I guess we could look and say,
4 though, in San Antonio, as a total, there quite an excess bit
5 of hospital bed, correct, private and -- if you added the
6 private and military?
7 DR. MARTIN: I would have to defer to a local
8 planning activity for that determination.
9 COMMISSIONER KLING: If there is that excess
10 capacity in the private sector, and if one of these hospitals
11 is only one half needed, would it have not made sense to
12 continue on with your recommendation a little faster and
13 stronger, say, to close -- to make a clinic operation out of
14 Wilford Hall and go forward in that manner?
15 DR. MARTIN: Well, the right time to address that
16 issue, very candidly, was before we built Brooke Army Medical
17 Center. I mean, if you had asked my opinion prior to
18 building a $400 million brand new facility at San Antonio,
19 whether, in fact, we should -- like the Army is doing now in
20 other places, purchase that capability from excess
21 infrastructure in the private sector, I would have said that
22 sounds like a much better idea, particularly for level 2

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1 beds.
2 It's also important to point out that except for
3 UTSA and at least one of the private hospitals, the type of
4 facilities that we are concerned about obtaining our services
5 are very specialized, and, in fact, the only other hospital
6 that duplicates is a medical center is UTSA.
7 We're talking about very sophisticated procedures.
8 Probably the world class burn center in the entire world is
9 run at Brooke, liver transplants done at Wilford Hall. So
10 we're talking about just not simply square feet. We're
11 talking about the quality of the respective facilities.
12 I think that our philosophy, as we are looking to
13 the future, is, in fact, reflected in our MILCON budget. We
14 are building no more large hospitals in our FYDP, and, in
15 fact, we are looking at places where we need augmentation of
16 beds to the private sector to the extent even of renting
17 wards or parts of hospitals to carry that out.
18 I think we made the correct judgment in regards to
19 the two existing facilities, particularly given their very
20 unique training responsibilities for both the Army but
21 especially for the Air Force.
22 This is the major training facility for

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1 subspecialty surgery for the United States Air Force, and
2 that's not simply beds and wards. That's an entire
3 installation capability.
4 COMMISSIONER KLING: To just not belabor the issue,
5 and I'm going to get on with it --
6 DR. MARTIN: Yes, sir.
7 COMMISSIONER KLING: -- just one last question on
8 that subject. Is it not possible, however, to close Wilford
9 Hall and everything that is being taken place there, move it
10 to Brooks or get from the private sector?
11 DR. MARTIN: I think our current assessment this
12 time that is not the appropriate programmatic judgment.
13 Maybe it's my bias as a physician, but we, sort of, like to
14 scaffold much better than the meet cleaver, and we think the
15 proposal we've come forward to is the correct one given the
16 military medical training requirements, given the major
17 effort taken by the two services. I think we stand by our
18 current recommendation.
19 COMMISSIONER KLING: However, again, to what you're
20 stating, however, though, it was your recommendation to make
21 Wilford Hall into a clinic, as opposed to --
22 DR. MARTIN: No. Our list was a bit different.

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1 We, essentially, put forward to the three services
2 alternatives for consideration, and, in fact, we had not
3 assessed military value directly in regards to installations.
4 And so our process allowed for, then, specific discussion of
5 the alternatives proposed, some of which the services
6 accepted, some of which we found better alternatives in the
7 process for the three services. So I think the Department's
8 current recommendation is the correct one.
9 COMMISSIONER KLING: Thank you. Our staffers have
10 viewed what might be considered overlapping areas throughout
11 the country where we have a number of small hospital
12 clusters, I might say, within a 50- to 100 mile radius.
13 In fact, I believe there are 56 hospitals that are
14 smaller than 50 beds, not that that's the important thing
15 here, but one would think that there would be prime
16 candidates within these clusters for mergers and
17 consolidations, and I refer to such areas, as we're passing
18 out and that are up here, these circles would be like the
19 area of Fort Sill, which has 100 beds, where there is also
20 Tinker Air Force Base with 25 beds, Altus seven beds,
21 Sheppard with 80 beds and also, then, we have a lot -- we
22 have a number of the maps of the different areas showing

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1 around Beale, Travis and Mather where there are two small
2 hospitals -- and I'm sure I'm not telling you anything you
3 don't know -- where you have Travis having 195 beds.
4 And of course, I guess we might add that here in
5 the D.C. area we have a similar situation that I think we
6 won't get into right now.
7 As I understand, maybe through the budget process
8 you're considering some realignment or clustering and the
9 merger, consolidation of these areas, and if so, would you
10 please describe what you intend to do and where and what time
11 period this might be done and why you've decided to do it
12 through the budget process as opposed to BRAC?
13 DR. MARTIN: The central tenant of that is the new
14 program that, essentially, we're standing up called Tricare.
15 As the Committee is aware or the Commission is aware, we've
16 recently adopted a new HMO type approach, very heavy
17 privatization, dependence on the private sector, and the
18 program expects that those contracts will be fully
19 implemented by the end of FY '97.
20 And it's comparable to what HCA or Humana or Kaiser
21 or those kind of companies do. What you basically do is
22 assess your product lines. You make judgments about where in

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1 fact -- that you should make the services provide them or you
2 should buy the services.
3 What we're seeing is a fairly significant change in
4 the character of how we deliver the care within our
5 facilities. For example, the Air Force has stopped doing
6 emergency services in 11 hospitals, closed 17 others.
7 The Navy is in the final process of making judgment
8 about downsizing five hospitals to clinics. We've cut out
9 obstetric services in the last year to three Air Force
10 hospitals. A fourth almost certainly we will approve and cut
11 it out, as a matter of fact, as Maxwell.
12 So we have a process, and essentially, what the
13 process is driven by is the population we take care of, the
14 alternatives of buying that care, unique mission
15 considerations, 30- 50-mile access of emergency rooms and
16 other kind of capabilities.
17 So we feel that since we're almost always in the
18 Air Force and mostly in the Navy, essentially, tenant-
19 sponsored. I mean, we're a part of a bigger organization.
20 We, actually, are downsizing many of those
21 facilities in the face of large base activities. The good
22 example on our list is the Air Force Academy, which we will

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1 see being right-sized downward with Carson, I think, assuming
2 much more of a responsibility.
3 In fact, I think you'll see that with Wilford Hall
4 and Brooke. The process that we feel as much better to carry
5 that out is along product lines, like obstetrics, like
6 surgery, like emergency, and indeed, I think, including and
7 especially the national capitol region where we think we
8 ought to close the hospitals we're closing.
9 Where we turn them into clinics, we turn them into
10 clinics. Where we stop doing services in those facilities --
11 like obstetrics at Walter Reed we are going to stop doing --
12 it makes good sense in regards to the patients, where they
13 are and what their requirements are.
14 We found this process has resulted in a very
15 substantial reduction of our beds, redistribution of our
16 people, particularly between military and civilian, and
17 frankly, we feel it's a lot more sensitive way or appropriate
18 way to deal with the health care facilities, particularly
19 given the very strong feeling on the part of our
20 beneficiaries, particularly active duty dependents, about
21 particular service.
22 When the close a base, the one thing we hear about

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1 very quickly is the pharmacy and the hospital, probably more
2 quickly. And I think how we do that becomes very, very
3 important. I think we've learned a lot of BRAC I through
4 III, and I think the way we're doing it now is the correct
5 way to do it.
6 COMMISSIONER KLING: Last question from me on just
7 this same subject. Could we just take an example such as the
8 Beale, Travis and Mather where you happen to have -- within
9 40 miles you have a nine-bed hospital with 30 that was up
10 here and a 195-bed hospital? Specifically what do you intend
11 to do there and when and how?
12 DR. MARTIN: The nine-bed hospital, essentially, is
13 becoming a dispensary. I mean, it's, essentially, a super
14 clinic with an ability to hold people overnight so you keep
15 them with their family or on the base.
16 You move to not providing lab, X ray, pharmacy,
17 blood bank at night. So it, essentially, becomes analogous
18 to a dispensary. So it really isn't a hospital. We call it
19 a hospital, but it really isn't.
20 And then, essentially, what you do is, for the 30-
21 bed hospital, you just use it for more routine kinds of
22 missions where you want to keep particularly dependents on

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1 base near families.
2 It's a lot like they're doing in large cities,
3 which is, essentially, leaving a surprising amount of the
4 capital investment there but dramatically changes how they
5 use those facilities.
6 The crucial thing is the access is reasonable, but
7 at the same time you don't have duplicative specialty care.
8 I mean, what you do not want in our system is competitive
9 departments of surgery in your 30- and 100-bed example you
10 just used. That would be unacceptable.
11 COMMISSIONER KLING: But sometime, as you went
12 around, you didn't see this happening yet? Is this happening
13 now?
14 DR. MARTIN: Oh, yes, sir. The example I used in
15 the Air Force, 17 closures, 11 emergency rooms closed, 4
16 obstetric departments closed.
17 COMMISSIONER KLING: Has that been done
18 specifically in just these three we were just talking
19 about -- Mather, Beale and Travis?
20 DR. MARTIN: In the nine-bed, both emergency,
21 obstetrics are gone, and I think we're moving from a JCHO
22 accredited hospital to, essentially, what we call a super

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1 clinic with still the capability like we'll keep at the
2 academy.
3 I mean, you need the ability to admit people
4 overnight, to have some capability to see them, because
5 they're mission-related, and you want to try to keep them on
6 the base with the dependents.
7 At the same time, you don't duplicate any specialty
8 services, and that's the crucial duplication. You can see
9 from the numbers I gave you, with a 9 percent decrease in the
10 beneficial population that our normal beds are down by 43
11 percent. I mean, we've seen a pretty dramatic reduction.
12 COMMISSIONER KLING: I'm sure one of the other
13 Commissioners will go through a chart that we have showing
14 the beds and so forth, but I'll turn it over to Commissioner
15 Cornella.
16 COMMISSIONER CORNELLA: Thank you, Mr. Chairman.
17 Dr. Martin, the Commission has been receiving many letters
18 from people worried about their access to health care
19 services if their military hospital closes.
20 Most of these letters come from retirees, many of
21 whom are over age 65 and no longer eligible for CHAMPUS.
22 Beyond their worries with access, many of these letters talk

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1 in very heartfelt terms about promises of lifetime medical
2 care that will be broken with the closure of a hospital.
3 Would you please tell us who is entitled to care in
4 DoD medical facilities?
5 DR. MARTIN: Well, I can tell you both statutorily
6 and in the basis of the genesis of your letters. In
7 regardless to Title X, the statute, essentially, all the care
8 that is, in fact, available to retirees over the age of 65 is
9 space available care; said differently, if you can get into a
10 military facility.
11 For those CHAMPUS-eligible dependents of active
12 duty and retirees, if they cannot get space-available care,
13 which is the statutory provision, they have the right to use
14 CHAMPUS, which is, essentially, a program that we manage on
15 their behalf.
16 Now, that's the statutory framework. It's also
17 absolutely correct that the clear preponderance of people who
18 served in the late '40s to now, when they reenlisted and in
19 their enlisted documents -- we've got any number of documents
20 that have been sent into is -- they have been promised a
21 lifetime of free medical care.
22 I mean, it was right -- and as a matter of fact,

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1 the latest brochure I saw was published in 1989 by the United
2 States Army. So if you were a retired sergeant, you would
3 vividly recollect being told among the reasons why you ought
4 to join up for another four to six years is this, this, this,
5 and this.
6 And very high on that list, and as you got older,
7 higher and higher on that list, was this idea of free medical
8 care. So I think the dilemma that we face is there is an
9 absolute fact that the Congress has had to face in regards to
10 the benefits like the pharmacy benefit and other kinds of
11 unique problems in BRAC areas is that there is a very good
12 case that could be made that these individuals were told
13 something.
14 In fact, it was not in the statute. They did not
15 have an inalienable right to that, but it didn't change their
16 feeling when it was taken away. What we've tried to do is
17 adapt fairly aggressively to trying to create something in
18 those communities where we do close hospitals, which, as I
19 pointed out, are not inconsiderable in number, some mechanism
20 by which care can be provided to those retirees which at
21 least is reasonable but certainly not free and certainly not
22 in a military treatment facility.

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1 COMMISSIONER CORNELLA: Would you please describe
2 what you see as the impact of closures and realignments on
3 the users of closed or realigned hospitals as well as any DoD
4 or service programs that will be put in place to mitigate the
5 impacts on these people?
6 DR. MARTIN: Well, our current hope is that we
7 will, essentially, be able to create both in the areas where
8 we have hospitals and in areas where we used to have
9 hospitals the equivalent of an HMO option, sort of like a
10 Kaiser option where they can have a primary care manager,
11 where they have the same scope of benefits, where they have
12 very low cost shares, where, if they were Medicare eligible
13 and not CHAMPUS eligible, hopefully we're working with HHS so
14 that any penalties for Part B can be waived.
15 Congress has provided a mechanism by which we can
16 provide mail order pharmacy to Medicare eligibles in their
17 area. Our intention is to first -- the most important
18 categories statutorily are active duty, dependents of active
19 duty, and by the way, some numbers of those stay.
20 In fact, some numbers of those individuals are in
21 areas where we have no hospitals. We have been working to --
22 recruiters are the classic example of that, of course.

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1 We've been working to make sure that what they have
2 access to is no more expensive, as accessible as our military
3 treatment facilities if they lived close by, and to the
4 extent that can with retiree populations at least to stand up
5 alternatives that are, while cost-effective, provide the
6 access and quality of those kind of services with not a
7 significant out-of-pocket cost.
8 Remembering that when you go to a military
9 treatment facility it's, essentially, free, the cost
10 differences, particularly when you get into Medicare, the
11 average out-of-pocket cost for a Medicare individual is over
12 $3,000.
13 And to go from going to, for the want of an
14 example, Carswell where it was zero when you got admitted to
15 all of a sudden on the average being 3,000 requires quite a
16 bit of work on our part to create alternatives that are
17 reasonable. That's quite a sizeable change in the impact on
18 that population. There is no question about it.
19 COMMISSIONER CORNELLA: Well, Commissioner Kling
20 and I were in Denver on Friday, and I can assure you we met
21 up close and personal many concerned people, Commissioner
22 Kling even more so.

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1 At many times I wish a lot of you folks were at
2 some of these base visits so we could introduce you and
3 explain your part in the process.
4 DR. MARTIN: Actually, this is my fourth year at
5 base closures, and I would submit that possibly except for
6 the Chairman I have spent a very large amount of time with
7 retiree groups and other groups who were very uncomfortable
8 and unhappy about what I think is the driving force behind
9 BRAC, and that is the DoD infrastructure is going down.
10 We are not planning to fight Russia in a land war,
11 and we don't need this infrastructure anymore. So it's a
12 tough process we're going through. I think the Department is
13 trying very hard to live up to the commitment we believe
14 we've made to those retirees as best as we can.
15 COMMISSIONER CORNELLA: Well, I think we try to
16 make that explanation when we're in the community, and I'd
17 like to say I think we do a fairly good job of that. In
18 Denver, for example -- well --
19 COMMISSIONER KLING: Go ahead.
20 COMMISSIONER CORNELLA: Yeah. I'd like to ask one
21 more question. In Denver, there are an amazing amount of
22 tenants on that installation, that hospital, not related

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1 necessarily to medical service. Did those tenants come under
2 any consideration in the determination to close Fitzsimmons?
3 DR. MARTIN: Yes, sir.
4 COMMISSIONER CORNELLA: Okay. That's all I have.
5 Thank you, Mr. Chairman.
6 COMMISSIONER KLING: Commissioner Cox, please.
7 COMMISSIONER COX: Thank you. I wonder if we could
8 bring up Chart 2. Dr. Martin, this chart shows a current
9 inventory at -- not that one. Thanks -- current inventory of
10 military hospitals and hospital beds in the United States
11 which was taken from the Joint Cross Services lineal
12 programming model data set.
13 In your view, does the Department need all of these
14 hospitals and beds, and how many staffed and operating
15 military hospital beds does the Department need to meet just
16 the peacetime requirements?
17 DR. MARTIN: As the GAO very and, I think, very
18 succinctly pointed out, there is considerable difference of
19 opinion about what are our requirements depending on how you
20 define what those requirements are.
21 The current 2 MRC scenario, the bottoms-up review,
22 is going to require us to have about 10,000 beds just to meet

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that requirement. If you add onto that requirement taking care of the active duty, Reserve Guard and their dependents who are still going to be seeking care from us, that number is now above 15,000.

If you then say that you are going to continue your training programs, which are the basis for both the retention, recruitment and retention of particularly specialty physicians, you get very close to the 15,000 or 16,000 beds.

Now, the way that you have a lower requirement is relatively simple, and I think it goes to Commissioner Cornella's point is that if we all of a sudden decided that we're not going to take care of any retirees or no Medicare retirees or if we go to war we're not going to take care of the dependents of the soldiers who are deployed, then you need less beds.

The Department's feeling about that, as reflected in the last couple times that we've been put in that position, Southwest Asia being the biggest, is that, in fact, the expectation is, A, we take care of casualties; B, we take care of families; and C, we continue to take care of as many of the retirees as we can relative to our hospital structure.

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In that case, our available beds inventory, which like I've said, is about half of what it used to be, is sized to requirement. The debate gets into only do active duty or only do casualties, then, of course, you need less beds.

That policy decision is not yet made, and I think the GAO covered that pretty well in their summary, that there is a lot of difference in those projections.

For example, the 2 MRC estimate is based on us needing a total of 10,000 beds. The Commander-in-Chief's in Korea public estimate and a land-based war over there is as high as 100,000 casualties.

Well, as you know, we're not going to get 100,000 casualties into 10,000 beds. So there is a lot of divergence in what those requirement are.

Our current estimate is we need somewhere between 9- and 11,000 to meet the purely military requirements, and the rest take care of families and other active duty personnel, and available beds are pretty close to our current requirement.

COMMISSIONER COX: You talk about the policy on dependents, et cetera. It sounds like it's under review, or did I just --

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DR. MARTIN: I think the policy on moving certain populations of people outside of our facilities has been under review for years. There have been proposals by the CDO, by certain individuals, by some commissions which come to mind to say, basically, just stop doing that.

COMMISSIONER COX: Do you expect a decision along those lines, if it's going --

DR. MARTIN: I don't believe Congress has any intention of telling three or four hundred thousand veterans of WW II and Korea that we're not going to get care in our hospitals anymore. I just don't think that's going to happen.

COMMISSIONER COX: Are the Veterans Affairs Medical Center beds counted as the wartime or peacetime requirements?

DR. MARTIN: No. There are two types of our requirements that we do count. Number one is that for all those casualties which we believe we cannot get back on active duty within 60 days, they're rapidly triaged or moved to the Veterans Administration Hospital.

So that is net of this number, but we also net out requirement. The other requirement we take out is we dependents on the Veterans Administration addition for

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1 those beds, which are in the thousands for very specialized
2 kind of beds like spinal cord injuries.
3 They have a network of extremely good capabilities
4 in prosthetics, spinal cord injuries where our assumption is
5 if that's the best place to send our people, we will plan on
6 sending them to those places, and that's a part of our plan.
7 COMMISSIONER COX: How about civilian beds in
8 hospitals enrolled in the National Disaster Medical System?
9 Are they counted?
10 DR. MARTIN: When we required -- I was in the
11 Public Health Service when NDMS was put together. When we
12 required 100,000 beds, we depended very heavily on that
13 system to provide those beds. A, fortunately, we never had
14 to use it, but B, now the current expectation is that the
15 military and the VA system can handle the expected casualties
16 from at least the current anticipated MRCs.
17 COMMISSIONER COX: I'm sorry. So we don't need
18 those that are --
19 DR. MARTIN: We don't plan on using those beds as
20 we did in the '80s. The reason we did in the '80s, very
21 civilly, is we needed 60,000 more beds that we had.
22 We anticipated a 100,000 bed requirement if we went

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1 to war with Russia on the European land continent, and we had
2 30,000. The VA would probably free up 10- or 12,000
3 additional.
4 We just were way short, and the only way to make up
5 those beds in case of that kind of catastrophe was to develop
6 contingency arrangements with private hospitals, which we've
7 had to discharge many of their patients.
8 COMMISSIONER COX: Those contingencies are still in
9 place?
10 DR. MARTIN: Those contingencies began to fade away
11 when the probability of going to war with Russia faded away.
12 When you don't need 100,000 beds, you don't have that
13 particular --
14 COMMISSIONER COX: But you still have contingency
15 plans in place?
16 DR. MARTIN: Right now, NDMS stands up -- we're
17 going to particularly need NDMS for specialized kind of
18 surgery. Modern warfare, bluntly spoke, creates sort of
19 targeted groups of casualties, for example, ophthalmologic
20 injuries, particular kind of neurosurgical insults.
21 There is no question that we're going to have to
22 depend in a lot of different ways on those particular

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1 facilities to help us out in those specialized areas, but
2 just general beds we feel we've got the capacity to take care
3 of our own.
4 COMMISSIONER COX: Thank you.
5 COMMISSIONER KLING: Thank you. General Davis,
6 Commissioner Davis.
7 COMMISSIONER DAVIS: Thank you, Mr. Chairman. Of
8 course, I have lots of concerns in this particular area.
9 Being one of the three retirees up here, I can understand
10 that, but there is one thing that you said that is very
11 striking. Medical care is certainly an implied contract.
12 Would you agree with that, Dr. Martin?
13 DR. MARTIN: Yes, sir.
14 COMMISSIONER DAVIS: It's been an implied contract
15 for a long time. It's getting less implied as we go along,
16 and when you recruit these young folks to come out and be
17 soldiers, sailors, airmen and Marine Corps folks, you, sort
18 of -- you go up to them, and if you were a commercial
19 corporation, you'd have a hell of a time saying, "Well, I
20 maybe can promise you a 20-year career, which at least twice
21 during that career I'm going to send you away from your
22 family a year at a time, and oh, by the way, you might even

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1 get shot at, and I can't guarantee your medical benefits,"
2 we're going to have a hell of a time doing any recruiting in
3 the future.
4 So what you're doing is a very important process.
5 I would like to take whatever time I have available and go
6 back to this two major regional conflicts and estimation of
7 medical requirement in the process.
8 Now, I'll need your help here a little bit. The
9 basic philosophy is to wherever we have these major regional
10 conflicts is to triage the folks as close to the front line
11 as possible, move them back to a next staging level, and when
12 they stabilize we bring them back to the United States.
13 Two major regional conflicts is kind of a squishy
14 number, I suspect, depending on where you do your planning.
15 Do you have planning factors that allow you to figure the
16 maximum amount of casualties you're going to have and how
17 you're going to depose those as opposed -- as you deal with
18 regional areas?
19 DR. MARTIN: I think there was a study done called
20 the 733 study, which, basically, assumed -- you always have a
21 series of assumptions, conservative, optimistic, the
22 magnitude, the forces you're going to be deployed against and

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1 then other considerations that you can factor in like chem
2 and bio, I mean, which are a part of it.
3 So there is a requirements process developed by the
4 Joint Staff which, basically, models what the expectations
5 are for casualty requirement, casualty handling and
6 requirement.
7 The 9- to 10,000 number I was talking about is one
8 that was developed by the Rand Corporation under contract to
9 DoD working, essentially, with the three services, Joint
10 Staff and us to come up with a set of ranges for what the
11 casualties might be.
12 Now, there are people who disagree with that.
13 There are those who believe that we're going to have, sort
14 of, a bloodless technologic war where, like, Southwest Asia,
15 we don't have large numbers of casualties.
16 Another group of people, occurring the CINC in
17 Korea, believes that is a bit optimistic and indeed would say
18 we would have more casualties. I would say the 733 study is
19 a pretty good number to work around.
20 I mean, one of the reasons we use 733 is that we
21 knew no matter what we did we didn't want to drop below that
22 requirement. I mean, if we've got a number of 10,000 or

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1 9,000 beds that we need we know, we certainly didn't want to
2 say our requirements were less than that.
3 So I think there are at least -- the policy process
4 at the point we are now is pretty reasonable estimates. We
5 haven't estimated other things, for example.
6 We've got a hospital in Zagreb. We're providing a
7 major amount of care in Guantanamo right now. None of that
8 is factored in. So these missions other than the two MRCs
9 and/or other contingencies aren't built in.
10 But I think the estimating of 10,000 plus or minus
11 2,000 is a reasonable planning base for making our
12 assessment, and currently I think the services pretty much
13 agree that our system is able to meet the requirement.
14 COMMISSIONER DAVIS: But when you talk about two
15 MRCs or two MRCs, I wouldn't consider Zagreb or Guantanamo in
16 that criteria. Have you looked at some of our recent
17 conflicts, regional conflicts called the Korean War and the
18 Vietnam War and factored that into the process.
19 DR. MARTIN: Actually, the Korean War and the
20 Vietnam War were critical parts of the planning
21 considerations. Also important to point out, and this is
22 something that I'm sure you're aware of, of course, that many

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1 aren't, that a very substantial proportion of our
2 requirements are disease, not-battle related.
3 I mean, a substantial proportion, some 60 percent
4 to two-thirds of the people actually in beds are not ones
5 that actually suffered wounds in combat. I mean, it's the
6 risk of the theater which hospitals large numbers of people,
7 and that was factored in as well. But yes, we used the
8 Vietnam War and the Korean War as a part of the estimated
9 technique, or Rand did.
10 COMMISSIONER DAVIS: And I know General Luck very
11 well, and he's not known to exaggerate. My concern, as a
12 member of this Commission, is that we retain sufficient bed
13 capacity to handling the casualties we'll receive in the 2
14 MRC.
15 DR. MARTIN: That was very much a concern of our
16 work group.
17 COMMISSIONER DAVIS: Mr. Chairman, I yield back the
18 rest of my time.
19 COMMISSIONER KLING: Mr. Chairman, are you
20 prepared?
21 CHAIRMAN DIXON: Yes. Thank you, Mr. Chairman.
22 Dr. Martin, first of all, let me, kind of, summarize your

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1 testimony. I get the impression that just, basically, you're
2 saying to us that you made a 45 percent reduction largely out
3 of the BRAC process. You're fairly satisfied with the
4 progress you've made so far. Would that be substantially
5 correct?
6 DR. MARTIN: And we think that the way we're doing
7 this is the correct way, yes, sir.
8 CHAIRMAN DIXON: Okay. And do I understand that --
9 my general impression of your testimony is that you doubt, in
10 the circumstances, that there is any particular surplus bed
11 availability in our hospital system for our veterans, for the
12 service people, retirees and so forth. Is that, roughly,
13 your testimony?
14 DR. MARTIN: Yes, sir, except I think, as
15 Commissioner Kling pointed out, that changes over time. As
16 you change how you do care, your bed requirements continue to
17 go down, and I think you're going to see a continued decrease
18 in our hospital bed requirements just like you do in the
19 private sector.
20 CHAIRMAN DIXON: Well, I would ask, though, in the
21 present peacetime situation, which is a, roughly, normalized
22 situation, I would say, at least in my historical experience

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1 in my lifetime in public service, would you say that you
2 don't have any particular surplus amount of beds around? Is
3 that your testimony?
4 DR. MARTIN: Yes, sir. I think currently our
5 available beds are roughly equivalent to our requirements.
6 CHAIRMAN DIXON: Now, let me just ask you a couple
7 of questions here. I have no reason to argue with that.
8 This is a fairly sensitive topic, and there isn't anybody up
9 here who wants to do away with the possibility of the need
10 for beds for our service people.
11 Do we have that particular chart that I'm looking
12 at right here? No, no, no. That isn't the one I want to
13 see. This is the one I wanted to see. I just wanted to,
14 kind of, ask about that a little.
15 I just want to get a, kind of, reading from you,
16 Dr. Martin. I've been doodling on that. Will it be all
17 right? No, no. I wanted to see that -- you can't do that
18 one?
19 Well, I'm looking at a list here. I can't really
20 compare it too well with that one. They're telling me it's
21 the same list. But anyway, here it says, "Noble Army
22 Community Hospital, Fort McClellan Alabama realigned to

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clinic, concur." That was done? Is that on there?
DR. MARTIN: Yes, sir.
CHAIRMAN DIXON: Okay. Then it says, "Lyster Army Community Hospital, Fort Rucker Alabama, realigned to clinic, none concur." Are you all getting those lists there? Is that what you're getting there now?
See that? There is 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 -- there is 16 different ones on there. Do you see that, Dr. Martin?
DR. MARTIN: Yes, sir.
CHAIRMAN DIXON: And it shows certain concurrences, and then will say from time to time, "none concur." I see that once, twice, three times, four times -- at least seven times you can arguably say nine.
So I'll just ask you for the purposes of staff, are you satisfied with the places where these things show a none concurrence with the original recommendations?
DR. MARTIN: Yes, sir.
CHAIRMAN DIXON: You don't have any quarrel with that?
DR. MARTIN: No, sir.
CHAIRMAN DIXON: Okay. Now, I just want to ask you

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one last thing because it confused me a little, and I won't pursue the matter further.
A little thing you said kind of confused me a little. I'd, sort of, like to revisit it, Dr. Martin. My colleague, Commissioner Kling, in his capacity as chairman, asked you about the use of priority facilities and so forth, and I thought you said that had some appeal to me before we spent 400 million or whatever the number was doing the state-of-the-art hospital we have at Brooks. Did you say that?
DR. MARTIN: Yes, sir. We had two 50-year-old plus hospitals. And so when Brooks was built, if we had the wisdom of retrospection, I think one of the -- in fact, less put it more to the point.
If a service now proposed another hospital like Brook to replace an aging plant, we would first look in the community to find out whether there was space that we could rent or utilize.
CHAIRMAN DIXON: Sure.
DR. MARTIN: And, in fact, we've already done that in a couple of circumstances, worked together with the VA so we're not building "duplicating" level 3 beds.
CHAIRMAN DIXON: But the only part I wondered about

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was now that you built Brooks, which you describe as state-of-the-art.
DR. MARTIN: Right.
CHAIRMAN DIXON: And you said that had you not done that you might have had adequate facilities available in the private institutions around town. I'm wondering why it wouldn't follow, then, if that's the case, that you could close Wilford Hall now. I don't quite follow that logic.
You had sufficient extra private units around. You built Brooks, and so now you have an additional 367 beds state-of-the-art, but I still need Wilford Hall. I don't quite understand that.
DR. MARTIN: First, Wilford Hall has been, in part, renovated. I mean, for example, it's got laminar flow technology for autologous bone marrow transplants that is second to none in San Antonio. So that there is within the Wilford Hall facility very significant and modern capability.
CHAIRMAN DIXON: And you're suggesting that's not transferable to the other units?
DR. MARTIN: Well, it's actually cheaper for us to in the facility we've got. I think there is a different question. Are we going to spend $400 million to build a new

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facility? Well, there is a good one, Fitz.
I mean, we were ominously close to spending almost $400 million building a new Fitzsimmons. Congress had a very keen interest in that, if I recollect. Even if we needed a hospital there, which we didn't, our preference would have been very much to rent facilities.
But really, there is no logic in renting a facility if you already own one. So I think the point is do you build new beds, as opposed to close old beds which are already on a base, and it's on Lackland. So it makes sense to keep the facility we've got.
Now, if the Air Force came in -- let's just take your question exactly right. If the Air Force came in now and said the Wilford Hall facility no longer can meet life safety codes, we need to build a 300-bed facility, our position would be I think we need to look at alternatives either with the Veterans Administration or downtown, because we do not believe we need 300 more built bids in San Antonio.
But I think there is two different questions. That is different than saying should we close the 300-plus beds we've got now in the right place that the taxpayers have already paid for.

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COMMISSIONER KLING: Let me just jump in there with just one point.
DR. MARTIN: Yes, sir.
COMMISSIONER KLING: I still can't understand. Are you saying that just because we have it up and we paid for it we should continue it, or is it really necessary in the facilities that Wilford Hall cannot be replaced at Brooks, or you take the bone marrow -- is that not available in San Antonio at any other private hospital, could have a specialized area?
DR. MARTIN: I understand, Mr. Chairman. The crucial thing is that once we decided how many beds we needed, which was more than we would just have at Brooks, then, essentially, the question it what is itself most effective way of getting those beds.
If you currently have a facility that can provide that capability and has been modernized as Wilford Hall has and as on Lackland, as it is, that makes about business sense.
If, on the other hand, let's say that in order to have those 300 beds on Lackland you'd have to build a new hospital, I think that's a new question altogether.

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The question that we were asked is, first of all, the model says look at this as an alternative. We looked at it very carefully with the Air Force, and the big reason it came up, as you've pointed out in your questions, is there was a great deal of duplication.
We felt the answer was to get rid of the duplication and change the roles of the two hospitals very much like a lot of communities do.
A lot of communities have three or four hospitals. What they do is realign what the hospitals do. That's what we did in response to the concern about duplication.
COMMISSIONER KLING: Thank you. Commissioner Montoya.
COMMISSIONER MONTOYA: I just have one question. Please educate me on your use of the word "clinic" in the context in which you've been talking about, downsizing non-BRAC process, how the word "clinic" and "hospital" relate to each other vis-a-vis "beds; i.e., if you go from a hospital to a clinic, do the beds disappear by the nature of service you provide?
And the second piece of that is how do the services use that definition? Is there consistency as they apply

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1 those two words? So that later on, if we're doing further
2 analysis, I'll have in my mind those relative terms and what
3 they mean.
4 DR. MARTIN: Let me answer your second question
5 first. In fact, the services, particularly around important
6 facilities, sometimes use terminology that is not correct.
7 For example, Womack Army Medical Center -- Army
8 Medical Hospital is clearly, to us, a hospital. It is at
9 Fort Bragg. It is also the home of the 18 Airborne Corps,
10 and therefore it is the Womack Army Medical Center.
11 There are examples. However, it doesn't have any
12 graduate training or the like. So not unlike communities
13 across the country, sometimes you want to say "hospital" or
14 "medical center" and it, sort of, has a different kind of
15 meaning.
16 The definitions that we use are at least consistent
17 relative to how we engage with this Commission. To us,
18 medical centers are ones with subspecialty graduate medical
19 education consistent with institutions of higher learning,
20 universities.
21 In other words, they have residences in surgery or
22 orthopedics or neurosurgery. They would be comparable to a

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1 Georgetown or a University of Texas San Antonio. Those are
2 medical centers -- major teaching institutions, major
3 subspecialty capabilities.
4 Hospitals, not unlike in the private sector, range
5 between a very large number of beds, 400 or 500 beds or, in
6 wartime even as high as 1,000 beds down to some very small
7 facilities.
8 Generally, the private sector doesn't like to call
9 facilities with less than 25 or 20 beds a hospital, but in a
10 lot of little communities not unlike some places where we've
11 got Air Force bases, you've got 8-, 10-, 12-bed "hospitals."
12 The usually thing for us is that hospitals have to
13 offer a range of services and accreditation by the Joint
14 Commission. They have to have lab, X ray, pharmacy, blood
15 bank, maintain a 24-hour capability, an anesthesiologist on
16 call, you know, the capability to admit an acutely or
17 critically ill patient and handle that patient within the
18 facility overnight.
19 Many of our smaller hospitals are holding --
20 essentially holding hospitals where, essentially, you've got
21 less than that particular set of requirements of the hospital
22 and if, in fact, somebody is very sick, you immediately

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1 transfer them to another facility with that capability.
2 More and more we have found that particularly in
3 had isolated areas it is a good idea no longer to maintain
4 the emergency rooms, the overnight blood bank those
5 activities.
6 And so what we've, essentially, graduated into are,
7 essentially, large clinics which meet the basic requirements
8 with holding capabilities for patients who could be admitted
9 overnight.
10 A great example of that would be where you've got
11 people in training, young people, and you can't really send
12 them back to the barrack, but you don't want to admit them
13 downtown, so you put them in a holding facility.
14 The word "super clinic" we've provided in
15 definition to your staff where actually you've got an
16 extremely large clinic where you do subspecialty ambulatory
17 surgery and the like.
18 So I think what you are seeing is a continuum of
19 those kind of capabilities that goes back to what do you
20 really need to do that is smart make or buy in those
21 facilities, and it's very much like is going on in the
22 private sector.

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1 I mean, a lot of towns 20 miles apart used to build
2 two hospitals. Neither can afford them anymore. So they
3 figured out ways to at least maintain certain kind of
4 capabilities, and most of the big hospital chains now are
5 doing away with all the duplication but trying to keep the
6 geographic access by keeping the facility where they can.
7 And I think we're, basically, modeling our efforts
8 after that. So, essentially, you have big, true training
9 programs down to what could be a 4 to 6 bed holding facility,
10 but very frankly, if you had a very sick patient, you'd
11 transport them quickly to a much larger facility.
12 COMMISSIONER MONTOYA: The chart we were looking at
13 says, "Hospitals, 20,000 beds." Are there clinics -- are
14 there beds there that are clinics? That really is hospitals?
15 DR. MARTIN: Yes, sir. Under the available bed --
16 the critical number there is the 15,608. In the available
17 beds, are there probably several hundred but not a
18 significant number who are in the 6- or 8- or ten-bed, but
19 there are not a large number.
20 COMMISSIONER MONTOYA: Okay.
21 DR. MARTIN: If you look at Wilford Hall has got
22 1,000 of them. I mean, that did where our real beds are.

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1 COMMISSIONER MONTOYA: And the services pretty much
2 conform to your definition that I just heard?
3 DR. MARTIN: Yes, sir, at least in our process
4 relative to this Commission. Now, sometimes the title
5 outside reflects a local pride in that facility that may be
6 different.
7 COMMISSIONER MONTOYA: I'm talking about services
8 that delivered fundamental --
9 DR. MARTIN: Oh, absolutely. Yes, sir.
10 COMMISSIONER MONTOYA: Okay. Thank you. That's
11 all.
12 COMMISSIONER ROBLES: To quote a famous American,
13 Yogi Berra, this is deja vu all over again. In three
14 previous incantations, when I was force structure and budget
15 work in DESOPS, when I was the O&M Director and was the
16 budget director, this was one of the most emotional issues
17 that I ever tackled and got bloodied many times literally.
18 So I won't plow this ground all over again, but I
19 have one question. At that time what was real driving us,
20 the requirement has always been whatever requirements --
21 whatever assumptions you want to take, and that will always
22 be because you want a safe side where you don't error on

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1 saving lives or treating patients.
2 But the issue is cost. At a time when inflation
3 was running 3, 4, 5 percent in general inflation, medical
4 inflation was double digit. And then along came a threat of
5 a national health care bill.
6 And in the private sector I can vouch that our own
7 experience in the company that I watch closely, its health
8 care costs have come way down. So my question is the
9 following:
10 And oh, by the way, we've been trying to manage
11 health care in DoD for a long time. So the question is, and
12 this is your professional judgment, one, now that we're
13 seemingly going to get medical costs, inflation more under
14 control and the things like telemedicine and other things
15 offer some real opportunities, do you really believe we're
16 going to able to, one, have a managed health care system in
17 the Department of Defense that addresses the pseudo
18 entitlement issue that has been around forever, and two, are
19 you making real progress in getting an efficient medical
20 model in the Department of Defense?
21 DR. MARTIN: Yes, sir. Beginning with the efforts
22 in the late '80s, which you remember, CRI, CAMS, plus

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Dr. Mendez' efforts in the early '90s where he put together the Coordinated Care plan, I think the Department has a very clear plan -- Congress has now blessed it -- that I think takes a great deal of the lessons from the private sector, implements them with our system and very heavily is depending more and more.

I mean, we have prime vendor, dropping shipping. We are not interested in doing things the private sector can do better. We process no claims. We are getting out of the depot business relative to DLA and these big warehouses full of medical gear. We just get them directly from the vendors.

So a lot of those smart things we are doing. I think the big change was the formation of the Defense Health Program. One all the money was put in one place, another famous American quotes the golden rule. You know, the people that have the gold sometimes make the rules.

And I think that's had a very positive effect on pulling things together. There has also been, sort of, a survival mentality relative to making the MHHS work.

It's been under siege, as you well are aware. I think the best way to measure it is with a reasonable comparison with the private sector. In the 733 study, other

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than the demand phenomena, where if you had very low prices, large numbers of people not getting care from us may swamp us, our current costs compared to the private sector is somewhere between 12 and 14 percent less than what we buy the same good for downtown. And that has to do with salaries and other kinds of efficiencies, malpractice insurance.

More importantly, if you look at the FITA, our budget for the next six years, if we had the inflation factor which is accepted now in the private sector, health care in DoD would cost 17 billion more dollars than our current plan.

We're running about 1 and a half to 2 percent less than the private sector annually in inflation. Now, if you remember the late '80s, we were twice in CHAMPUS. So, basically, we went from 12s and 15s and 18 percent per year increase in CHAMPUS to now less than a 3 percent increase per year, which compares favorably to the national 5.

The other thing is as things in the private sector change that also improves our costs because, essentially, we're able to purchase things better.

I think we've got a very good plan. It's working. I think the three services are working to make it work, and I think we've got a rural quality HMO that is able to go to

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war, and that's what our job is.

COMMISSIONER ROBLES: Well, I thank you. And I thought I'd never say this, but the fact of the matter is in my last job on active duty, my hospital, Irwin Army Community Hospital, was using your approach running a catchment area and letting the -- determine, the hospital commander, what is the best approach to use was, in fact, working beautifully, and it is a model.

So I commend you, and I think that's a great step forward. I really never thought I'd say that, but congratulations.

DR. MARTIN: I thought I'd never hear it. Thank you.

COMMISSIONER KLING: Commissioner Steele.

COMMISSIONER STEELE: I'd love to quote another American -- we're on a roll here -- but I think I'll pass on that. It's probably a rare moment in BRAC history, but due to our chairman's leadership in the health care issue, I think I'm actually going to yield all of my time to the Chairman and refrain from questions. So just take note. I've done it once. It's all yours.

COMMISSIONER KLING: Well, we did this at the right

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1 time with two minutes to go. So if I may just one question.
2 We noticed at Fitzsimmons this was brought up that when
3 medical care is not available directly from a military
4 hospital in a location and a person is over 65 and now would
5 have to go and enroll in Medicare B, I think Part B --
6 DR. MARTIN: Yes, sir.
7 COMMISSIONER KLING: -- that every year that goes
8 by that they have not enrolled they will pay a penalty of 10
9 percent, what's the intention to do -- is there any intention
10 to pay for those penalties?
11 DR. MARTIN: We've actually got a legislative
12 proposal that we have been working with Health and Human
13 Services to attempt to either waive or forgive in all of our
14 BRAC areas individuals who are in that circumstance.
15 The argument is that indeed they anticipated they
16 would not need Part B, and so they made now -- and all of a
17 sudden we took away the hospital. We've estimated that the
18 cost to either HHS, if they waive it, or to us, if we paid
19 it, we're talking $10- or $12- $14 million over a three-year
20 period of time.
21 So it's not a large amount of money relative to the
22 very substantial savings derived in those places where we do

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1 BRAC closures. Our position is that we need to find a way to
2 make sure that all of our future retirees get Part B, that
3 where they have made judgments that, in retrospect were in
4 error, we should find a way either ourselves or through
5 congressional action to get it waived.
6 COMMISSIONER KLING: So you are addressing that?
7 DR. MARTIN: Yes, sir.
8 COMMISSIONER KLING: Thank you. Well, let me just
9 ask the last one. Will you be able, on short notice, to
10 gather appropriate data from the services if we need same?
11 DR. MARTIN: I think my answer would be comparable
12 to Mr. Finch's. We will give you every effort to everything
13 we can. I think we've got a large amount of the information
14 that we need to be responsive to the Commission.
15 COMMISSIONER KLING: Very good. Well, I certainly
16 thank you, and you've certain done an excellent job of aiding
17 your assistants there at your table to answer every question
18 by yourself. So we're proud of you.
19 DR. MARTIN: Thank you, sir.
20 COMMISSIONER KLING: And we thank you, by the way,
21 very much, and with that the Medical Service Group is now
22 complete.

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1 COMMISSIONER MONTOYA: It seems like everyone is in
2 fine spirit, strong and ready to go for the last hour. It is
3 my pleasure to end it. Our final group is a Joint Cross
4 Service Group on Labs and Test and Evaluation.
5 And we're pleased to have with us as co-Chairs of
6 the T&E group a Mr. Philip E. Coyle, who is Director of
7 Operational Test and Evaluation, and Mr. John A. Burt, who is
8 Director of Test Systems Engineering and Evaluation in the
9 Department of Defense.
10 And we also have with us Dr. Craig Dorman, the
11 Deputy Director for Laboratory Management, who was a lab
12 study team leader. Now, if you three gentlemen and any other
13 backup witnesses who you might call to answer questions, I'll
14 ask you to rise so I may administer the oath.
15 (Panel sworn.)
16 COMMISSIONER MONTOYA: Thank you. Please be
17 seated, and welcome. I'm going to open the questioning and
18 then go to a couple of colleagues who have to leave here
19 fairly soon.
20 Let me start with you, Dr. Dorman, because we have
21 no opening statements, and go right to the questions. I'm
22 going to give you the opportunity to make a speech if you'd

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1 like.
2 My question is in an area that probably no one up
3 here has great knowledge in because the laboratory business
4 is, in many cases, highly classified, black in some areas,
5 all of services have some, are you satisfied with where the
6 labs are today and where they are going given what you know
7 about force structure and where each of the services is
8 taking their particular endeavors?
9 I'd just like a general assessment from you as to
10 your personal satisfaction.
11 DR. DORMAN: The labs, of course, are an integral
12 part of the acquisition structure of each of the military
13 departments, and they make their determinations about the
14 size, structure and nature of those laboratories based upon
15 their roles, missions and anticipations for future
16 requirements.
17 From a personal perspective, I am satisfied that we
18 are in the process of reducing the overall laboratory
19 structure in such a way that we will end up, roughly by the
20 turn of the century, with an organization that, from the
21 standpoint of personnel, is effectively sized to meet what I
22 believe to be the projected requirements and yet will retain

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1 internally the necessary technical capacities.
2 One of the real tough things in making the
3 decisions with regard to laboratories is not to eliminate
4 something that you may be may be fundamentally essential in
5 the future for which a capacity either doesn't or may not
6 exist in the civilian market.
7 COMMISSIONER MONTOYA: Are you satisfied in the
8 area of redundancy or duplication that the way we are today,
9 is there some and do you feel that the planning to get rid of
10 that is well underway to your satisfaction?
11 DR. DORMAN: No. I don't believe that the issue of
12 redundancy is one that has been completely handled. From the
13 standpoint of each of the military departments -- and let me
14 back up for just a second and say we just, in addition to our
15 BRAC deliberations, completed a study in support of the
16 National Science and Technology Council, not only ourselves
17 but also the Department of Energy and NASA was asked to take
18 a look at our overall laboratory requirements and how we met
19 the needs of nation in those areas.
20 I think, in our case within the Department of
21 Defense, each of the military departments has very carefully
22 assigned missions responsibilities so that within each of

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1 them there is very little, if any, redundancy.
2 So that has been eliminated. They have very
3 carefully stated their missions. They understand their
4 requirements. They have taken themselves down to what their
5 core requirements are.
6 However, inevitably, because each of the services
7 do similar things, in many cases, or have similar needs,
8 command, control and communications I think is an example,
9 they all have to talk to each other.
10 They all have intelligence needs. Each of them has
11 built internally a capacity and a capability to do that. In
12 many cases, C4I again I think is an example, we have not yet
13 dealt effectively with the issue of combining and eliminating
14 the cross-service aspects of that redundancy.
15 One area where I believe that has been effectively
16 accomplished and will continue to be, and I believe this was
17 part of our report, was in the medical area.
18 Determination was made and is being staffed within
19 the military departments to create an armed forces medical
20 research and development agency or institute. In that area
21 in particular, I think, as you've just heard from Dr. Martin
22 with regard to hospitals, there is much comparability in what

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1 the individual military department need and a perception that
2 they can rely very heavily upon each other.
3 In the hardware areas, in many of the other areas,
4 they have their own views. Certainly the types the war
5 fighting capacities that they bring depends heavily upon
6 their ability within their laboratory systems to develop and
7 devise new ideas.
8 And I think from the standpoint of maintaining
9 their individual capacity in what they believe to be their
10 core product areas they've made the determination that they
11 need to maintain to meet their Title X responsibilities those
12 internal capacities.
13 COMMISSIONER MONTOYA: Let me ask you another broad
14 question, and then I'm going to turn to my colleague
15 Commissioner Robles, who is going to stay on the issue for a
16 bit.
17 One of the concerns I have and a concern that I've
18 experienced in the private sector is that in times of
19 turmoil, downsizing, moving, who are the personnel that leave
20 you first?
21 Generally, it's your very, very top people who are
22 in demand and who live in a very delicate balance. Have you

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1 done an in-depth analysis of your personnel in the lab
2 business to have some sense as to how they would react to
3 closings or moving from one place to another where they have
4 lived for years and developed an expertise and a community
5 rapport, professional rapport with expertise in their areas
6 of work? Do you have a sense of where that would go?
7 DR. DORMAN: I think we have a general sense of it.
8 I certainly have not conducted an in-depth study or an
9 analysis of it. I think the laboratory personnel are,
10 perhaps, no different than those in any other community when
11 it comes to the moves associated with any BRAC closures and
12 changes.
13 The issue that you've mentioned, though, of
14 deferential loss of talent during a downsizing process is one
15 that is with us and is a very significant problem for the
16 laboratories, but that is not immediately and directed
17 related to the base realignment and closure process.
18 I think that comes about from the standpoint that
19 the downsizing that we're going through -- and overall we're
20 talking about elimination of something like 35 percent of the
21 total laboratory population from its peak to where we'll be
22 by the end of the century.

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1 That process is occurring roughly at the rate of
2 attrition given the Civil Service rules and regulations and
3 with the inducements for early retirement, et cetera, you
4 tend to lose in two areas, one of which is your more senior
5 folks, your mentors and so forth who are lost through the
6 retirement process and the other in those cases where RIFs
7 have to occur you selectively lose at the lower end. You
8 lose your new folks and you lose your new ideas and your
9 freshness that is brought in at the lower side.
10 So yes, sir, that's a significant problem for us.
11 I think that the BRAC aspects are just a part, if you would,
12 and not a specific aspect of that.
13 COMMISSIONER MONTOYA: Thank you, Dr. Dorman. Let
14 me now turn the gavel over to Commissioner Robles.
15 COMMISSIONER ROBLES: Thank you, Mr. Chairman.
16 Mr. Boatright, this is going to be directed at you, and the
17 subject is Brooks Air Force Base.
18 I was one of the folks who visited Brooks, one of
19 the four Commissioners and staff, but I guess the impression
20 that I left and I think most of us left with is that it is a
21 very unique facility, has a lot of very unique things that go
22 on there, very complex facility.

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Admiral Montoya looked at it from an engineering point of view and was looking at all the piping and tubing all the things that are there and how long it would take replicate that somewhere else.

I was looking at things like special certification required, accreditation that's required, talking to a couple from the Navy and the Army -- they had moved some things there -- and how long it took them to get everything reestablished, rebaselined, recertified.

So there is a very large set of complex issues on that facility because of what it's all about, and so the thrust of my questions will be along that vein.

First one, it was our understanding that about 35 to 40 percent of the human systems research and technology development is done there at Brooks, about half of that at Wright-Patterson, and the rest of it is scattered throughout the rest of the services in 15, 16, 17 spared individual sites.

So there appeared to be some synergy to get all that consolidated or more consolidated. Given that, it's my understanding that the Joint Cross Service Group recommended that we consolidate some Navy and Army human systems lab

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function at Brooks and at Wright-Patterson.

It was also found as part of that recommendation that Brook had some capacity to do that or sufficient capacity to do some of those consolidations.

First of all, my question is is this factual, or is this -- this is, again, some of the things we came up with the staff, and if it is factual, were, in fact, the Army and the Navy thinking about moving some functions there, and if not, where is that work done in the other services at these other 15 or 16 locations?

Are there some other places that are better suited, given all that, kind of what's the rationale for the Brook decision?

MR. BOATRIGHT: I think the rationale for the Brooks decision is to save money for the Department of Defense. When the Air Force went through its analysis of its lab installations; that is, the installations where laboratory function was the predominant function on the installation, Brooks came out at the bottom of our ranking. It was in the lowest tier of the ranking after we had applied all the criteria that we had applied to that particular category of installation.

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And based on that we began to focus on closing Brooks to see whether or not we could come up with a cost-effective proposal that would save money and that would allow us to continue operations at Brooks, very important operation.

And I would agree with you there are very complex activities there, but we believe that they fit very well at Wright-Patterson, which is the base which the Air Force has proposed to realign most of that workload to.

In the spirit of jointness in the human services research and development business, the Air Force felt that there were some of the things that we were doing at Brooks that could be better consolidated with some other activities and some other things that could be better consolidated with Navy activities.

We did offer to relocate or realign those activities into Army and Navy. However, as we began to work through that with both the Army and the Navy, it was determined that there was, in one case, there was fficient capacity at the facility to accommodate the ities at the other. It did not appear to be a cost-ctive way to do it. So instead the Air Force decided to

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realign all of the work to Brooks.

Now, we could turn this around, and we could have considered consolidating Army-Navy activities at Brooks, and the reason the Air Force didn't pursue that is we were trying to shed from the Air Force some considerable excess capacity.

So Brooks, based on our analysis, was the most attractive one for us to close, and so we went that direction. I don't want to tell you that it would be impossible to go the other direction, because Brooks does have some fine facilities and some fine activities there.

And I think you're correct in general, at least, that about 50 percent of the activity in that arena is done within the Air Force at Wright-Patterson, at the Armstrong Lab out at former Williams Air Force Base and at Brooks Air Force Base.

COMMISSIONER ROBLES: Well, that's a message we got loud and clear, that costs seemed to be one of the determinants if not the determinant. But certainly, if that's the case, we asked was there a site visit conducted to see just what the costs estimates would be to move all that piping and tubing and labs and chambers and centrifuges and on and on and on, and the answer we got was not really.

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And I understand how the BRAC process works, that first you got to do in a dark room so that you don't get panic in the streets, and then, when it's released, then you try and clean up.

And the impression I got was that as a site survey is being conducted it looks like it will cost considerably more than initial estimates to move all that stuff into places that it was determined to move.

And so the question I have to you is, one, do you have an updated good feel for what the site survey is going to say about moving all that stuff?

And secondly, one of the big issues there was a lot of those things are going to be moved to other places. So what you're doing is moving the personnel other places, and so not a lot of personnel savings, which generally is your big cost driver, so what you're really saving are base ops costs. Is that a fair assessment?

MR. BOATRIGHT: Yes, sir. I would say that the majority of the cost savings do come from the base operating support costs.

COMMISSIONER ROBLES: And since my time is up, just one final comment as I go. I also noticed that in the

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analysis you talked about one of the reasons it had low military value was it didn't have an active runway, yet the last time I checked at San Antonio there were several runways in close proximity. So why was that a factor, having an active runway on that installation, from a military value point of view?

MR. BOATRIGHT: I would tell you that while we considered whether or not an installation had a runway as a factor, and we believe that bases with the dual capability; that is, a capability to support a military flying operation as well as technical operations is better than a single mission installations, but it was not a major factor in that particular category.

I would tell you, in regard to the surveys that are being done, the Air Force is conducting surveys to verify the information that we have presented to the Commission. We will be providing updated information here in the near future. That effort at Brooks is not completed.

I would tell you similar to what Mr. Nemfakos said this morning that folks at the installation who work there and that's their career and that's their livelihood, when you ask them -- and the community officials as well -- when you

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1 ask them about the costs and the complications of doing
2 closures and realignments, you're going to get one answer.
3 We have to really scrub these answers, and that's
4 the reason we send survey teams out there, and we'll be
5 reviewing them at each level within the Air Force to be sure
6 that we come back to the Commission with valid costs and
7 savings.
8 I would submit to the Commission here that the Air
9 Force does not want to close or realign any installation in
10 it's not cost-effective. And so if the numbers that we get
11 in our survey process, if our conclusion would have been
12 different as a result of those numbers than what it was based
13 on our initial estimate, we will advise the Commission of
14 that.
15 COMMISSIONER ROBLES: Thank you, Mr. Boatright.
16 COMMISSIONER MONTOYA: Senator Dixon.
17 CHAIRMAN DIXON: Thank you, Mr. Chairman. I
18 apologize to my colleagues for the fact that I have to leave
19 here very shortly, but I did want to talk to Dr. Dorman a
20 minute before I left.
21 Dr. Dorman, is it my understanding that you're the
22 deputy to Dr. Jones? Is that an accurate statement?

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1 DR. DORMAN: Yes, sir. That is correct.
2 CHAIRMAN DIXON: Dr. Jones could not be here today.
3 DR. DORMAN: That's correct.
4 CHAIRMAN DIXON: I don't want to assume anything
5 that isn't true, but I'm told by staff that in summarizing
6 the results of the services laboratory cross-servicing that
7 Dr. Jones wrote, as Chair of the Laboratory Joint Cross
8 Service Group, and I'm told by staff we have the letter, and
9 I quote, "The final results are disappointing and unbalanced.
10 Cross-servicing is minor at best." Is that a fact?
11 DR. DORMAN: That's a fact, sir.
12 CHAIRMAN DIXON: Well, then I'll ask you what's the
13 impact of DoD's 1995 BRAC recommendations on excess
14 laboratory capacity in your view?
15 DR. DORMAN: The BRAC itself is going to have a
16 minimum impact upon the elimination of excess capacity.
17 CHAIRMAN DIXON: Is there substantial excess
18 capacity?
19 DR. DORMAN: There is substantial excess capacity.
20 CHAIRMAN DIXON: In sort of a gross way, can you
21 say how much?
22 DR. DORMAN: Yes, sir. The number provided in the

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1 GAO report indicated something like 9,800 work years. That
2 is for the common support functions that were looked at by
3 our Joint Cross Service Group.
4 If you define "excess capacity" as we elected to as
5 the difference between the peak number of work years at any
6 time between Fiscal 'Year 86 and '93 and the projected number
7 of work years in the laboratory systems in Fiscal Year 1997,
8 which was the last year that we expected the labs to have
9 reasonably certifiable data, the total difference across all
10 of what we call laboratory activities in all three services
11 is something like 30,000 work years.
12 And the base realignment and closure process will
13 be eliminating something on the order of 3,000 of those work
14 years.
15 CHAIRMAN DIXON: Dr. Dorman, I hold in my hand what
16 purports to be the recommendations of the Chair of the
17 Laboratory Joint Cross Service Group writing for the group,
18 and is this the recommendation: "Consolidate most command
19 control communications, computers and intelligence,
20 acquisition, research and development at Fort Monmouth, New
21 Jersey; consolidate air-launched weapons research development
22 test and evaluation at Naval Air Warfare Center China Lake,

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1 California; consolidate explosives at Armament Research
2 Development Engineering Center, Picatinny Arsenal New Jersey
3 at Naval Air Weapons Center China Lake; and consolidate
4 propellants at Naval Air Warfare Center China Lake"?
5 DR. DORMAN: Yes, sir. This is a reasonable
6 summary of the recommendation --
7 CHAIRMAN DIXON: And is that the view -- I don't
8 want to characterize it as your view, but is that your
9 understanding of the view of what Dr. Jones and others in the
10 Laboratory Joint Cross Service Groups recommended?
11 DR. DORMAN: That is correct, sir.
12 CHAIRMAN DIXON: I'll ask you further what would
13 have been the impact on excess laboratory capacity if the
14 Laboratory Joint Cross Service Group's four priority
15 alternatives had been accepted by the separate services in
16 the Department of Defense?
17 DR. DORMAN: I'll have to take that question for
18 the record. I'll have to go back and do some numerical
19 calculations as to the total size of those bases and what the
20 elimination may have been.
21 CHAIRMAN DIXON: Would it have substantially
22 reduced the excess capacity you've testified about?

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1 DR. DORMAN: It certainly would have in those
2 areas, yes, sir.
3 CHAIRMAN DIXON: In your view, what were the
4 deficiencies in the process -- in your view, in all fairness
5 to you, sir, many of these quotations are Dr. Jones'.
6 DR. DORMAN: Certainly.
7 CHAIRMAN DIXON: If you do not share them --
8 DR. DORMAN: I certainly share them.
9 CHAIRMAN DIXON: Oh, you do share them?
10 DR. DORMAN: Of course, sir.
11 CHAIRMAN DIXON: Then I am not out of line in
12 asking you, Dr. Dorman, in your view, what were the
13 deficiencies in the process that allowed the services to
14 disregard the Laboratory Joint Cross Service Group's proposed
15 priority alternatives? What caused that to happen?
16 DR. DORMAN: Well, I don't think it's a matter of
17 deficiencies in the process. It was the way the process was
18 basically defined at the beginning.
19 Again, I would reiterate that these organizations
20 are an integral and very essential part of the military
21 departments overall acquisition structure. In the nature of
22 the weapon systems that they develop, what they buy in the

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1 future, their ability to maintain them, upon that rests a
2 good degree of their roles and missions.
3 My belief is that the military departments were
4 considerably reluctant during this process to give you core
5 capacity that has such a strong impact upon their basic
6 capability to perform their Title X functions.
7 I also would reiterate that the laboratory system
8 overall will, in fact, eliminate a considerable portion of
9 its excess capacity. It's the nature of how that is
10 occurring.
11 The military departments have elected not to do
12 that, basically, but closing these structures, by closing the
13 facilities and installation, rather, they have elected to do
14 it by FTE, Full-Time Equivalent or internal force structure
15 reduction.
16 So they are eliminating people, basically, but they
17 are not closing the facilities, and I think one of the
18 reasons for that -- it's a personal opinion in this case,
19 because I, obviously, was not the one that made the
20 judgment -- part of it is their decisions to maintain their
21 internal capacity, each one, and secondly, it is as a
22 Commissioner mentioned just a couple of minutes ago, you do

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1 have a lot of specialized facilities, capabilities at each of
2 these organizations. Those are hard to reestablish.
3 CHAIRMAN DIXON: Let me ask you this, Dr. Dorman,
here is what troubles me. Dr. Jones is quoted further as
aying, "If we are to achieve desired results, it appears
hat we have a system in which only a heavier-handed
7 instrument will suffice."
8 I presume she alludes to the fact that this
9 Commission has that power. I don't know. But I wonder
10 whether we have the sensitivity and the understanding in this
11 highly esoteric kind of field --
12 DR. DORMAN: No. I understand.
13 CHAIRMAN DIXON: We may call upon your shop, you
14 and Dr. Jones and others, to supply some expertise that might
15 be helpful to staff. I greatly appreciate your cooperation.
16 I think we'd want to invade this province pretty carefully.
17 It isn't exactly numbers entirely here, is it?
18 DR. DORMAN: That's exactly correct, sir.
19 CHAIRMAN DIXON: So as a man who admits his lack of
20 expertise I can only say that what is said here bothers me
21 considerably, you see, and yet at the same time I wonder
22 whether we have the capacity to make those judgments in the

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1 kind of a finite way and be comfortable when we walk away
2 from it.
3 In any event, I let you know, Dr. Dorman, that
4 Dr. Jones and you will be hearing from us.
5 DR. DORMAN: Yes, sir.
6 MR. NEMFAKOS: Chairman Dixon?
7 CHAIRMAN DIXON: Mr. Nemfakos.
8 MR. NEMFAKOS: And I hope Dr. Dorman will forgive
9 me, but I feel compelled to add a couple of points. The
10 closure of 19 laboratory activities, as was the case in the
11 Department of the Navy, is not a small exercise in reducing
cess capacity.
So I am uncomfortable with leaving the
haracterization that a lot of excess capacity was taken out.
15 I certainly think that the people at Warminster,
16 Pennsylvania, at Annapolis, Maryland, at Lakehurst, New
17 Jersey, at Louisville, at Indianapolis, and I can go on,
18 obviously, for some time, would share the view that there was
19 not a lot of excess capacity taken out.
20 A lot of excess capacity was taken out. Some
21 aspects, perhaps, of cross-servicing were not performed as
22 aggressively as possible, but remembering that this was the

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1 first time that we engaged in an enterprise like this, that's
2 not entirely surprising.
3 But from a Department of the Navy perspective,
4 there was a lot of our excess capacity to include capacity
5 that we closed and moved work out of laboratory technical
6 center areas and into the depots.
7 In the context of the Joint Cross Service Groups,
8 they did provide recommendations based on their analysis of
9 work functions, and those recommendations were looked at and
10 given quite a bit of care in terms of what we needed and what
11 we didn't need.
12 In the context of the recommendations that came
13 from the Secretary of the Navy to the Secretary of Defense,
14 those were the recommendations that the Secretary of the Navy
15 felt that he could make and still fulfill his
16 responsibilities, and those responsibilities are, after all,
17 his.
18 CHAIRMAN DIXON: Well, I want to say to my good
19 friend Mr. Nemfakos that's well said, and I want to make it
20 very clear, in all fairness, Charlie, to you and to everybody
involved here that when we go through this exercise with
Jones and Dr. Dorman we'll get back to you and kind of

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1 carefully evaluate.
2 Now, I don't mean to suggest that we take
3 everything, you know, on the basis of Dr. Jones' letter.
4 We'd certainly get back to you. We'd get back to General
5 Shane. We'll get back to General Bloom, Mr. Boatright,
6 everybody that's part of the loop here.
7 I recognize this is kind of sensitive, and it's
8 pretty new, pretty new, but I am concerned about the feeling
9 here by the Chair of that group that we fell so substantially
10 sort of our goals. But what you've said is well said
11 Mr. Boatright.
12 MR. BOATRIGHT: Could I make one point falling
13 along the lines --
14 CHAIRMAN DIXON: Absolutely. I might have started
15 an awful argument here.
16 MR. BOATRIGHT: The Air Force believes that our
17 recommendations also substantially reduce the excess capacity
18 that we have, and as indicated by Commissioner Robles,
19 they're difficult.
20 Relocating laboratory functions and activities are
21 extremely complicated and difficult to accomplish. In our
22 calculations, we had about 6,200 man year equivalents of

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1 excess capacity, and with these actions the Rome Laboratory
2 closure and with the Brooks closure, we believe we'll reduce
3 that capacity by 2,100 to 2,200 man years, a very substantial
4 reduction in a very complicated area.
5 In addition, I'd like to comment that the Air Force
6 did accomplish a mainly cross-servicing here in the Rome
7 Laboratory, because while we didn't move all of the Rome
8 Laboratory to Fort Monmouth, we did move a substantial or
9 propose to move a substantial activity to eventually
10 integrate, whole integrate with the Army's lab at Fort
11 Monmouth.
12 So we believe that we've done a substantial amount
13 here. I would agree with Dr. Dorman in regard to the fact
14 that there is more cross-servicing that could be done. There
15 are more opportunities there. I agree with Charlie Nemfakos
16 in regard to this is the first time we've tried it.
17 We've learned another, and I think that some
18 continued cross-servicing will take place as a result of what
19 we've already learned in this BRAC round.
20 CHAIRMAN DIXON: This might have been the wrong
21 thing to bring up at the end of the day, Mr. Chairman.
22 COMMISSIONER MONTOYA: Thanks a lot, Senator. Have

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1 a good trip. Commissioner Cox.
2 COMMISSIONER COX: Thank you.
3 COMMISSIONER MONTOYA: I'm going to lose them one
4 at a time from now on. Commissioner Cox.
5 COMMISSIONER COX: Mr. Coyle and Dr. Dorman, in
6 response to the Laboratory Joint Cross Service Group data
7 call, the Navy provided information that clearly outlined
8 significant cross-service in federal use of two unique
9 facilities at White Oak, the Nuclear Weapons Effects facility
10 and the hypervelocity wind tunnel.
11 The Navy recommended and DoD endorsed abandonment
12 of these one-of-a-kind facilities. Was the need for the
13 continued operations of these facilities under a joint
14 contracted arrangement addressed by your group, and if so,
15 what did you decide, and if not, why not?
16 MR. COYLE: I think both Dr. Dorman and I need to
17 answer this. John Burt may have a comment as well. On the
18 test side, Mr. Burt and I did express a concern about the
19 wind tunnel at White Oak, and that concern is part of the
20 public record.
21 It was not a facility that we took data on in the
22 Test Joint Cross Service Group. It was really a laboratory

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1 facility, and so I think Dr. Dorman should respond from that
2 point of view.
3 DR. DORMAN: Our Lab Joint Cross Service Group did
4 not consider that facility. In fact, if I recollect
5 correctly, did not consider White Oak during this round. We
6 did not consider that --
7 COMMISSIONER COX: You just didn't look at it, or
8 you didn't consider it?
9 DR. DORMAN: No. We did not consider it at all.
10 COMMISSIONER COX: At all. I see. Okay. Are you
11 aware of those facilities at all?
12 DR. DORMAN: I am aware of them, yes.
13 COMMISSIONER COX: Would it be your personal
14 opinion that it would be appropriate to abandon those, or
15 should we be looking at some way to continue to support those
16 facilities?
17 DR. DORMAN: My personal assessment is that during
18 the process of making the final decisions I'm given to
19 understand that there are discussions both on the part of the
20 Commission and on the part of the military departments as to
21 what the appropriate mechanism may be to handle those.
22 Navy's decision, I believe, is that they have no

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1 specific use for that facility, which is why they have
2 proposed that it be closed. I have no comment on it myself,
3 because I have no specific knowledge. I mean, I am aware of
4 it, but I have no more detailed knowledge than that to
5 contradict or support.
6 COMMISSIONER COX: Okay. I want to follow-up on a
7 question that Mr. Montoya raised, and that is, in these kinds
8 of facilities where you have very highly educated
9 professionals working on specific areas, there is not only a
10 concern that they may not be willing to move with that
11 particular facility as they recommended it be closed but also
12 that by virtue of the fact that they don't move or by virtue
13 of the fact that you have to move very sensitive equipment,
14 that that requires, in some cases, duplication of equipment
15 while you're running tests on both ends, between any of those
16 that you might put certain important projects behind by as
17 much as, I've heard, two to five to seven years depending on
18 what facility we're talking about and that that, therefore,
19 is going to cost us money because we're not going to be able
20 to do the tests -- we're not going to be able to put the
21 equipment on the ships, we're not going to be able, for
22 example, in Annapolis in a Navy facility, to complete our CFC

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1 treaty obligations in time, which will be extremely expensive
2 for the United States -- can those costs be quantified, did
3 you quantify them, and if so, can we see some sort of break-
4 out, or do you just, sort of, assume it can all get done when
5 it was going to get done?
6 DR. DORMAN: Well, the specific answer to your
7 question is no, we did not quantify them. We didn't attempt
8 to even really to look at those in detail. What we attempted
9 to do is to look at the capacity and the capability to
10 perform this type of work both within the laboratory system
11 where there happened to be cross-service capacities and
12 capabilities and also the capacity to perform it in the
13 civilian community to the degree that's possible.
14 This is, of course, a subjective aspect. It did
15 not enter specifically into our considerations because, of
16 course, we dealt only with the certified data.
17 I cannot answer the question with regard to
18 Annapolis because, again, this was a Navy-unique facility and
19 a Navy-unique capability not within the purview of what the
20 Joint Cross Service Group looked at. So I'll defer to
21 Mr. Nemfakos.
22 COMMISSIONER COX: Well, maybe Mr. Nemfakos will

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1 answer that specific question, but I guess I'm also looking
2 for an overall question, as you looked at cross-servicing,
3 which necessarily requires moving people and equipment and
4 functions, was that an area you could quantify --
5 DR. DORMAN: I think the answer to this, perhaps
6 the correct answer is that implicit in our assumptions was
7 the fact that the work could, in fact, continue to get
8 performed.
9 One of the reasons for considering this and for not
10 going into it in any detail is past experience. We've seen a
11 number of moves of functions both associated with the base
12 realignment and closure process and, of course, other changes
13 that the individual military departments have made in their
14 structure.
15 These are carefully done and carefully planned and
16 typically can be accommodated without any specific or extreme
17 impact on --
18 COMMISSIONER COX: Right. Although at least three
19 occasions in White Oak and in Annapolis we have specific
20 equipment that cannot be recreated. I mean, you literally --
21 DR. DORMAN: I'll have to defer to Mr. Nemfakos on
22 that.

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1 COMMISSIONER COX: Mr. Nemfakos.
2 MR. NEMFAKOS: Yes, ma'am. I think -- and I know
3 you all know this, but just as a point of clarification, in
4 terms of the Joint Cross Service Groups, their principal role
5 was to provide alternatives for consideration for the
6 military departments.
7 So a lot of the costing types of questions that
8 you're asking poor Dr. Dorman to respond to it wasn't part of
9 his act, and therefore he neither gathered the data nor did
10 the analysis.
11 However, what they did do is they review the COBRA
12 results that reflected the results of the military department
13 analysis of those recommendations.
14 And so, for example, with regard to Annapolis, we
15 did, and you have probably -- the staff has probably seen it
16 in the deliberative record. We did have discussions on what
17 would has been with fluorocarbons, and our assessment was to
18 include, of course, the principal environmentalist in the
19 Department of the Navy, that given the time period that we
20 had to effect a closure, that exercise could be managed and
21 we could get what work needed to be done with very little
22 harm.

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1 With regard to other types of facilities, not going
2 specifically to the wind tunnel but other types of facilities
3 where activities came in and said, "Well, we have this unique
4 capability," one of the intern assessments was do we really
5 need to move it.
6 So you will see -- in the COBRA cost analysis, you
7 will see in some instances we are picking up a whole piece of
8 large gear and moving it and put it another place, but in
9 other times you will see a conscious decision that no, we do
10 not need to replicate that, and it isn't in there.
11 COMMISSIONER COX: And where you make a conscious
12 decision, just for an example, at the Deep Ocean Pressure
13 Simulation facility in Annapolis, not to move it, very
14 expensive, do you then include costs that say we're now going
15 to do this kind of testing, albeit not as much of it at sea,
16 and this is what those costs are?
17 Do you set forth a schedule on how that testing
18 will be done, or do you just say, "Well, we're going to take
19 a risk that we make a mistake, and we lose a ship"? How do
20 you cost out the cost of not having a facility like that?
21 MR. NEMFAKOS: Well, the answer, I guess, is that
22 where there is a real cost, in other words, when the at sea

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1 test isn't being performed in any case and when there isn't
2 additive cost for testing that has to be done someplace else,
3 just as you see the cost savings coming out, you also see the
costs going in.
But the issue of do we show a discreet cost to
exactly replicate every test that has been done at that
7 particular facility? I think the answer to that is no.
8 What we do is we do the internal judgment of what
9 has to be done, where does it have to be done, and is there,
10 in fact, an additive cost to the Department of the Navy?
11 COMMISSIONER COX: Do you do some sort of risk
12 assessment, we can't do everything if we don't have this
13 facility, and we're not going to do it all at sea, and so the
14 risk is one-tenth of 1 percent that something happens, and
15 those costs could be –
16 MR. NEMFAKOS: Well, I wish I could tell you that
17 there was a nice little package of data that says one-tenth
18 of 1 percent, but unfortunately it's, in essence, the
19 professional experience of the people on the Base Structure
20 Evaluation Committee as well as the professional response as
21 we got the responses from the scenario data calls from the
22 commanders of our principal activity, COMNAV Sea, COMNAV Air

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1 and the like.
2 COMMISSIONER COX: And you all did all of the
3 costs?
4 MR. NEMFAKOS: Yes, ma'am.
5 COMMISSIONER COX: You all took what you got
6 from –
7 MR. NEMFAKOS: We did no costing. We had no COBRA
8 capacity or capability.
9 COMMISSIONER COX: So you didn't second guess that
10 or –
11 MR. NEMFAKOS: No, we did not. No. We took a
quick look at the data, but no. We did not second guess.
COMMISSIONER COX: And the same thing on military
value. Did you take the services' view on military value?
MR. NEMFAKOS: We took the services' view of
16 military value. We believe from the beginning these are
17 these assets. It's their determination. They were the right
18 ones to make that decision.
19 COMMISSIONER COX: Thank you very much.
20 COMMISSIONER MONTOYA: Thank you, Commissioner Cox.
21 Commissioner Davis.
22 COMMISSIONER DAVIS: Admiral, I'm here with you to

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1 the bitter end.
2 COMMISSIONER MONTOYA: Outstanding. Knock our
3 rings together.
4 MR. NEMFAKOS: We didn't close the Naval Academy,
5 Admiral Montoya.
6 COMMISSIONER DAVIS: No, but you got a wind tunnel
7 right close to it. And again, I'm mostly a product of test
8 and evaluation laboratories. I use your products, but I also
9 know your system fairly well in some areas.
10 It seems to me that successful T&E and successful
11 labs consist of many parts. Clearly, some very specialized
12 equipment to some very specialized people, an adequate
13 capability to run your tests; i.e., you've got subjects or
14 airplanes or whatever the case might be, and adequate testing
15 areas in this process.
16 Now, quite clearly, you all are disappointed in the
17 inability of us to do more consolidation, but do you reckon
18 that might be because of some of the unique capabilities of
19 these test and evaluation areas and test evaluation
20 facilities that to lose these national treasures in many
ses is a mistake, and that was a services – and I'm asking
D, the Joint Service Group?

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1 MR. COYLE: Yes, sir. You may well have visited
2 some of these test ranges. If you have, you certainly know
3 that they are indeed national assets.
4 The land space that they encompass and air and sea
5 space for test purposes is something that needs to be
6 considered very carefully before it is given up. Once given
7 up, you'd probably never get it back.
8 COMMISSIONER DAVIS: Again, I am probably the most
9 conservative member of this group, and in fact I really hate
10 to give up anything that I figure might be useful some time
11 in the future. So you'll have problems with me.
12 Dr. Dorman, as I understand it, as DoD's only
13 recommended laboratory closure or realignment involving
14 cross-servicing is closing Rome Laboratory and realigning its
15 functions to Fort Monmouth, New Jersey, and Hanscom Air Force
16 Base Massachusetts.
17 Can you explain in the context of your group
18 proposed closing of Rome Lab and the alternative for cross-
19 servicing co-location? We've got a chart on it up here,
20 cross-service co-location of C4I activities at Fort Monmouth.
21 DR. DORMAN: Yes, sir.
22 COMMISSIONER DAVIS: I hope this depicts your

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1 recommendation for proposed relocation.
2 DR. DORMAN: Yes. Yes. Basically, that is the
3 proposal. This recommendation from the Air Force and
4 supported, of course, by the Secretary of Defense, is very
5 much in consonance with what we recommended overall.
6 As the Senator mentioned earlier, we suggested
7 that, if you would, a more complete consolidation of C4I
8 functions should be looked at. The military departments did
9 look at that for a variety of reasons, including cost and
10 other aspects on their program.
11 This was again, as you've indicated, the most
12 significant of the cross-servicing that has occurred. We're
13 very supportive of it.
14 COMMISSIONER DAVIS: This was, in fact, recommended
15 by your group?
16 DR. DORMAN: Basically, yes, sir. We specifically
17 recommended to the Air Force that they look at Rome Lab, the
18 closure of Rome Lab at one of their alternatives.
19 We suggested Fort Monmouth as one of the potential
20 receiving sites. So yes, I think it's fair to say that this
21 is in general consonance with the nature of our
22 recommendations.

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1 With did not specifically recommend this particular
2 split. The Air Force did this through detailed discussions
3 with the Army. They got together and took a look at what was
4 most compatible for those two locations as they made their
5 final determination.
6 COMMISSIONER DAVIS: Well, I'll get to the Air
7 Force here in a second. Mr. Nemfakos, did the Navy decline
8 to participate in this process, and for what reason?
9 MR. NEMFAKOS: Commissioner Davis, we didn't
10 decline to participate. We came up with a solution, which
11 for the Department, had a ten-fold better payback as a result
12 of being able to consolidate entire functions across command
13 lines in San Diego, eliminating one who layer of government
14 in the process.
15 And the savings comparisons were enormous. So when
16 we looked at both the operationally oriented aspects of
17 having facilities in the San Diego area where there could be
18 a lot of interplay with fleet and so forth as well as the
19 payback to the taxpayer of a difference of over $300 million
20 worth of savings as opposed to something in the range of 30,
21 it wasn't even close in terms of what our decision was.
22 So our recommendation – we looked at it, but our

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1 recommendation was to consolidate three levels of management
2 and communications area in the San Diego area and produce
3 many-fold higher savings.
4 COMMISSIONER DAVIS: Thank you.
5 MR. NEMFAKOS: Yes, sir.
6 COMMISSIONER DAVIS: Mr. Boatright, can you give me
7 a short answer on why the Air Force decided to go the way it
8 we want; i.e., send some to Fort Monmouth and the rest to
9 Hanscom?
10 MR. BOATRIGHT: Yes, sir. We were trying to
11 utilize the excess capacity at both locations. As you know,
12 part of Rome Lab was already at Hanscom, and so we wanted to
13 marry up those things that made sense that had to do with air
14 space that were predominant Air Force interests, and we
15 married those up in our proposal at Hanscom.
16 And those more pervasive activities that had
17 interest in all the military departments and primarily in the
18 Army we decided to locate at Fort Monmouth with the intent to
19 fully integrate those activities and as time passes --
20 COMMISSIONER DAVIS: Sometime down the road.
21 MR. BOATRIGHT: Yes, sir. Was the Army capacity to
22 handle that much movement at one time a factor in this

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1 process?
2 MR. BOATRIGHT: Yes, sir. The availability of
3 space, of excess capacity at the Army facility was a primary
4 consideration. In fact, I would tell you that that's the
5 reason why this was -- we were able to make this cost-
6 effective.
7 If you would look at our analyses, you'll see that
8 in our level playing field analysis this was not a cost-
9 effective proposal to close Rome Lab, but by virtue of part
10 of it going to Fort Monmouth, we were able to make it cost-
11 effective.
12 COMMISSIONER DAVIS: Okay. Again, Mr. Boatright,
13 sorry to pick on you, but the Joint Cross Service Group
14 stated electronic, test and evaluation capability at Eglin
15 and China Lake of approximately 85 percent overlap. One
16 alternative suggested was move China Lake test assets to
17 Eglin.
18 Why is the Air Force, in light of the alternative,
19 proposing to move the electronic combat testing from Eglin to
20 Nellis?
21 MR. BOATRIGHT: The Air Force's efforts here are to
22 consolidate our electronic combat training at two sites, and

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1 it's predominantly done now at Edwards and the Nellis
2 complex.
3 And it seems to us that if we're going to do a
4 consolidation here that it's best to concentrate that
5 activity at Edwards, and therefore the Air Force will have
6 electronic combat test and evaluation at only two sites
7 instead of three.
8 COMMISSIONER DAVIS: Okay. Thank you. My time has
9 expired. Mr. Chairman, thank you.
10 COMMISSIONER MONTOYA: Ms. Steele, you and
11 Commissioner Cornella have the last 12 minutes. So I'll look
12 to your discipline to give him enough time to ask a question
13 or two. Thank you.
14 COMMISSIONER STEELE: Okay. I will do that. I
15 hope the clearing out of the dias here isn't a reflection
16 that I have personal hygiene challenge problems or something,
17 but I'll jump ahead here.
18 I apologize for skipping around with these
19 questions, but this is what happens when your colleagues
20 leave you at the end of the group here.
21 Another question or two about Rome, please. As you
22 know, Rome was designated as one of the Air Force four Tier 1

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1 labs. First, for Dr. Dorman, you mentioned that you did not
2 recommend the split in particular that came from the Air
3 Force. Does it concern you at all that Rome Labs CQ dye
4 functions are going to be split between two military
5 installations?
6 DR. DORMAN: No.
7 COMMISSIONER STEELE: Okay. It's okay. You can be
8 quick. Question for both the Air Force and for the Doctor
9 here. Was the fact that the Rome Lab was central to the
10 community's reuse plan ever discussed or taken into
11 consideration as a part of any of your deliberations?
12 DR. DORMAN: It was not as part of the Joint Cross
13 Service Group, no.
14 COMMISSIONER STEELE: I'm having trouble hearing
15 you.
16 DR. DORMAN: No for the Cross Service Group.
17 COMMISSIONER STEELE: Okay.
18 MR. BOATRIGHT: No, it was not considered in the
19 Air Force analysis.
20 COMMISSIONER STEELE: Were you aware that it was
21 central to the reuse plan of the Rome community?
22 MR. BOATRIGHT: Yes, ma'am. I've been very much

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1 involved in that reuse, and yes. We're very much aware of
2 it. I was a part of the formulation of the proposal in '93
3 to leave Rome at Griffiss New York as a stand-alone
4 laboratory.
5 COMMISSIONER STEELE: Actually, I believe I cruelly
6 quoted you back to you a couple of hearings ago. So sorry
7 about that, Mr. Boatright.
8 MR. BOATRIGHT: Yes, ma'am.
9 COMMISSIONER STEELE: Let's see, how did the Air
10 Force determine the costs in savings of the Rome Lab
11 recommendation? Staff has provided an example here the total
12 one-time moving cost is 6.8 million, but that's for only
13 moving four major pieces of equipment, and there is only
14 $152,000 left budgeted for the freight of moving everything
15 else.
16 MR. BOATRIGHT: Well, we ran it through the COBRA
17 model applying those inputs to the COBRA model that are
18 necessary using a judgment of the people that were involved
19 with working the detailed analysis of this proposed closure.
20 We are now in the process of doing site surveys,
21 and as we do that, we will validate each one of these
22 estimate, and we'll provide the refined information to the

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1 Commission in the very near future.
2 COMMISSIONER STEELE: And does that include another
3 COBRA run?
4 MR. BOATRIGHT: Yes, ma'am. We will do another
5 COBRA run based on the updated inputs as they come out of the
6 site surveys.
7 COMMISSIONER STEELE: Okay. Jumping to Brooks, I
8 also visited Brooks, and as I know you're all aware, the San
9 Antonio community has presented a plan to establish a
10 cantonment area, closing Brooks and preserving the functions
11 of the Human Systems Center, the Armstrong Lab School of
12 Aerospace Medicine and Human Systems Research.
13 Now, I know part of this goes back to this savings
14 or costs are directly reflected into what functions actually
15 will have to move or won't have to move. Obviously, the
16 impression that we received that day was almost everything in
17 terms of the facilities would have to be moved with a
18 substantial cost associated with that and the cost of losing
19 talented personnel.
20 Should the Air Force, after your site visit, fine
21 that the up-front cost to close Brooks make that no longer an
22 efficient Air Force move, would you look at their cantonment

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1 proposal in any kind of a different light, or are you ready
2 to comment on the cantonment proposal by itself at this
point?
MR. BOATRIGHT: I wouldn't really want to comment
n any other proposal other than the one that we have before
he Commission, but certainly, as I said earlier, we will not
7 propose to the Commission that we pursue a closure or
8 realignment that is not cost-effective.
9 So once we have reviewed the information, validated
10 the data and run a new COBRA on it, we will provide that
11 information back to the Commission.
12 If some other alternative other than what we have
13 proposed would surface as a result of our site survey,
14 certainly we would review that, consider that and possibly
15 suggest that as an alternative to the Commission.
16 COMMISSIONER STEELE: Mr. Boatright, I know the
17 community's proposal has been given to the Air Force, and I
18 gather you're crunching numbers on it right now. Are you
19 aware of that, that it's being reviewed back at the
20 Department?
21 MR. BOATRIGHT: Yes, ma'am.
22 COMMISSIONER STEELE: And do you all plan to

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1 provide us COBRA run data from that community proposal?
2 MR. BOATRIGHT: I'm not sure whether we'll provide
3 separate data from the community proposal. I'm just not sure
4 of the status of that or whether we'll wait and incorporate
5 that into the results of our site survey and then provide a
6 more comprehensive piece of information back to the
7 Commission, but we will address both the survey information
8 and the community's proposal.
9 COMMISSIONER STEELE: Thank you. I don't know if
10 you'll know the answer to this question, and if not, feel
ree to get back to us, but staff is hopeful that that COBRA
alysis can get back to the Commission by May 1st,
r. Boatright. I see a no is shaking behind you.
MR. BOATRIGHT: We're going to do our best.
15 COMMISSIONER STEELE: Okay.
16 MR. BOATRIGHT: And I can't really promise you at
17 this time, but we'll make every effort to get it to the
18 Commission at the earliest possible date.
19 COMMISSIONER STEELE: Two other quick things.
20 Switching to Kirtland, in 1990, the Secretary of Defense had
21 list announcing his intention to close Los Angeles Air Force
22 Base, including the lab function, and move it to Kirtland Air

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1 Force Base. What has changed in the year since that time to,
2 in essence, reverse those proposals?
3 MR. BOATRIGHT: Well, I think that was prior to the
4 1990 Base Closure and Realignment Act. So the rules were
5 different. The Air Force had put forward a proposal, and we
6 were going to go through the process of evaluating that.
7 That would have realigned the closed Los Angeles Air Force
8 Base and realigned much of the activity through Kirtland Air
9 Force Base.
10 In the intervening time, the Congress passed the
11 new Base Closure and Realignment Act, the 1990 Act, and that
12 required us to use criteria and a force structure plan to do
13 the analysis and to derive recommendations for closure and
14 realignment based on that analysis and that analysis only.
15 And therefore, we had to stop our process on the
16 previous proposal and begin anew to evaluate our
17 installations, and as a result of that process; that is, this
18 new process under the 1990 Base Closure and Realignment Act,
19 we have not come forth with such a recommendation.
20 COMMISSIONER STEELE: Thank you very much, and I
tch to my colleague on the far end.
COMMISSIONER MONTOYA: Thank you, Ms. Steele.

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1 Mr. Cornella.
2 COMMISSIONER CORNELLA: Thank you. Could I see
3 Chart 3, please, or could we see it? Mr. Burt, the
4 alternatives from the Joint Cross Service Group are displayed
5 before you. Do you still support these as the ways to reduce
6 excess capacity in the Test and Evaluation area?
7 MR. BURT: I believe that examination of these
8 alternatives might provide some reduction of excess capacity.
9 There is no way to know for sure until the complete analysis
10 is conducted.
11 COMMISSIONER CORNELLA: But these are your
12 recommendations?
13 MR. BURT: Yes, they were. They are.
14 COMMISSIONER CORNELLA: What percent of the excess
15 Test and Evaluation would be eliminated if these alternatives
16 were adopted?
17 MR. BURT: I don't know, sir. I can check for the
18 record for you and make an estimate, but it is not a
19 straightforward matter. What led us to these in the first
20 place was an apparent overlap in open-air testing capability,
21 but each of these sites listed her has an extensive
22 investment in ground test facilities, measurement

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1 laboratories, integration laboratories, install system test
2 facilities, hardware in the loop laboratories that are in
3 many respects unique from site to site.
4 And if we were to attempt to close one or more of
5 these sites, a major factor would be how much of that
6 structure on the ground would have to be moved, relocated to
7 some other place. And so I say we don't know for sure until
8 we ran an analysis to find out how we would go about that.
9 COMMISSIONER CORNELLA: Mr. Burt and Mr. Coyle,
10 virtually no reductions in test and evaluation capacity
11 resulted from the services' recommendations. Why was the
12 Joint Cross Service Group so unsuccessful in convincing the
13 individual services to consolidate activities?
14 MR. COYLE: We made recommendations in a number of
15 areas. For example, there are 11 so-called noncore sites,
16 and we had a recommendation to either realign or mothball
17 work at each of those 11 sites. The services looked at all
18 of those recommendations and did adopt some of them.
19 COMMISSIONER CORNELLA: Mr. Nemfakos, tell me a
20 little bit about the uniqueness of the Warminster Lab in
21 regard to the inertia laboratory and the centrifuge. Are
22 those one of a kind? I know there are other centrifuges, but

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1 I mean, that would be of the quality and have the ability to
2 test that that one does?
3 MR. NEMFAKOS: Commissioner Cornella, I am not
4 aware of any that have the same specific characteristics to
5 include the Pennsylvania bedrock that one of them is on and
6 uses that as part of its reliability feature.
7 Our assessment was that we had sufficient like
8 capability, not the same capability but like capability to
9 perform the jobs that we needed to perform.
10 COMMISSIONER CORNELLA: Mr. Chairman, thank you.
11 COMMISSIONER MONTOYA: Thank you very much, and I
12 will conclude the hearing for the day by mentioning that I do
13 have some mail that we will send to the appropriate
14 departments. Mr. Coyle, you seem to be a rather popular
15 addressee.
16 I have a joint letter from Senators Mikulski and
17 Sarbanes from Maryland regarding the White Oak Laborat
18 issue. I have a letter for you, Mr
19 Representative Sam Farr rega
20 I have a letter from C
21 regarding the U.S. Army
22 also questions for D

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1 I have from Congressman Albert R. Wynn also a
2 series of questions regarding White Oak also to Mr. Coyle and
3 a letter from Congressman Joe Scarborough, and he's
4 interested in the entire issue, the Cross Service Group issue
5 regarding the electronic combat open air ranges, the issue
6 regarding Eglin Air Force Base and China Lake and Nellis.
7 Our staff will take these and forward them to you
8 for appropriate response. And we have one more. This is
9 from Chris Smith, a member of Congress and I believe is from
10 New Jersey, and this is regarding work and study in the
11 catapult directing gear testing for aircraft carriers
12 performed at Lakehurst, New Jersey. It seems the Navy
13 concluded this mission cannot be done today at any other
14 military facility in the world.
15 And I guess his issue is why can't the work -- "One
16 of the alternative recommendations of the Laboratory Cross
17 Service Group was to consolidated fix-flight subsystems ED
18 work and the fixed-flight systems ISE work now done at nine
19 separate places at the Naval Air War Center at Lakehurst.
20 Why were these recommendations made, and why were they not
21 thoroughly explored?" So we'll forward this one also from
22 Congressman Chris Smith.

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1 MR. COYLE: We will be pleased to work with your
2 staff to answer those promptly.
3 COMMISSIONER MONTOYA: Yes. Thank you very much.
4 And thank all of you very much, particularly those of you who
5 have been here all day long staring us in the face, and
6 notwithstanding it's still good to see you. Have a good day.
7 Hearings are concluded.
8 (The hearing was concluded at 4:00 p.m.)
9 * * * * *

Multi-Page™

# THE DEFENSE BRAC

# REGIONAL HEARING

DALLAS, TEXAS

APRIL 19, 1995

Donna L. Collins, CSR

Collins & Miller, P.C., Dallas, Texas (214) 220-2449

THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

DALLAS, TEXAS REGIONAL HEARING
DALLAS CONVENTION CENTER
April 19, 1995

COMMISSIONERS:

RADM BENJAMIN F. MONTOYA, USN (RET), CHAIRMAN

AL CORNELLA

REBECCA COX

GEN J. B. DAVIS, USAF (RET)

MG JOSUE ROBLES, JR., USA (RET)

WENDI LOUISE STEELE



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CHAIRMAN MONTOYA: Good morning, ladies and gentlemen. My name is Benjamin Montoya, and I'm a member of the base closure commission charged with the task of evaluating the recommendation of the Secretary of Defense regarding the closure and realignment of military installations in the United States. Also with me today are my colleagues and fellow commissioners Al Cornella to my far right, Ms. Rebecca Cox, General James Davis, General Joe Robles, Ms. Wendi Steele. Good morning.

First I want to thank everyone, military and civilian alike, who have assisted us so capably during our visits to the many bases that are represented today for these hearings. We have spent many days looking at the installations that are on the Secretary's list and asking questions that will help us make our decisions, and the cooperation we have received has been just outstanding and we all want to thank you very much.

The main purpose of our visits is to also see the installation firsthand and to address with military personnel in the community the all important question of the military value of each of the bases.

In addition to the base visits, the commission is conducting a total of 11 regional hearings, one of which is -- today is the sixth. The main purpose of the regional hearings is to give members of the communities affected by these closure recommendations a chance to express their views. We consider this interaction of the community to be one of the most



important and valuable parts of our review of the Secretary of Defense's recommendations.

Let me assure you that all of our commissioners and our staff who are sitting seated behind us are well aware of the huge implication the base closure has on local communities. We are committed to openness in this process and we are committed to fairness. All the material we gather, all the information we get from the Department of Defense and all of our correspondence is open to the public.

We are faced with a very difficult and unpleasant task which we intend to carry out as sensitively as we can. Again, the kind of assistance we receive here is greatly appreciated.

Now let me go over some of the details of how we'll proceed today as we have at all our regional hearings. The commission has assigned a block of time to each state affected by the base closure list. The overall amount of time was determined by the number of installations on the list and the amount of job loss. The limits will be enforced strictly. And we have timers on my desk and timers at the podium that we will ask you to observe, and then we have other ways to remind you as your time is running out so that we can give everyone a fair chance at their say.

We notified the appropriate elected officials of this procedure, and we left it to them working with local communities

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determine how to fill your particular block of time.

This morning it is our intention to listen to testimony from the State of Texas for a total of 150 minutes. At the end of the morning presentation we set aside a period of 30 minutes for public comment during which members of the public may speak. We have provided a sign-up sheet for this portion of the hearing and hope that anyone who wishes to speak has already signed up. We would ask those of you who are speaking at that time to limit yourself to two minutes.

After the lunch break and beginning at about 1:30 this afternoon, we will hear 70 more minutes from the State of Texas and then 50 minutes of testimony from the states of Oklahoma and Arkansas. After those presentations we will again have a 30-minute period for public comment from Texas, Arkansas and Oklahoma.

Let me also state that the base closure law has been amended since 1993 to require that anyone giving testimony before the commission do so under oath. And so I will be swearing in witnesses, and that will include individuals that will speak in the public comment portion of the hearing.

With that, I believe we're ready to begin.

And I wish to welcome two people that we're delighted to have with us, the governor of Texas, Governor George Bush -- happy to have you with us this morning, Governor -- and Senator Hutchison, also from Texas. It's good to have you with us. So

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if you'll both please rise, I will swear you in for an upbeat time in your life probably.

(Governor Bush and Senator Hutchison sworn).

CHAIRMAN MONTOYA: Thank you. As you know, we have ten minutes to use as you see fit. So Governor?

GOVERNOR BUSH: Chairman Montoya, thank you very much. Members, welcome to Texas.

CHAIRMAN MONTOYA: Thank you.

GOVERNOR BUSH: I thank you for the opportunity to share my thoughts.

First, I appreciate the difficult decisions that you have to make in the coming weeks. As you accurately stated, many careers, families, and ultimately our Texas economy will be affected by what course of action you take. Texans recognize that for the good of the country these tough decisions must be made. We understand that the Cold War is over and that threats to our national security have changed. We also understand our military forces must be restructured, and we're willing to do our fair share.

My message is simple. I believe that Texas is the best place in the country for the military to live and train, and that this round of base closures unfairly impacts our state.

With nearly 7,000 direct jobs and countless other indirect jobs on the line, Texas stands to lose more than any

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other state in the United States. The federal government gets a great buy for their defense dollars spent in Texas. We have a low cost of living; we have outstanding weather conditions for military operations; we have an abundance of available air space to train pilots; but, most importantly, we have communities which respect and support the military.

Let me start with Brooks Air Force Base. Brooks is the brain trust or part of the Air Force brain trust, and it's a vital part of one of the greatest military communities in the country, San Antonio, Texas. Today hundreds of Brooks Air Force Base workers got up at 2:00 in the morning and boarded buses to come and express their support for this vital part of the Air Force. The City of San Antonio has come up with an incredibly common sense proposal that you'll hear about today. It saves the Air Force money and preserves the brain trust that Brooks Air Force Base has developed, not only for the good of San Antonio and Texas, but for the good of Air Force and the good of the country. This plan must be enacted if the Air Force is to commit and keep its commitment to being on the leading edge of vital research.

The Red River Army Depot in Texarkana, the depot is strategically located to handle maintenance on a majority of the armed forces track vehicles, and this base has proved its ability to ship supplies and technical support anywhere in the world during the deployment to Kuwait, Somalia, and Rwanda. It

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is a leader in maintenance operations.

The federal government's recommendation to shut down the Red River Army Depot defies common sense. After all, Vice-President Al Gore recently hailed this base as an example of government efficiency. Base closure decisions must be based on merit. And we must reward excellence in the public sector as we do in the private sector, and the Red River arsenal deserves that kind of treatment.

The 924th reserve fighter wing at Austin was spared in '91 and '93 by the commission on the condition that Bergstrom Air Force Base be converted into a functional airport in 1996. The City of Austin overwhelmingly approved a $400 million bond sale to make that airport a reality and keep its commitment, and the federal government ought to keep its end of the bargain as well.

Reese Air Force Base in Lubbock has been an innovator in the Air Force's pilot training program. It was the first base in the country to integrate training between the Navy and the Air Force and the first to train student pilots on the Air Force's new T-1 aircraft. Lubbock offered military defense access to a major university and numerous employment opportunities. The City of Lubbock has developed innovative ways to reduce the Air Force's operating costs. For example, Lubbock developed a medical partnership program with Reese's medical officers to help lower the Air Force's health cost

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1 expenditure. The Pentagon should support bases like Reese. If
2 you're interested and truly interested in saving taxpayer's
3 money.
4 Finally, I'd like to discuss the pilot training in
5 South Texas. In 1993 the BRAC commission added a pilot training
6 mission at Corpus Christi Naval Air to its closure list. The
7 commission later changed its mind for several reasons. First,
8 Corpus shared the operating cost with the Coast Guard, the Army,
9 and the U. S. custom Service. Secondly, Corpus Christi has
10 unlimited air space, a must for pilot training which could
11 support additional student pilot classes in the event of a
12 national emergency. The commission should once again vote to
13 maintain pilot training in Corpus.
14 I'd like to thank the communities that are here and
15 the communities that welcomed you to Texas when you came. I
16 know you saw thousands of yellow ribbons, and you saw the eyes
17 of those who really worried about their future. And they're
18 here today and they represent the best of Texas, community
19 leaders who take time out of their private lives to make their
20 case, to do innovative things, to understand the changing
21 realities. We've got good people in Texas, and you're about to
22 hear from them today.
23 I also want to thank our congressional delegation
24 ably led by some new leaders in the U.S. House and of course by
25 Senator Hutchison and Senator Gramm. They work closely with my

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1 office and with others around the state to make sure that we all
2 get a fair hearing and that Texas is not discriminated against
3 relative to other states.
4 And, finally, I would like to leave you with one last
5 thought. That is, the Texas government has made helping our
6 military a priority. My staff and I stand ready to assist you
7 in resolving any lingering concerns you might have about
8 permitting or infrastructure problems. We've worked hand in
9 hand with the military in the past, and you have my word that we
10 will do so in the future. Thank you very much.
11 CHAIRMAN MONTOYA: Thank you, Governor.
12 SENATOR HUTCHISON: Thank you very much for coming to
13 Texas. We are so pleased to have you here, and we want you to
14 know how much Texas associates itself with our military. And we
15 applaud your efforts, and we know how difficult your decisions
16 are.
17 I have worked with our senior Senator Gramm and
18 Governor Bush, and I wanted you to know that this is a labor of
19 love for all of us. This is a state that has a military
20 tradition.
21 During the community presentations today you will be
22 provided with information that indicates in some cases that the
23 services overlook important data in some cases and deviated from
24 the closure criteria. We feel our cases are strong and
25 compelling. Just to mention a few, as Governor Bush did, it

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1 does seem odd that the Air Force would establish joint Air Force
2 and take naval pilot training at Reese Air Force Base and
3 designate Reese as the first base to receive the T-1 trainer if
4 it was the lowest ranked undergraduate pilot training base.
5 In the case of Brooks Air Force Base, the Air Force
6 did not look at the added savings that could be achieved by
7 reducing the size of the cantonment area and maintaining most of
8 the existing functions at Brooks. I think the community has
9 come up with a very innovative way to show you that in fact we
10 can save more money by keeping Brooks in a cantonment area.
11 Closure of the Red River Army Depot and transfer of
12 the depot maintenance functions to Anniston will load the depot
13 at Anniston to nearly 100 percent of capacity. This eliminates
14 surge capacity and will severely constrain the Army's capacity
15 to meet wartime maintenance needs.
16 When Bergstrom Air Force Base was slated for closure,
17 the commission said that the Austin community would undertake
18 the necessary action to turn the air force base into an airport,
19 that the Air Force Reserve Commission would remain at
20 Bergstrom. Then the Air Force Reserve was put on the 1993 round
21 of base closures, and this commission did not approve that
22 recommendation. We feel that a deal is a deal. The Austin
23 community has upheld its part of the bargain, and we expect the
24 Department of Defense to keep its part of the deal as well.
25 The movement of naval pilot training out of Corpus

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1 Christi is a blow to South Texas, but the assignment of
2 helicopter and super squadrons to Corpus Christi will offset
3 most of that economic impact. We are, though, concerned that if
4 we have the JPAS as the new joint service primary trainer that
5 there is going to be a need for longer runways, which are not
6 available at some of the bases that will remain open but are
7 available at Corpus Christi.
8 But most of all I want to focus today on something
9 that is a key area of concern to me. It impacts not only Texas
10 but the nation as a whole. Unfortunately, what causes me the
11 most concern is part of the very underpinning of the base
12 closure process, and that is the size of our force structure
13 that is now projected. Shortly after my swearing in in 1993 I
14 sought, fought for, and received a seat on the Armed Services
15 Committee. During my tenure there I became convinced that the
16 force structure now proposed cannot meet our national security
17 requirements. It is imperative that we maintain a military
18 force structure capable of fighting two major regional conflicts
19 and prevailing. North Korea, Iran, Iraq, the conflict in the
20 Balkans are just a few examples of the areas of regional tension
21 that could erupt into a flash point in which we may have to take
22 military action.
23 During the cold war, we had a constant threat that
24 overrode all other considerations. We knew our military was
25 sized to deal with potential Soviet threat, and it was adequate

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that purpose. But now look at the things that are happening
[illegible]und the world. Saddam Hussein pursued his quest to obtain
3 nuclear weapons while North Korea, Iran, Libya, and others were
4 seeking to join the nuclear club. What was once thought of as
5 unthinkable became a living nightmare recently in the subway
6 system of Japan when we saw a religious sect unleash the nerve
7 agent, sarin, during rush hour. As you know, this morning there
8 has been another scare in Japan.
9 So we are concerned that our United States Army is
10 only the eighth largest Army in the world, and several of our
11 likely adversaries have armies as large and larger. Asking our
12 military to defeat two adversaries at the same time is no easy,
13 easy task. A number of fine colleagues in the Senate and I
14 firmly believe that we should restore the cuts contained in the
15 current five-year defense plan which brings us to the dilemma
16 you face.
17 I would ask you to consider that in the future we may
18 decide to restore some of the cuts in our structure. Therefore,
19 I would respectfully suggest that you consider having your staff
20 conduct a parallel analysis of infrastructure requirements that
21 would be consistent with an active-duty military force structure
22 sized at the levels proposed by former Secretary of Defense Dick
23 Cheney and former Chairman of the Joint Chiefs, Colin Powell
[illegible]ing their planning for readiness in the cold war period. A
25 force structure at those levels is more in keeping with our

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1 national security needs and assures us the capability to prevail
2 in two major regional conflicts with lower casualty rates, and
3 that is very important.
4 I would ask that you condition some of the proposed
5 closures on your potential list to future action that could
6 alter the size of our force structure. I hope you will factor
7 into your deliberations the necessity to ramp up in case of
8 conflict and having the base capacity to serve these needs.
9 Should Congress decide not to change the current force structure
10 plan, then additional closures could proceed. I urge you to
11 consider this very important readiness issue as you are
12 deliberating.
13 Thank you very much. Thank you for being here.
14 COMMISSIONER MONTOYA: Thank you, Senator Hutchison.
15 (Applause).
16 COMMISSIONER MONTOYA: Our first panelist this
17 morning will be representing Reese Air Force Base, and we will
18 start your clock after we swear you in and after the drop of the
19 first word of the first speaker we will start it running. And I
20 have listed Congressman Larry Combest -- Congressman -- Mayor
[illegible]vid Langston who is seated in there, and Brigadier General
22 J. O. McFalls.
23 And so, again, will you and anyone else that you plan
24 to have supporting you all stand, and I'll swear you in.
25 (Four witnesses sworn).

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1 COMMISSIONER MONTOYA: Very well. Congressman, I
2 believe you're first.
3 CONGRESSMAN COMBEST: Chairman, thank you very much.
4 Let me say first of all to all of the commissioners, welcome to
5 Texas. I will never swear in a witness before a committee again
6 under quite the same attitude that I've had in the past.
7 It was very appropriate that you chose Reese Air
8 Force Base as the first base for discussion today. Reese has a
9 long tradition of being first. Among UPT bases Reese was first
10 in the joint training of the Navy, it was first to receive the
11 T-1 trainer, first scheduled for the new JPAS joint trainer,
12 first in preference of students and instructor pilots, and it's
13 first in the lowest cost of flying hour.
14 In every major training upgrade or policy improvement
15 Reese Air Force Base has led the way. The Air Force would not
16 put its cutting edge program at its worst base. Air Force
17 officers who were present for their education and training
18 command confirm base Reese to showcase new programs as the
19 premier base for Reese's credibility in pilot training. And
20 that's why it's slated for closure. Luckily the Air Force and
21 the defense department have relied on that doubt as a faulty
22 model. The result has been the wrong base has been selected for
23 closing.
24 When General J. O. McFalls -- while general J. O.
25 McFalls will elaborate further on some of the data, please allow

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1 me to mention a few of the more disturbing mistakes. Shoring
2 Reese's air space 10,000 cubic nautical miles, leaving out 55
3 percent of the military training areas and shoring Reese's
4 airfield pavement by 10 percent.
5 Friends, these mistakes are only what the Air Force
6 has admitted were wrong. I would not be here today if I thought
7 Reese was the ugly duckling that the Air Force claims. Like
8 many of the Air Force personnel who contacted me who were all
9 simply astounded at the Air Force low ranking of Reese. This is
10 completely counter to the 1991 ranking from the BRAC for reason
11 of rank near the top. It also contradicted what the Air Force
12 had been telling me for over a year. They repeatedly stated
13 that the UPT category was the closest and the hardest decision
14 they had to make.
15 Secretary Wendahl's testimony before BRAC stated --
16 and I quote -- "I must say what we needed to do at this time
17 around was to identify to, I guess I'd say make a spread to
18 amplify, magnify the differences between facilities so we could
19 come out with a recommendation." End quote. Commissioners,
20 Secretary Wendahl is at the heart of what went wrong at Reese.
21 A computer model sought to turn slight shades of differences
22 into stark black and white contrast. That approach gave the Air
23 Force an out. It was an easy answer, but it was the wrong
24 answer.
25 It has been very frustrating to get the Air Force to

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1 take another look at the UPT category. Each time I bring
2 information to their attention, they either minimize it, dismiss
3 it, or ignore it. Just two days ago the General Accounting
4 Office told you of their doubts about this method and
5 highlighted Reese as a base that BRAC should carefully
6 re-examine. At the same time the Air Force testified that they
7 score no value to Reese having already implemented the T-1
8 program. Think about that carefully. Reese gets no credit for
9 having the lowest cost per flying hour of any base in UPT. Only
10 the federal government would operate in its own world where
11 experience and cost make no difference.
12 As the congressman representing Reese in Lubbock I
13 have always told my constituents that national security must be
14 the determining factor for base closure. The defense department
15 is not the jobs program. That remains true today, but I must
16 tell you that I am not willing to watch Reese Air Force Base be
17 closed on a flimsy case that the Air Force has forwarded. You
18 must not allow that to happen. I have continually questioned;
19 the GAO has questioned it. Commissioners, your findings in the
20 UPT category, specifically your decision on Reese, has critical
21 impact on military readiness for our country in the next
22 century.
23 At this time I would like to turn the presentation
24 over to the mayor of Lubbock, Mayor David Langston.
25 COMMISSIONER MONTOYA: Thank you. Mayor?

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1 MAYOR DAVID LANGSTON: Mr. Chairman and members of
2 the base realignment and closure commission, it is my pleasure
3 to appear before you this morning as the mayor of the City of
4 Lubbock and present a small part of a case in behalf of Reese
5 Air Force Base and its host city, Lubbock.
6 For more than 50 years now the citizens of Lubbock
7 and Reese Air Force Base have worked together in a partnership
8 designed to train the most highly skilled pilots in the world.
9 I think you will agree that this partnership has been a
10 successful one as Reese Air Force Base has helped our nation
11 achieve its objectives of peace and security at home and
12 abroad.
13 Actually, the history of Lubbock, Texas and Reese Air
14 Force Base can be traced directly back to May 22nd, 1950 when on
15 Armed Forces Day then Chief of Staff, General Omar Bradley and
16 Congressman George Mahon announced that Reese Air Force Base
17 would be designated as the third permanent military installation
18 in the nation. And of course as the chairman of the Defense
19 Subcommittee on Appropriations, Mr. Mahon made sure that the
20 base was kept in good shape during his term of 44 years.
21 As you can see by this photograph here that's been
22 blown up, the deal that was struck was that Lubbock would give
23 complete and irrevocable title to the defense department in
24 exchange for designation as a permanent military installation;
25 and in true West Texas fashion, a handshake sealed the deal.

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1 It's interesting that today we are in a similar type
2 situation. Then we were, as a nation, in a period of transition
3 between World War II and the Cold War. Now, once again, our
4 nation is in a period of rapid change. The Cold War is over,
5 and we are listening to changes as we draw down our defense
6 capability. Competition and efficiency are watch words of the
7 day as our military adjusts to different threats and attempts to
8 achieve global reach and global power. Your job as BRAC
9 commissioners is to ensure that we don't repeat the mistakes of
10 the past when our military drawdown occurred much too rapidly
11 creating such things as a hollow force and other such problems.
12 Certainly it is important to the four ways to cut
13 cost and create efficiency, but the reductions in closings must
14 be investigated in light of real world situations. The
15 reconfiguration of our military capability over which you
16 preside should be analyzed in accordance with the circumstances
17 which exist today and which will exist in the next century.
18 Unfortunately, the decision of the Air Force to
19 recommend Reese Air Force Base as one of the pilot training
20 facilities to be closed does not appear to have been subjected
21 to such analysis. It seems that the process that was used and
22 the criteria employed to come to a decision about closing pilot
23 training bases took place in a vacuum. The Navy used its
24 criteria, the Air Force used a different process, and the
25 defense department as a whole did not take into account all

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1 public and private assets which bear upon the ability of a base
2 to train the pilots of the future. Let me explain.
3 Since military value is the most important factor in
4 base closure deliberations, I will focus only on those areas
5 where our community's assets enhance the military value of Reese
6 Air Force Base.
7 First, the Department of Defense and the secretaries
8 of each of the military services have been giving great emphasis
9 to quality of life issues which they assert are important
10 factors in maintaining military readiness by assisting in the
11 retention of highly skilled personnel. In Lubbock, Texas we
12 have the quality of life features that are attractive to the
13 military personnel of the '90's and their families. Lubbock is
14 a modern city of 200,000 people. We are centrally located with
15 three major hospitals, three universities, a medical school, a
16 law school, an international airport with six airlines, and much
17 more. We have a sophisticated economy which can and does
18 provide sophisticated jobs for spouses and family members of
19 service personnel. Reese Air Force Base, in fact, has been the
20 number one choice of Air Force personnel in base assignment
21 preference surveys, and the reason is the overall quality of
22 life at Reese. The DOD gives substantial lip service to quality
23 of life to military personnel. Yet quality of life issues plays
24 little to no role in the process used to determine which pilot
25 training bases to close.

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A second important fact which enhances the military value, the military capability of Reese Air Force Base is the existence of Lubbock International Airport. This airfield is used heavily by the Air Force. It is in fact a de facto exalted and exhilarated field for Reese, and it costs the Air Force nothing.

During 1994 military operations accounted for 43 percent of all operations in Lubbock International Airport. And I might add, the federal government has spent more than 10 million over the last five years in capital improvements to enhance the capability of the airport. The FAA controllers, which are paid for by the Federal Aviation Administration, cost the defense department and the Air Force nothing.

However, despite this significant asset, despite the significant federal investment, despite the military contribution it makes to training military pilots, the Air Force does not even give credit for its existence in its base closure analysis. It's as if they closed their eyes and said Lubbock International Airport does not exist, it's not an asset that we can use; although they've been using it for 50 years.

Next, a third factor which contributes to the military value of Reese is the medical facilities available in Lubbock. Because of the number and sophistication of civilian medical facilities and civilian medical personnel in Lubbock the Air Force has recently established a military-civilian

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partnership where a substantial portion for medical support for Reese now comes from the civilian medical community in Lubbock. This partnership saves the Air Force millions of dollars in medical costs. Yet, once again, at a time when we are all encouraging these types of public/private partnerships, the Air Force gives no credit to this arrangement in its analysis of assets available to enhance undergraduate training at reduced costs.

Finally, the City of Lubbock contributes to the military value of Reese Air Force Base due to its surplus of affordable, quality off-base housing. The housing costs in Lubbock are well below the national average, and affordable housing close to the base is readily available.

Someone once said that common sense is the least common of the senses. We all know that when industries are looking to relocate now they consider the quality of life of the community they are exploring; they consider the existence of public facilities like an international airport; they look for public/private partnerships that can reduce their health care costs. The process of the Department of Defense should be no different. A common sense approach that gives credit for the existence of other private assets which avoid unnecessary costs and duplication of facilities should be used.

Members of the commission, I urge you to review very carefully the Air Force recommendation to close Reese Air Force

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Base. Our investigation has revealed, and the Air Force has admitted, that their announcement contains numerous errors concerning other graduate pilot training bases. Earlier this week the GAO report verified that substantial errors were made in the compilation of the data. I hope I have demonstrated to you the important aspects of military value, such things as the quality of life of Air Force personnel, which is so important in efforts to attract and keep skilled recruits; an auxiliary field like Lubbock International Airport, used 43 percent of the time by military operations; a public/private partnership with the health care industry. All assets that have substantial value in creating the Air Force of the 21st century, all of these factors were not given consideration. I believe a great mistake will be made if you do not revisit the issue of undergraduate pilot training bases. I am confident that if you do, Reese Air Force Base will not remain on the final closure list.

Competition, free enterprise concepts, right sizing, reinventing government, getting a handle on unreasonable government regulations and trying to make government operate in the real world are all things that we've been talking about in this nation over recent months. Last week I had the opportunity to tour Eglin Air Force Base and probe their field and see special operations of the Air Force and all of the electronic wizardry and Buck Rogers type technology that exists. And I must tell you that I was impressed. Their capabilities are

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truly awesome and they are on the cutting edge. But the most impressive thing that I saw was the personnel, the young men and women who were enthusiastic about their jobs, who went about their jobs in an innovative manner, in the most efficient way possible. These are the type of recruits that we must have in the 21st century.

All of us know that after you've won the national championship it's not the time to stop recruiting or suddenly changing the strategy and tactics of the game. Now is the time that we must push forward and use free enterprise concepts, real world type situations in analyzing how we reduce our defense capability to make it more efficient, more powerful so we can achieve global power and global reach. This has not been done as we look at the issue of training pilots into the next century.

I encourage you to revisit this issue, I encourage you to retain Reese Air Force Base as one of our country's national assets. And I thank you for your service to this country and the grueling task that you are undertaking. Thank you very much.

COMMISSIONER MONTOYA: Thank you, Mayor.

(Applause).

CONGRESSMAN COMBEST: Commissioner, if I might introduce our next individual who is going to be a little more specific in some of the areas of concern, I'll introduce to you

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1 General J. O. McFalls, III, whom many of you may know because of
2 his 28 years of distinguished service in the Air Force.
3 General McFalls' final assignment was at Randolph Air
4 Force Base where he was director -- where he was deputy
5 commander for the air training command, and it gives him a very
6 unique perspective on the problems we're confronted with today.
7 And I'd like to mention before General McFalls begins that
8 General McFalls is a volunteer. He came to us because he was
9 shocked, as many of us were, that Reese Air Force Base was on
10 the list. And he is here to share his opinions with you about
11 his concern about undergraduate pilot training of the Air
12 Force. And I will call on General McFalls at this time.
13 BRIGADIER GENERAL J. O. MCFALLS: Thank you, Mr.
14 Combest.
15 Janice, if you'll turn on the slides, please.
16 You know, sometimes in life you've got to just stop
17 and ask yourself the question: What are you doing? In fact, my
18 wife, as she dropped me off at the airport at Dulles yesterday
19 said, "What in the world are you doing?" And I've asked myself
20 this more than one time, and I guess it all came to home last
21 night when General Davis looked at me and said, "What in the
22 world are you here for?" Well, the easiest way for me to answer
23 that I think is to tell you why I am not here.
24 As the Congressman said, I am not being paid to do
25 this; I am a volunteer. I am not lukewarm on this issue. I

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1 feel very strongly that the recommendation and a judgment or
2 decision that Reese Air Force Base should close is counter to my
3 over 32 years of Air Force experience. And the other thing I'm
4 not here today is to cast any aspersions upon my service, the
5 United States Air Force, upon my former boss and for that matter
6 my mentor, General Bliss Afilio, and certainly not to my
7 successor's area of education and training command, Major
8 General Glenn Proffitt who, as many of you know, gave the
9 ultimate sacrifice two nights ago while serving his country.
10 And finally I'm not here to compare Reese against any other
11 base. This is not a base-by-base comparison. But that's enough
12 disclaimers. What about me?
13 The congressman pointed some of the things out here
14 and that is that I was born in Texas, so welcome to my home
15 state. I was a graduate of pilot training at Reese Air Force
16 Base in the mid-'60's, and I got my planes that my dad tended to
17 loan me, he being a retired colonel in the Air Force. I was an
18 instructor pilot in the T-38, so I know this business well. And
19 I've had a lot of great times with my best and most liked one
20 which was to be the wing commander of the first F-15B strike
21 eagle unit, at the at four-tack heart wing at Seymour Johnson
22 Air Force Base in North Carolina.
23 Following that I made general. I met General Joe
24 Robles at charm school, which is an oxymoron I know for the two
25 of us. We were there. They worked us over, and I went for my

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1 second tour as Air Force liaison, and that's what we do with the
2 United States Congress. That's when I met the congressman this
3 time, Larry Combest.
4 Following that assignment the congressman said I was
5 assigned as the director of operations for air training command,
6 where I was responsible for all flying training, the pilot
7 training, the navigator training, the weapons system officer
8 training and, for that matter, the space officer training.
9 So for the next few minutes, until that green light
10 goes off, I'd like to spend a little time to give you a
11 different approach on this subject, something that you haven't
12 heard. Now you have in front of you over 40-plus briefings
13 that's very well done and very fancy. You can probably read it
14 on the airplane if you're not up to here with that as you leave
15 here today. But what I'd like to do now is summarize some of
16 the things. Of course you've seen the points, the
17 counterpoints, the discrepancies, the errors and things that
18 have already been mentioned, some of the agreements to
19 disagree. But I want to spend a short few minutes with my
20 experience on what makes this problem so difficult. And I think
21 I can do that using maybe seven or eight of the slides in front
22 of you.
23 So first let's look at slide 3. I'll just put the
24 map up here to who you that while at air training command I was
25 challenged and selected for the chairmanship of what was called

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1 the joint flag officers experience for flying training. The
2 task was to get some money savings and get some common sense
3 into flying training by doing it with our sister services. Very
4 heated and lively discussions ensued. In fact, for a while
5 there I thought I could probably qualify to be a backup host for
6 the Phil Donahue show. It got really heated when we found out
7 that it was immediately obvious to everybody that the three
8 services had different purposes in life. They had different
9 missions and different requirements for their pilots. And if
10 you take the Army helicopter buys out and gals, you've got the
11 Air Force and Navy on two separate planets. And the goal was to
12 put those together. But this was for a good reason. The Navy
13 lands on ships; they don't worry about crosswinds. The Air
14 Force lands on land; we have to accept whatever crosswind comes
15 with that.
16 I see this as a problem. The Air Force is all jet
17 operation. Those old airplanes were built with jet engines that
18 cannot take ice down the front of them. And so where we're
19 worried about the ice on the wings, we're also very worried
20 about foreign object handling. So we'll shut down the whole
21 operation for icing. By the way, it was not considered in the
22 analysis.
23 The other completely different philosophy is that the
24 Navy trains their people base by base and you start out in one
25 base and you finish that training, and then the man or woman and

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ir spouse and children, if they have them, they move to
other base and do the rest there and then move to a third base
3 and try and finish their year-long training.
4 The Air Force, the philosophy is quite different.
5 All four bases are quadruplets, they're all identical; they have
6 the same runways; we very simply can relate because they have
7 the same simulators, the same academics, squadron building, et
8 cetera, et cetera.
9 And so the challenge is for us in the joint flying
10 training group was to meld these two planets together somehow,
11 but first and foremost it became obvious we had no way to
12 compare the capacity of flying training bases, we had no way to
13 judge how many sorties or how many good pilots you can produce
14 at a flying training base. And, lucky me, because I've got the
15 time and my staff and I'm research analyst as the director of
16 training. Colonel -- now retired colonel -- Air Force Colonel
17 John Feld is sitting over here and is sworn in with us in case
18 there's any questions. Because he and his band of analysts
19 formed the first capacity model and have expanded on that
20 since. And that's now used by this joint service group as well
21 as everybody else in the Pentagon when it comes to pilot
22 training. In the past you counted up how much encroachment
23 there was of the civilians, how big the ramps were, and how
24 at the community felt about you; and that seemed to be the
25 judgment call from the earlier BRAC decisions.

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1 So if you're the chairman of this year's joint cross
2 service group, what do you do? Well, that gentleman and the
3 people that worked on it for him had to choose factors and
4 parameters that were across the board at all of the bases. And
5 so what's one of those? Oh, here's one, crosswinds. It's
6 crosswinds that we all measured, so we could put that down. And
7 these were all separately negotiated amongst themselves, and
8 each service said that's real important to me so I want that
9 made higher, and that's not so important so we'll give on that
10 and we'll add to this. Crosswinds carried a greater weight in
11 the analysis than did overall attrition of the sorties, meaning
12 that crosswinds contributed to sorties not taking off and
13 landing. But then you've got a lot of other type factors like
14 icing, like thunderstorms which was not considered. Like other
15 things, maintenance which was considered. When you have a
16 maintenance in the airplane that's broke, or let's say the
17 student throws up in the cockpit and you don't take off, makes
18 that official sortie. There are those types of things were
19 actually countered, but the crosswinds had a bigger factor and
20 ight factor than that. Probably because the Navy wanted it
way.
22 And for some inexplicable reason, as this shows on
23 this slide, the analysis methodology -- and that's in your
24 little briefing there -- is slide 18. That summarizes some of
25 the things that you've been briefed on before and you've seen in

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1 the points and counterpoints. But I'd like to go through the
2 next four slides because when you do pull this out later I want
3 you to make sure that you understand what these four slides say
4 because I think Don Feld has put it very well in the
5 perspective.
6 Sorry, audience, you're not going to see the fine
7 print and we didn't have enough copies for everybody, so you'll
8 have to bear with me a bit.
9 What you see here is those are the eight categories
10 for base closures to be considered. The most important of
11 course is the left, commission flying requirements. And then
12 I'm not a scientist and I'm not an analyst as it were, but it
13 seems inexplicable to me that what we did is we took all of the
14 bases under consideration, Navy and Air Force, all of them, and
15 gave them some sort of ranking as to how well they could do a
16 particular flying training function. Not just flying pilots,
17 but flying navigators, flying weapons system officers, flying
18 weapons system strike officers, flying flight screening, and
19 then averaging all those up to give an overall score.
20 Now the bad news is that this only has the Air Force
21 bases. If you take the Navy and everybody else, and there is
22 missing blocks all over this, that some of the data wasn't
23 considered for some reason. But we still averaged them all up
24 and took them in rank order. And this is what has been ranked
25 out with average score and then given what we in the Air Force

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1 and some of the military call a stock blank chart, where you
2 red, yellow, and green. Obviously red is bad. The only red on
3 the whole chart fell out of this chart in the mission flying
4 area where Reese Air Force Base is listed.
5 Now, this is the data that was used, and quickly I'll
6 go through the next three slides so when you pull this out again
7 the Air Force has admitted they did make some oversight and some
8 mistakes; and so when you recalculate and correct those errors,
9 this is the way it falls out. That's just the error correction
10 data recalculation. It obviously makes them a lot closer.
11 Now then, if you take just what Air Force bases do,
12 that is Air Force bases trained in these areas down here for
13 pilots and you take those and isolate those particular
14 categories, you see that it does change the rankings. That's
15 just Air Force missions and not navigator and some of those
16 other things. So this is what Air Force bases do if you rank
17 them again.
18 And, finally, if you then do what the Navy did, as
19 Mr. Dukakis testified in front of you or at least told us when
20 we asked him, the Navy group then took the Navy bases and did
21 their own analysis and decided that, well, crosswinds are real
22 important to us and so we'll do that. But you can see what you
23 can do, you can take and switch icing, for example, and put it
24 in here rather than crosswinds and the whole thing racks and
25 stacks differently. And this is the model that was used.

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1 Now, I just said the buzz word in my mind which I
2 think is a terrific oversight. And that is that the Navy then
3 took their five bases, knowing they had to close one, and rack
4 and stack, using Navy factors. Unfortunately, we in the Air
5 Force didn't do that. We took the data from that chart four
6 slides ago and took our four bases out, and then put them in
7 order and gave a stock blank chart to the 13 members of the main
8 closure executive group, and it's easy to vote then if you've
9 got one red stoplight on the whole chart all across the board.
10 I guess I know how I'd vote too. But they didn't do any other
11 reanalysis of it to put it in Air Force terms.
12 But now back to my joint flying training experience
13 here. I'd like to refer you now to slide 13. This one is -- I
14 don't mean to be contentious on this because I was serving in
15 legislative liaison for the Congress when this base closure
16 series went through. And these are the '91 ratings. Now, we
17 all know that these were done by a staffer -- like what's
18 sitting behind the commissioners now -- in 1991, and they put
19 those numbers down. My point is, is that while they used the
20 encroachment as one of the major factors here -- and that's why
21 Williams Air Force Base in Phoenix, Arizona -- Chandler, Arizona
22 actually was dropped way down. That was a heavily weighted
23 factor. But look how close the other ones are. Reese, by the
24 way, was number two here.
25 We've been told that we never did an official ranking

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1 and stacking. In fact, that's right; that's what we were told
2 to tell the Congress, so we did. And when Mr. Combest or
3 someone would ask me, when I was serving in this duty, that we
4 did not rack and stack them. However, this is how they came
5 out. They're very, very close. So now I'll go back to my joint
6 flying training challenge. Pick a base. Where do you want to
7 put joint flying training? It was easy to me to choose a base.
8 And I talked to my boss, John Basillio, and we decided, let's
9 put it at Reese Air Force Base because we want to put our best
10 foot forward. Let's show our sister service, the Navy, how good
11 it can be. And so why not choose the best one; let's go to
12 Reese. And it's near a central hub, so we can get people out of
13 there too. And so that's why we chose Reese, just like my
14 predecessors chose it to put the T-1's for the first training.
15 And just like we decided in a joint group with the Pentagon that
16 the first replacement T-37 aircraft, the JPAS, would also go to
17 Reese Air Force Base. Never did it ever occur to me that Reese
18 would ever appear on a closure list. It was never, ever said in
19 my over a year and a half in that job.
20 So now that we've separated the Navy -- the apples
21 over here, the Navy, and the Air Force here, the oranges, the
22 Air Force all looked the same; all those oranges are the same.
23 And that's by design. Because I as a commander at Seymour
24 Johnson Air Force Base don't want to worry about the gang coming
25 from Laughlin Air Force Base, oh, here they come again; oh, no,

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1 they all better be to a very high minimum standard so that each
2 man and woman that graduates with wings on their chest in the
3 United States Air Force can meet that standard and I can rest
4 assured I don't have to reinvent pilot training at this combat
5 base.
6 So I think that as the mayor said, we should use some
7 new buzz words, the things that are very close to our hearts at
8 the Pentagon now that Secretary Perry has started with a very
9 well received and greatly appreciated program called his
10 military quality of life. And he's got another task force, as
11 you know, that's out there looking at all of that now. And I
12 can tell you about base popularity because another one of my
13 tasks while I was here at air training command was to go to
14 every operational base in the continental United States by order
15 of the commander of the air combat command, General Mike Lowe,
16 and talk to the pilots to encourage them, to cajole them, to
17 recruit them to become instructor pilots in our training
18 command. Constantly, never a problem to fill Reese Air Force
19 Base. We had waiting lists for Reese. The other bases, some of
20 the other bases we never filled 100 percent with instructor
21 pilots.
22 So what's wrong with this picture? As Mayor Langston
23 said, this really doesn't pass the common sense test. And
24 there's your summary slide there on slide 21. It shows some of
25 the things we've talked about here before. It doesn't pass the

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1 common sense test, and as Chris Layman said to me the other
2 night, the figures are like out of Alice and Wonderland.
3 So I highly recommend that if we have the manpower
4 and the efforts to do it, that we look and take a very close
5 look at the model that was used here with an eye towards not
6 only making it more accurate and more pertinent, but -- and
7 here's a big foot-stomping "but" -- with an eye towards a more
8 accurate assessment of capacity of these flying training bases
9 because they know that this model did not include another
10 mission we do. We haven't even seen in any of these charts
11 introduction to fighter fundamentals; that's another part of
12 flying training that we do at our bases. That hasn't been
13 considered.
14 So if that's the case and in fact if it's true, as
15 Senator Hutchison said, we need to have -- be ready for these
16 contingencies and we see that they're forecasted to go two and a
17 half times as many pilot training production as we are today,
18 two and a half times, what does that mean to the person that
19 fills Glenn Proffitt's shoes, that goes into that seat? That
20 means he's going to be flying Saturdays and Sundays, he's going
21 to fly weekends and, oh, by the way, that hasn't been considered
22 because we're talking civilian contract maintenance, and that's
23 time and a half overtime. And so those costs are expensive to
24 fly on weekends, let alone burning out instructor pilots.
25 The other thing you can do is reduce the requirement,

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we can cut out all those international students that we send through that their governments pay to go through our training, at no cost to our government but we gain with the interface with that particular individual as they go back to their countries and spread goodwill and good training that they get in the United States Air Force. If that doesn't work, you can cut the Guard and Reserve and take them out and not train them, but it turns out they're going to need a whole bunch more because they have a big bathtub requirement for Guard and Reserve that they're going to need to be training more of their own.

So basically I'd like to close by saying that I'm convinced that our nation needs this highest quality pilot training program, the best in the world. And I'm very convinced that our nation needs Reese Air Force Base. Thank you very much. Congressman.

CONGRESSMAN COMBEST: Chairman, members of the commission, we by my calculation have about nine minutes left. We would be happy to entertain questions. I would like to end with one final closing statement. In our close review for now well over a year of coming up to this date, making preparations for this day, I think in the final analysis -- and we have looked at this -- that we believe very strongly in the service group and that the Air Force conducted an inadequate review of pilot training. We've seen the results of that today. I don't believe in any shape, form, or fashion that this was

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intentional. I know how difficult and how complex that it is to come up with these decisions. But I believe very strongly if you do not reconsider the flaw of decision that has been made, that there will be a premier pilot training base that will be lost. The GAO related earlier this week the need for BRAC to re-evaluate Reese. I would at this time make a formal recommendation or request that the base realignment and closure commission re-evaluate this entire category with regard to the present pilot training, including all of the other bases for review that have not been accomplished.

I thank you very much for your time.

COMMISSIONER MONTOYA: Thank you very much, to you, Mayor, and General. Let me ask my colleagues if they have any questions of the panelists.

Hearing no questions, I want to thank all three of you for your presentation and the data you provided us and, again, the fine hospitality we received in our visit to Lubbock, Texas. Thank you very much.

(Applause).

COMMMISSIONER MONTOYA: For planning purposes, what I'll do is we'll set up for the next -- I think we have a panelist representing Corpus Christi, Texas. And then we will take a 15-minute break before we take the Brooks Air Force Base panel.

(Pause).

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COMMISSIONER MONTOYA: Mr. Neil, would you go down your list of names for me?

MR. LLOYD NEIL: Yes, sir. I think we furnished those in your book, but let me quickly do that. Admiral Weston McDonald, Vice-Admiral Steven Laughlin, Brigadier General Ed Shirley, Captain Mike Alt, Captain Frank Reynolds, Mr. Carl Smith, Gary Steele. I think that's it. I'm sorry. Captain Jerry Burnham.

COMMISSIONER MONTOYA: All raise your right hand.

(Nine witnesses sworn).

COMMISSIONER MONTOYA: Very well. And good morning, Mr. Neil. And the Naval Air Station, Corpus Christi delegation has 20 minutes beginning with right now.

MR. LLOYD NEIL: Thank you, Mr. Chairman.

They have rigged me up with sound here, and I'm not sure it's going to work so I may have to unrig myself.

Mr. Chairman, my name is Lloyd Neil, and I'm the volunteer chairman of the South Texas Military Facilities Task Force. Ours is an organization that represents a four-county area in South Texas.

This morning we would like to discuss with you the six recommendations that the Navy has made concerning the facilities at NAS Corpus Christi and NAS Kingsville complex. As you look at these six recommendations I would like to ask you to ask yourself five questions. Should this be done? Can this be

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done? Does it make sense to do this? Is it in the best long-term interest of the Navy to do this? And is it in the best long-term interest of the taxpayers to do this? As we look at each one of these recommendations we will try to answer these questions with you and for you.

First, let's take a quick trip to South Texas. Most of you have not had the pleasure of visiting South Texas, although Commissioner Cox has and I know, Admiral Montoya, you have been there when Ingleside was first started. We are looking at an area in the upper middle coast of the Texas Gulf coast. Let's take a quick look at our military complex as we know it to exist. The hub of this complex is the Corpus Christi NAS complex, a federal complex, nine air miles to the north of Naval Station Ingleside, the home of the circuit fleet, flying on direct command. Approximately 30 miles, air miles to the Southwest is NAS Kingsville complex.

One of the important parts of this slide is something I'll be coming back to when we talk about air space. You'll notice that Kingsville is surrounded by the world famous King Ranch. It's approximately 1 million acres of land. It offers no problem as far as air space and any other problems associated with training aviators.

This is the T-45 trainer. The first recommendation that the Navy has made, that we wholeheartedly support, is the single-siting of the T-45 trainer in South Texas in the

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1 Kingsville -- NAS Corpus Christi/Kingsville complex. When you
2 look at training aviators, Naval aviators or Air Force aviators,
3 or any aviators, you look at three basic requirements, air
4 space, weather, and concrete. We hope to show, and you agree
5 with the recommendation of the Navy, that we have ample air
6 space, excellent weather, and certainly available concrete.
7 Very quickly, last year we commissioned as a task
8 force Brigadier General Shirley and Captain Alt, to make an
9 in-depth analysis of the 11 training bases used for the Air
10 Force and the Navy for pilot training, both east and west --
11 both east and west of the Mississippi. Very quickly, when you
12 overlay on top of that commercial airline routes, you see that
13 the most available air space in the United States for training
14 aviators is in South Texas. There will be those who will say we
15 don't train naval pilots at that elevation. We know that.
16 However, you do have general aviation pilots who fly at much
17 lower elevations who follow the interstates, and unfortunately
18 some of your general aviation pilots think that a military MOA
19 is something you do when you mow the grass at a naval base.
20 Do we have the weather in South Texas to train
21 military aviators? We think so. This chart very quickly, based
22 on official pilot data, shows the green being Texas, the yellow
23 being Mississippi and Florida in some cases. Going from green
24 to yellow to red, as the military is accustomed to do, green
25 being the most favorable, red being the least favorable.

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1 The Meridian team in their Birmingham presentation
2 raised again -- the question arose of single siting the T-45
3 aircraft. A 100-year study done by official -- the global
4 tropical cyclone climatic, shows that approximately twice as
5 many hurricanes have entered the Gulf and moved north into the
6 far panhandle Mississippi area as have come west in the Gulf of
7 Mexico.
8 Now let's talk about concrete. The NAS Kingsville
9 complex and the NAS Corpus Christi complex is blessed with ample
10 runways. This shows an aerial view of the Kingsville complex,
11 two parallel 8,000-foot runways going both ways, for a total of
12 four 8,000-foot runways, ample concrete at NAS Kingsville.
13 An up-close look at the ramp, if you can see down in
14 the lower left-hand corner of the ramp, that's the siting place
15 for the T-45 trainer as we now know it to exist. The upper
16 right-hand corner of this slide is where the T-2 was formerly
17 located when it was located at NAS Kingsville. There's ample
18 space there of concrete to take the entire T-45 to fly should be
19 without question. Again asking yourself, can it be done? We
20 think it certainly can be done at the NAS Kingsville complex as
21 far as concrete is concerned.
22 This is the state of the art corrosion control hangar
23 at NAS Kingsville, large enough to accommodate the entire plant
24 of T-45. We think this is another example of existing
25 facilities that already exist at NAS Kingsville and the NAS

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1 Kingsville complex.
2 One of the things that you have to look at is the
3 availability of outlying fields. The importance of this
4 slide -- and the two colors denote different things, but the
5 importance of this slide is to demonstrate to you on a
6 geographic basis the location of the various outlying fields to
7 both NAS Kingsville and NAS Corpus Christi. The orange color
8 denotes 8,000-foot runways, all T-45 capable. The yellow color
9 denotes 5,000-foot runways as the minimum, all T-44 capable,
10 which I'll be talking about in just a moment.
11 When you take the existing -- back up just a minute
12 and show you. When you take the location, the geographic
13 location of the outlying fields and overlay on top of that the
14 military operating areas, the military warning areas, you see
15 that the outlying fields are located right in the center of the
16 existing MOAs, on land -- the purple being on the land, the
17 yellow being over water. When you look at that on a large map,
18 you see that almost the entire area of South Texas is a
19 dedicated military flying area.
20 We have an additional outlying field in Orange Grove,
21 already a part of the Kingsville complex, two 8,000-foot
22 runways. A potential at Goliad. The Navy still owns Goliad,
23 and I'll come back to that in just a few minutes. Two
24 8,000-foot runways. A potential at Beeville. As you know, this
25 was former Chase Field. There are three 8,000-foot runways

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1 there. Two of those certainly would be available for the Navy
2 without question.
3 I think, Mr. Chairman, the important part of this
4 is: If we needed this for surge capability, it's available to
5 the taxpayers of this country for one dollar per year. We made
6 that arrangement, and that is a formal contract that can be
7 initiated.
8 Very quickly, the five questions. Should we
9 single-site the T-45 aircraft in the NAS Kingsville/NAS Corpus
10 Christi complex? Can we single-site the T-45 aircraft in the
11 NAS Kingsville/NAS Corpus Christi complex, and can we allow for
12 training and surge? I'd invite your attention to the graph that
13 has 385 at the top. The existing complex at NAS Kingsville will
14 allow you to train 155 PTR's, another 100 at Orange Grove. When
15 the recommendations of the base closure commission -- or the
16 recommendations of the Navy are completed, with the extension of
17 the runways at NAS Corpus Christi, that allows you to have the
18 total PTR capability at the two bases of 385. The current Navy
19 data requires 336. But adding 19 E-2/C-2 pilots, it's 355. The
20 question then, can we do this in South Texas? Can we
21 single-site the T-45 at the NAS Kingsville/NAS Corpus Christi
22 complex, and I think you'll see the answer is yes.
23 If you'll go to the last bar graph. Do we have ample
24 capability and capacity to surge? Using Kingsville, Orange
25 Grove, Corpus Christi, and the taking advantage of what's been

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led to the Navy and to the taxpayers, Goliad and Beeville, n for the cost of one dollar per year, we think we have the ability to surge at 559 PTR's, well above what the -- the amount needed presently by the United States Navy.

So in summary, on single-siting of the T-45, should we do it? I think we should. Can you do it? We think you can. It certainly makes sense. It's in the long-term best interest of the Navy, and it's certainly in the long-term best interest of the taxpayers.

I want you to pay just a little bit of attention to this slide of Corpus Christi. This is NAS Corpus Christi, a federal complex. Three sides on the water's edge. This is the approach coming in from the north to the two parallel runways we now have at NAS Corpus Christi, again a federal complex.

The second recommendation of the Navy is to single-site the MH-53 helicopters from the East Coast to the West Coast of NAS Corpus Christi. This will be the air arm of a mine warfare excellence. This is a picture of the MH-53. Can we do this? Yes, we can.

The third recommendation of the Navy is to single-site the T-34 primary trainer from Corpus Christi NAS to NAS flight simulators in Pensacola. In doing that, and that's a ommendation that we agree with, although we hate to see the 4 primary pilots leave Corpus Christi, we agree that it's in e best long-term interest of the Navy and the taxpayers to

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single-site that primary aircraft. You free up the two hangars there with the HM-14 and HM-15 designations. Those are currently on the flight line of NAS Corpus Christi, they're currently occupied by the T-34 trainer, and they would become available for the MH-53 helicopters.

Very quickly, Admiral Montoya, since 1988 Naval Station Ingleside has changed a little bit. The Admiral was there when we dug the first shovel of sand I believe. This is a quick -- an aerial view of Naval Station Ingleside. Again, where the surface assets of a mine warfare command are located. Here, a quick picture of some of those naval ships located now of the mine warfare command post league at Naval Station Ingleside. Again, only nine air miles across the bay from the center of our complex.

Very quickly, I've already spoken briefly about single-siting the T-34, which is the bottom aircraft, single-engine aircraft. That would be according to the Navy recommendation of single-siting it. The top aircraft is a T-44, multiengine trainer, advanced training platform.

The fourth recommendation that the Navy has made is elocate the T-44 trainer out of the Corpus Christi area into e Pensacola area.

This is the recommendation that we do not agree with. I will try to explain that. This shot -- this slide will show you the current location of the T-44 hangars. The T-44 is

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currently located at the end of the flight line. I'll show you this again very quickly. The last hangar on the end there. This is the flight ops management area at the far right-hand end down there. We can relocate two MH-53 squadrons in the middle and leave the T-44 there at the end where it has easy access to the runways. Again, asking ourselves the five questions. Should it be done? We don't think so. Can it be done? Certainly. The Navy could relocate the T-44's anyplace they would like to. Is it in the long-term best interest of the Navy? We don't think so. Why? Because the infrastructure is there, the aircraft is there, the concrete is there, the weather is there. The T-44 is in the last one-third of its life as an aircraft used for training by the Navy. It really doesn't make a lot of sense to us to relocate an aircraft that sometime in the relatively near future it will be relocated again or taken out of the defense core structure. Since we have the air space, concrete, and weather, and it's all in place, we can find no real cost savings for the Navy to relocate the T-44.

Very quickly, this is another view of NAS Corpus Christi, the federal complex, noting three sides on water. What we want to show you here is proposed extension of the runways that the Navy has recommended in association with and in conjunction with single-siting the T-45 aircraft. When you extend the lower runway, lower parallel runway, to allow the T-45 aircraft to land and take off and go into the left-hand

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pattern, all over the water or all over the Naval Air Station, you also allow for the use of the longer runway, the Cox runway, to continue to be used by the T-44 aircraft and other tenant aircraft NAS Corpus Christi. Why is this important? The T-45 can train to the left, the T-44 and other aircraft can take off to the right. The outlying fields for the T-44 are located to the right off of this photograph.

Cabaniss Field is currently the outlying field for the T-44. It's already owned by the Navy and used by the Navy for training T-44 pilots. It has one 5,000-foot runway and one 4500-foot runway. Does it make sense to relocate the T-44 when you have this concrete available? We don't think so.

Outlying field Aransas County. You may not remember on the map, but it's slightly to the north and east of NAS Corpus Christi. It's used currently by the T-34 for the T-34 training. Can this be used for the T-44? Yes, it can. What is the cost to the Navy to use Aransas County? About $27,000 a year. One of the better bargains. Not quite as good as a dollar a year for Beeville but certainly a bargain to the taxpayers and to the Navy. Another outlying field to NAS Corpus Christi complex is Waldron Field. This field we propose would be used as an additional training site and the single-siting of the MH-53 helicopters.

Again, very quickly, should we leave the T-44 trainer in Corpus Christi? Is it compatible? Can it be done? Does it

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1 make sense? Is it in the long-term best interest of the Navy
2 and the taxpayers? We think you can. Currently the capacity of
3 NAS Corpus Christi, using tenant aircraft at the bottom -- and
4 that's not a very clear slide -- the T-34 flight ops, the T-44
5 flight ops. Go all the way over to the right-hand side. This
6 last graph shows, still utilizing the current tenant aircraft,
7 adding the MH-53 squadrons, HM-14 and HM-15, your MH-53
8 squadrons, adding the T-45 that's proposed by the Navy, you
9 still have ample capacity to leave the T-44 training at Corpus
10 Christi and outlying fields, at the same time load that capacity
11 to accommodate U.S. Air Force C-130 pilots, that you're now
12 training at Corpus Christi and getting their wings there.
13 Again, another recommendation that the Navy has made
14 is to redesignate the NAS Corpus Christi from a Naval Air
15 Station to a Naval Air Facility. We don't agree with this. We
16 don't agree with it because we don't, quite frankly, think it
17 makes a lot of sense, we don't think it's cost effective, but we
18 think it's more than a naval air station; it's a naval complex.
19 This federal complex is the home of the world's largest
20 helicopter air facility, the Army depot. It's home of the chief
21 naval air training. By the way, one of the recommendations is
22 to relocate the chief naval air training out of Corpus Christi.
23 We do not oppose this. We don't want to lose Sinatra, but we do
24 not oppose this because this is truly internal Navy matter. We
25 will not oppose that. But it's also home of numerous other

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1 tenants.
2 The Army depot does a lot more in preparing
3 helicopters than just Army helicopters. Here's a Marine
4 helicopter and a medic helicopter. This is the makeup of the
5 work force. There's 7,000 employees at NAS Corpus Christi, the
6 federal complex.
7 It has been said we cannot land jets at NAS Corpus
8 Christi. The last time I looked, that C-5A was no longer
9 there. So it got there some way and got off some way.
10 Coast Guard, Customs, hospital, the Federal Reserve
11 Center, Navy, the Army. It's a federal complex. Does it make
12 sense? We don't think so. Is it in the best and long-term
13 interest of the taxpayers? We don't think so.
14 Should we be an NAF like Mayport or should we be an
15 NAS like Jacksonville? I think it's very clear to most people
16 that we most closely resemble NAS Jacksonville with all their
17 tenants than we do NAF Mayport.
18 Let me summarize very quickly. Down the left-hand
19 side of the chart are the eight criteria for selection. Across
20 the top are the six recommendations. Very quickly, we do not
21 oppose Sinatra moving. We support the single-siting of the
22 T-34. We support the single-siting of the MH-53 squadron. We
23 certainly support the single-siting of the T-45 in the South
24 Texas complex. And we oppose the T-44 moving for the reasons
25 that I have given you. And we oppose the redesignation of NAS

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1 Corpus Christi to an NAF.
2 Do you have any questions?
3 COMMISSIONER MONTOYA: Any of my colleagues have
4 questions?
5 Mr. Neil, thank you very much and all who came with
6 you. I hope to say hello to a couple of them when we break here
7 in a minute. But this hearing is now adjourned, and we'll
8 reconvene at 10:40.
9 (Recess).
10 COMMISSIONER MONTOYA: This hearing is now back in
11 session. But before we start, I think those of you in the
12 audience heard this morning and General McFalls alluded to the
13 loss of an airplane a couple of days ago carrying eight members,
14 civilian and military, of the armed services. Some of those
15 members are friends of some people in the audience including
16 some of our commissioners and staff who knew them. And I think
17 it would be appropriate in their memory for us to observe a
18 moment of silence. We'll do that right now.
19 (Moment of silence).
20 COMMISSIONER MONTOYA: Thank you very much. God
21 bless them.
22 Our next panel is headed by the mayor of San Antonio,
23 Mayor Nelson Wolff. You have quite a contingent here. You can
24 introduce those who are going to support you and then I'll swear
25 you in there, you and them in, Mayor.

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1 MAYOR NELSON WOLFF: Thank you very much. We are
2 very pleased today that coming from San Antonio, getting up at 2
3 o'clock in the morning, boarding buses to be here to show you
4 our concern, the commission, to Brooks Air Force Base. With
5 your permission, may I allow the citizens from San Antonio to
6 stand?
7 COMMMISSIONER MONTOYA: You may.
8 (Applause).
9 COMMISSIONER MONTOYA: Would you introduce your
10 members?
11 MAYOR NELSON WOLFF: Presenting today, the ones that
12 will be testifying today will be Judge Krier, Jose Villarreal,
13 and Tullos Wells will be testifying today. The four of us will
14 be testifying.
15 COMMISSIONER MONTOYA: Very well.
16 (Seven witnesses sworn).
17 COMMISSIONER MONTOYA: Very well. Proceed, Mayor.
18 MAYOR NELSON WOLFF: Good morning. I am Nelson
19 Wolff, mayor of the city of San Antonio. And we thank you very,
20 very much for giving us the opportunity to share with you our
21 vision of the future of Brooks Air Force Base.
22 Let me first say that we are also very thankful for
23 Senator Kay Bailey Hutchison who has been an inspiration to us
24 and who has helped us in many, many different ways to articulate
25 the arguments that we will present to you today. Let me also

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that Congressman Frank Tejeda has worked with us every day terms of helping us organize the community, in terms of bringing together our arguments that we're presenting to you today; and we are very, very grateful for these two outstanding public servants to stand here with us today as we present our arguments to you.

COMMISSIONER MONTOYA: Congressman, I failed to acknowledge you, but we also welcome you and it's good to meet you.

MAYOR NELSON WOLFF: More than a year ago I appointed a special task force to concentrate on Brooks Air Force Base, to study and to understand the importance of its missions to the Air Force, to catalog the research and contribution of the scientists, to recognize the direct role played by Brooks in the Desert War, and to come up with a plan to save the Air Force money. This task force, with representatives from all parts of San Antonio, spent thousands of hours preparing for today. Missions were reviewed, concepts were considered, Air Force leaders were interviewed, and numbers were scrubbed. It was a very thorough process. That process convinced us that Brooks' missions and scientists are critically important to the Air Force, that the Air Force will be conducting human systems research somewhere, and that the right place and the most cost effective place for it to be is in San Antonio.

Two weeks ago I spent the morning with Admiral

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Montoya, General Robles, Mrs. Cox, and Mrs. Steele. Together we toured Brooks Air Force Base and saw firsthand the importance of this research. We talked with scientists and learned about the contributions that have been made at Brooks in the human systems work that made the early space missions possible, the heads-up display and night vision devices that made such a difference in the Desert War. Brooks has made a difference in war fighters. General Robles and Admiral Montoya and General Davis has seen that difference in action.

During that tour, we also interacted with the scientists and heard firsthand that many of them have no intention of leaving San Antonio, that they have options to remain in San Antonio with their bioscience and bioengineering communities, and many will not move. That will mean a significant interruption in the science and, the opinion of many, the loss of as much of a decade of research. We also heard about the very specialized and sophisticated equipment at Brooks and the fact that it's going to be more expensive to move than the current estimates would indicate.

We understand that your mission is to save the taxpayers money by reducing the military's infrastructure, and each of us as taxpayers generally appreciate your efforts and we want to help you. We have a proposal that will close Brooks Air Force Base, save the taxpayers twice as much as the DOD proposal, and avoid the risk to human systems research of trying

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to move 3,000 professionals and their work and perhaps losing 50 to 75 percent of them. Frankly, I think you will find it a far better proposal, one that will close Brooks Air Force Base, keep the scientists in San Antonio, and save the taxpayers twice as much as the DOD proposal. During your time as BRAC commissioners, you're going to listen to hundreds of briefings and review thousands of pages of data. I know you will have to look for the few hard facts which truly make a difference in your decisions. If you do not remember anything else from today, please remember two facts: Our proposal will double the savings and avoid the risk to Brooks' vital missions.

In the next few minutes County Executive Cyndi Krier will review the missions of Brooks Air Force Base. The missions at Brooks are not being performed anywhere else. As a result, I believe we need to give you an overview, which stresses the importance of these missions to DOD and our national security. And then Jose Villarreal, Co-Chair of the BRAC '95 Task Force will discuss the DOD proposal to close Brooks and move the missions and more than 3,000 people to Ohio and Florida. Then he will describe an alternative proposal that will provide vastly smaller closure costs, twice as much savings as the DOD proposal, and eliminate the turbulence and disruption of trying to move 3,000 scientists and professionals, and many of whom won't move. And, finally, Tullos Wells, Chairman of The Greater San Antonio Chamber of Commerce will summarize our presentation

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and answer your questions.

I would like now to present County Executive Cyndi Krier to give you an overview of Brooks' missions. Judge Krier?

JUDGE CYNDI KRIER: Thank you, Mayor. Good morning.

CHAIRMAN: Good morning, Judge.

JUDGE CYNDI KRIER: I would like to spend a few minutes with you this morning talking about the science and research missions of Brooks Air Force Base, the scientists and researchers who do them, and about their importance to the defense capability of the United States of America. At the heart of every aerospace system is a human being. The pilot, the navigator, the weapons system operator, the load master, the crew chief, the weapons director, and all those who support them. In reality, there are no unmanned weapon systems. The combat capability of the United States Air Force depends upon human beings, and the performance of human beings depends on the scientists and professionals at Brooks. Brooks Air Force Base, its missions and its scientists are the Air Force Human Systems Center.

Brooks Air Force Base is home to a unique collection of scientists, researchers, medical doctors, and technicians who conduct the human systems research, engineering, and medical education programs required to give our war fighters the advantage they need to survive and to succeed. The Human Systems Center develops human systems and technologies and

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1 serves as the advocate for the human war fighter. The Armstrong
2 Laboratory develops the advanced operational technologies
3 required to enhance the readiness and protection of human war
4 fighters. The School of Aerospace Medicine is the major
5 provider of aviation, space, and environmental medical education
6 programs for DOD. The Human Systems Program Office manages the
7 development and production of human systems and equipment. And
8 the Center for Environmental Excellence manages environmental
9 cleanup, compliance planning, and pollution prevention for the
10 Air Force.
11 Brooks is a research mecca, a knowledge base. It
12 employs more than 3,000 professionals, including nearly 1,000
13 scientists and engineers. Most have college degrees and nearly
14 half have advanced degrees. 400 are specially trained
15 acquisition professionals; and 128 are medical, educational, and
16 training instructors.
17 The point is: Moving scientists is not like moving a
18 tank battalion. You can't cut orders and just expect them to
19 go. Many won't go. Our information indicates more than 50
20 percent won't relocate. And the risk to our war fighting
21 capability of losing more than half of these scientists is
22 enormous. These scientists, researchers, medical doctors, and
23 technical staff provide the human systems advantage that enables
24 the war fighter to safely and capably employ advanced combat
25 systems at the leading edge of technology. And it provides the

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1 warrior's competitive edge that our Air Force has repeatedly
2 demonstrated in World War II, Korea, Vietnam, Granada, Panama,
3 and the Desert War.
4 The scientists at Brooks focus on the five areas on
5 the slide. Let me briefly discuss them with you. Brooks
6 scientists design, develop, and support the combat crew systems
7 required to optimize human combat performance and survivability
8 and to ensure weapon systems are compatible with their human
9 operators. These efforts include developing the equipment and
10 training necessary to withstand chemical and biological
11 attacks. Air crew laser protection systems, advanced
12 antigravity suits, and equipment for high altitude flight,
13 infrared voice communications, heads-up displays, and night
14 vision systems.
15 In the human resources area Brooks scientists
16 developed unique personnel and training technologies including
17 human systems integration, pilot situational awareness training,
18 and air crew multitask training. Particularly important is the
19 growing use of artificial intelligence and tutoring systems
20 which provides big savings for taxpayers.
21 In the aerospace medicine area Brooks scientists
22 provide research and operational medical support in fields like
23 aeromedical epidemiology and hyperbaric medicine, and they
24 develop new aeromedical systems and equipment. In addition,
25 they train more than 5,000 medical students each year in fields

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1 such as aerospace medicine, aerospace nursing, aerospace
2 physiology, public health, and bioenvironmental engineering.
3 This is, without question, the premier aerospace medical
4 training program in the world.
5 The occupational and environmental health program
6 works to eliminate risks from hazardous material, noise,
7 electromagnetic radiation, and occupational stress from Air
8 Force operations worldwide, including implementing EPA's Safe
9 Drinking Water Act and reducing the effects of
10 bioelectromagnetics on computer users.
11 The final critical area is environics, the
12 development and implementation for new techniques for cleaning
13 up environmental waste science and implementing the technologies
14 required to ensure environmental compliance by critical Air
15 Force missions in both peace and war. Brooks research has
16 included projects such as the use of microorganisms to enhance
17 waste cleanup.
18 Now while the projects may sound complicated, the
19 role of Brooks scientists and technicians is very easy to
20 understand. They conduct the research and design the equipment
21 required to give our war fighters the winning advantage. And
22 they serve as the advocate for the men and women of both today's
23 and tomorrow's Air Force in the design, development, and
24 operation of the most capable aerospace systems in the world.
25 That completes the description of Brooks' missions

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1 and its worker's. However, one more point must be made. Brooks
2 is an integrated research center. There are important
3 interrelationships among these missions, and relocating them
4 presents great risks of losing the critical synergies among them
5 and degrading the performance of each of the missions.
6 In addition, the Air Force will lose a large number
7 of critical scientists and technicians if the DOD proposal
8 becomes reality. Many will choose to stay in San Antonio with
9 our research and development community. Our evaluation suggests
10 that more than 50 percent won't move. It would take years to
11 rebuild these research and scientific teams, if that could be
12 done at all.
13 As a result, the nation's military capability would
14 suffer, and of course it's its war fighters who ultimately would
15 be placed in harm's way. That means the Brooks human systems
16 missions and scientists are an essential part of the Air Force's
17 combat capability. It is important to remember that the Air
18 Force has already determined that these missions and scientists
19 must be retained. None are recommended for elimination. They
20 will be somewhere, and we will show you that keeping Brooks
21 working, keeping the scientists in San Antonio avoids the risk
22 of losing them and is much more cost effective.
23 As you can see from this slide, San Antonio provides
24 a one-of-a-kind military human systems environment, an
25 environment that provides human systems synergies that are

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solutely unmatched anywhere in the military. San Antonio also
s a civilian community filled with biomedical research and
3 teaching activities that do not exist at the proposed relocation
4 sites, and that research community also provides synergy with
5 the missions at Brooks. In San Antonio there are many
6 opportunities for interaction and joint ventures among the
7 scientists and researchers at Brooks and at these facilities
8 that can't be found in Dayton, Ohio or Panama City. These
9 organizations have conducted hundreds of joint projects with
10 Brooks, studies like the bio effects of microwave radiation and
11 the development of techniques to overcome adverse effects of
12 G forces on fighter pilots. There is a big benefit to the Air
13 Force and to taxpayers because the Brooks missions and
14 scientists are in San Antonio, where the public and private
15 sectors can cooperate. They can, they have, and they will; and
16 that can be maximized.
17 Now, I'd like to introduce Mr. Jose Villarreal, who
18 will discuss the DOD proposal to close Brooks and an alternative
19 that will close Brooks but will save the taxpayers at least
20 twice as much as the DOD proposal while avoiding the risk of
21 trying to move 3,000 scientists, engineers, doctors,
22 technicians, and their research, and having to replace what is
23 projected to be more than 50 percent of them that indicate they
n't move. Jose?
COMMISSIONER MONTOYA: Thank you, Judge Krier.

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1 MR. JOSE VILLARREAL: Thank you, Judge Krier.
2 Good morning. You've already heard about the two
3 proposals. The Department of Defense proposal that would close
4 Brooks Air Force Base and move the missions to Dayton, Ohio and
5 Panama City, Florida and the alternative which would close
6 Brooks but keep the missions in San Antonio at a small
7 cantonment area.
8 Let's look at the two proposals side by side. As you
9 can see, both close Brooks Air Force Base and both eliminate a
10 391 manpower space. We actually believe we can save 423 spaces,
11 but we use the smaller Department of Defense number to ensure an
12 apples-to-apples comparison. Even so, the cantonment
13 alternative avoids moving nearly 3,000 people, saves
14 $174 million in one-time closure costs, and saves twice as much
15 taxpayers money over 20 years. Let me show you why this is
16 true. We call this alternative the cantonment strategy. Under
17 this proposal Brooks Air Force Base would close its plant.
18 However, the major research and education missions would remain
19 at Brooks in a small cantonment area, and all base operating and
20 al property maintenance support would be provided by Kelly or
kland. In other words, Brooks' research and education
ssion would be supported by an adjacent host space at a huge
23 savings.
24 This map shows how the cantonment area might look.
25 The light blue area is the cantonment. That's about 15 percent

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1 of the present base. The remainder of Brooks would be closed
2 and made available for reuse. There are a couple small
3 activities that are currently located outside of the proposed
4 cantonment area. These could remain as stand-alone buildings in
5 the reuse area or be moved into the cantonment area. I want to
6 emphasize at this point that this map is only a draft to
7 demonstrate feasibility. The Air Force would obviously
8 determine the actual boundaries. I would also like to point out
9 that the factor that makes the cantonment strategy workable and
10 very cost effective is that Kelly and Lackland are a very short
11 14 miles away in distance.
12 Using the Department of Defense COBRA model and the
13 Air Force planning factors, we calculated the cost in savings of
14 this proposal. Brooks Air Force Base still closes, at least 391
15 positions are still eliminated, and 518 people will still
16 relocate to Lackland and Kelly. However, the one-time closure
17 costs are only $11 million instead of $185 million because the
18 huge military construction and movement costs are avoided. In
19 addition, the net present value of the 20-year savings is
20 $301 million. That's twice the savings of the Department of
21 Defense proposal. And the savings begin in the first year
22 instead of the seventh.
23 Now, let's look at the two proposals side by side
24 again. Both close Brooks Air Force Base and both eliminate 391
25 manpower spaces. However, the cantonment avoids moving 3,000

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1 people, saves $174 million of taxpayers' money in upfront costs
2 and saves overall $301 million, twice as much as the Department
3 of Defense proposal. In addition, the risks of losing the brain
4 trust is avoided, and the synergies with the San Antonio
5 military and civilian human systems and bioscience communities
6 are maintained.
7 Frankly, the cantonment is a far better alternative.
8 It closes Brooks Air Force Base, it saves the taxpayers twice as
9 much money, and it continues to save more than the Department of
10 Defense proposal forever. Well, for at least the 700 years we
11 ran on the COBRA model. Now I would like to present to you Mr.
12 Tullos Wells who is going to summarize for us and answer your
13 questions. Thank you.
14 CHAIRMAN MONTOYA: Thank you.
15 MR. TULLOS WELLS: Good morning, ladies and
16 gentlemen. Chairman Montoya and Commissioners, allow me the
17 courtesy of summarizing briefly and pointing out some particular
18 issues to which we would direct your attention as you make your
19 deliberations.
20 We have endeavored today to talk about the people at
21 Brooks and the work they do, the cost comparison that my
22 colleague, Mr. Villarreal, just pointed out between the DOD
23 proposal and the San Antonio cantonment plan, and particular
24 risk to the commission if the Department of Defense should
25 endeavor to move them. Now, as Mayor Wolff requested, when you

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1 leave today and make your deliberations, we request that there
2 are at least two things you particularly remember about our
3 proposal.
4 First, as Mr. Villarreal said, the San Antonio
5 cantonment plan doubles the savings, two times the Department of
6 Defense proposed savings to over $300 million to the bottom line
7 while still closing the air force base. And remember, all of
8 these numbers, all of these numbers are based on DOD numbers so
9 we can give you an apples-to-apples comparison.
10 And, second, it prevents the serious risk to the
11 missions from the proposed move of trying to move missions that
12 are not replicated anywhere else in DOD being performed by
13 people, ladies and gentlemen, who are not easily
14 interchangeable. As Judge Krier said, this is not like moving a
15 tank battalion or an air force wing. If the people do not go --
16 and I assure you many of them will not -- then the Air Force
17 loses, and the nation loses its investment in hundreds of
18 millions of dollars in research and technological progress. I
19 think it's important to consider that many of these scientists,
20 engineers, and doctors already have second jobs in the San
21 Antonio area or certainly have job opportunities in the greater
22 San Antonio/Austin area which require that they do not need to
23 move. And to explain this a little further, for those of you
24 who have never been on a San Antonio barge ride on a cool spring
25 evening, we have a saying in Texas that says "I may not have

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1 been born in San Antonio, but I got here as quick as I could."
2 Thus as shown in the next slide, there are really only two
3 options for your consideration.
4 Ladies and gentlemen, you have everything to gain,
5 the nation has everything to gain and nothing to lose by
6 accepting the San Antonio cantonment plan. We have demonstrated
7 to your satisfaction I hope the cantonment plan avoids the great
8 risk of interrupting the great work that's being performed there
9 because the missions at Brooks are the people, they are the
10 engineers and scientists and furthermore the Air Force has
11 determined must in fact be preserved. But our plan provides it
12 at a cost of over $180 million less than the cost to move all
13 these folks to Dayton or Panama City. These missions are
14 critical. They are not slated for elimination, and they will be
15 performed somewhere. Under our plan, the San Antonio cantonment
16 plan, you can provide over $170 million dollars in savings to
17 the Department of Defense as opposed to the Department of
18 Defense proposal. And these savings begin immediately. There
19 is an immediate return to the taxpayers rather than waiting
20 seven years. And, as Mr. Villarreal said, we know at least for
21 the next 700 years the savings continue.
22 Now, ladies and gentlemen, we keenly understand that
23 agreeing to serve on this commission you've taken on an
24 incredibly important task. We know you need to save dollars for
25 the American taxpayer, and we believe we've shown you how to

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1 save more than twice what the Department of Defense proposed.
2 We know that you need to reduce Department of Defense
3 infrastructure, and we showed you how to make this twice the DOD
4 proposal savings while still closing the air force base. But
5 ladies and gentlemen, most importantly, we know that your
6 mission is to assure that our military is second to none in the
7 world, and we have shown you how you can do that without taking
8 the risk of losing the incredibly important people who perform
9 the missions at Brooks.
10 Ladies and gentlemen, we believe that this proposal
11 provides not only a substantial but in fact a compelling reason
12 to deviate from the Department of Defense recommendation on
13 closing Brooks. It works to your duty to the taxpayers, it
14 works to the betterment of the Department of Defense, less money
15 spent, mission saved, and it works for the betterment of San
16 Antonio, far better than closing the base and trying to move all
17 those people.
18 Ladies and gentlemen, as I hope we have demonstrated
19 to you this morning and you undertake your deliberations you
20 will determine that in fact this proposal works for all of us.
21 We appreciate your courtesy, and we would be placed to answer
22 any questions that you might have of us before Mayor Wolff
23 returns to the podium.
24 CHAIRMAN MONTOYA: Thank you very much to all of you
25 and the Mayor. And we do have a couple questions. And I'm

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1 going to ask Commissioner Robles. He's got one at least.
2 COMMISSIONER ROBLES: Yes, please. And this question
3 really I think may be for you and Mr. Villarreal or Mr. Wells,
4 whichever one wants to field it. And I don't want to get into
5 the details, and I don't want to sound like a beehive which I
6 was accused of when I was a budget director but I want to sound
7 as an installation command which was my last job. And so I'm
8 acutely aware of base operations, real property maintenance, and
9 a commander's desire to get as much of its fixed costs spread
10 over a larger base. And that's the crux of your proposal as I
11 understand it. The proposed Air Force move would have you, as
12 you save in the 391 spaces or thereabout, basically support
13 spaces I understand --
14 MR. TULLOS WELLS: That is correct.
15 COMMISSIONER ROBLES: -- that go with the base
16 operations, the real property maintenance functions. And when
17 you move to a place like Wright Patterson or one of the other
18 proposed sites. Since they already have fixed costs, what
19 you're actually doing is you become -- they only have -- your
20 cost, that cost to the Air Force is a variable cost component,
21 not a fixed cost.
22 So I guess my question to you is twofold. First of
23 all, if you move, as you propose, to Kelly or Lackland to do
24 those two base operations functions, you are then in essence
25 saving the Air Force a fixed cost again because they already

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ve fixed costs in both those bases and are really into the
riable costs. And the question is: Does Kelly or does
Lackland or either/or have the ability to absorb the additional
workload to make this happen? That is, do they have capacity
right now to provide the base operations support and real
property maintenance support?

MR. TULLOS WELLS: In fact, we are confident that they do. As you well know and I believe you had mentioned previously, in fact it's a benefit to them because they spread their costs over some additional workload and it really provides no additional problem for either Kelly or Lackland. At the same time it allows them to perform those functions without any additional cost to the Air Force.

COMMISSIONER ROBLES: So I guess what you're testifying is that Kelly or Lackland does not hiccup if asked to take the additional mission on of providing the base operations support and real property maintenance support.

MR. TULLOS WELLS: That is correct. That's our understanding.

COMMISSIONER ROBLES: And that's notwithstanding the fact what Kelly and Lackland's variable costs are as opposed to a Wright Patterson or somewhere else? We didn't get into that level of detail, not getting their results. Did you all look at analysis to see what the different variable cost components e and are you, quote, "getting a deal" by getting the base ops

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support from a Kelly as opposed to a Wright Patterson for example.

MR. TULLOS WELLS: Commissioner, we did look at that specifically when we prepared the numbers to present to you, and we're confident that the savings that we proposed to you in fact will be there. Mr. Roberson, who has worked with us on this, can provide further information if you'd like.

CHAIRMAN MONTOYA: Was Mr. Roberson sworn? If he speaks, I don't think he was sworn in.

MR. ROBERSON: Yes, sir, I was.

CHAIRMAN MONTOYA: You were? Would you stand up?

COMMISSIONER ROBLES: A shake of the head would probably give me all the body language I need.

MR. TULLOS WELLS: The information -- the question you have asked, Commissioner, we have responded to in our proposal. It does save the money that we propose it to save. We have looked at variable costs associated with moving those support missions to either Lackland or Kelly.

COMMISSIONER ROBLES: The other question is, just to make sure we're balanced on both sides of the equation here, I assume that Kelly and/or Lackland added back in the ditional personnel required to a base ops staff to do this additional work?

MR. TULLOS WELLS: That's correct. We looked at and added into our cost proposals the incremental cost that would be

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associated with performing those things at Kelly and Lackland; that's correct.

COMMISSIONER ROBLES: And the numbers still come out the way you propose?

MR. TULLOS WELLS: And the numbers come out the way we have provided it to you; that's correct.

COMMISSIONER ROBLES: Thank you very much.

MR. TULLOS WELLS: Commissioner, we have scrubbed these numbers in every possible way to make sure that the presentation we make to you is absolutely supported.

COMMISSIONER ROBLES: Thank you, Mr. Wells.

CHAIRMAN MONTOYA: General Davis?

COMMISSIONER DAVIS: I have no questions.

COMMISSIONER STEELE: I don't have any questions. I just wanted to comment to the group -- and many of you have heard me say it before, but I want to thank you both for your hospitality when we visited your city and for putting together this proposal because it really helps us scrub the numbers when you've done so much work initially. So we look forward to looking at this further. We asked the Air Force yesterday how far along they've come in analyzing your proposal. They didn't have an answer for us yet on that, but we look forward to working with you on this potential proposal.

MR. TULLOS WELLS: Commissioner, thank you very much. We were pleased to have you in San Antonio, and we look

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forward to having you back in San Antonio as a tourist as opposed to in an official capacity.

COMMISSIONER STEELE: I notice you've changed that since how you worded it earlier.

MR. TULLOS WELLS: Let me at this time ask Mayor Wolff to return to the podium for a few moments. Thank you very much.

MAYOR NELSON WOLFF: I would like at this time to recognize Councilpersons Burke, Yiama, and Larson who made the trip up with us today, and Commissioner Tejeda, Robert Tejeda, Commissioner Novac; and we appreciate very much that they came along. Part of this integration in the community that we spoke of, a major part of that is the University of Texas Health Science Center and Dr. John Howe, president of the health science center is with us today; and many, many research projects go along with his institution.

Again, let me say we thank you very, very much for allowing us to present this case to you. We thank you very much for your service to the nation, and we hope that you will favorably look on our proposal. Thank you.

CHAIRMAN MONTOYA: Thank you very much, Mayor.

SENATOR HUTCHISON: Is there still time left because I'd like to comment?

CHAIRMAN MONTOYA: Yes, there is, Senator. Assistant Goode, please time.

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1 SENATOR HUTCHISON: I just wanted to make one
2 statement, a point of emphasis. I think that the community made
3 a terrific statement on the bottom line cost savings, and that
4 is of course I think your major concern. But I want to
5 emphasize a quality issue.
6 Dr. John Howe is the head of the University of Texas
7 Health Science Center. The cooperation between the medical
8 community in San Antonio and what they are able to give in extra
9 quality adds to the accreditation possibilities for Brooks and
10 also the added learning that can come from their cooperation.
11 And I think that research component is the icing on the cake.
12 The bottom line is the savings, and I applaud the
13 originality of the City of San Antonio and its leaders. But
14 when you take that as the basic and then you add the extra
15 quality that cannot be matched anywhere else from the University
16 of Texas Health Science Center and the commitment the State of
17 Texas has to that quality medical institution, I just wanted to
18 emphasize that point because I think it is so very important.
19 Thank you very much.
20 CHAIRMAN MONTOYA: Thank you very much, Senator.
21 Congressman, I'll swear you in if you'd like to have
22 some words to say.
23 CONGRESSMAN TEJEDA: I'd just like to once again
24 thank the commissioners for their service and certainly your
25 attention to our proposal, but also drawing your attention once

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1 again --
2 CHAIRMAN MONTOYA: May I swear you in, Congressman?
3 I have to do this.
4 (Congressman Tejeda sworn).
5 CONGRESSMAN TEJEDA: I would like just to once again
6 draw the attention of the commissioners to the tremendous
7 support of those individuals from San Antonio who came up, at
8 great personal sacrifice I might add. Many of them had children
9 that they had to make other arrangements to get them clothed and
10 breakfast and get them to school. Many took days off from work
11 to be here. So there's tremendous community support, and I
12 think that that is seen and I want to thank them personally for
13 their sacrifice and for your being here. So again, thank you
14 very much again.
15 CHAIRMAN MONTOYA: You're welcome. Thank you for
16 coming up and being with us again.
17 (Applause).
18 CHAIRMAN MONTOYA: Before we get started, I'd like to
19 make an announcement. There is a slight change in our
20 schedule. We will start -- we will convene on time with
21 Bergstrom Air Force -- Air Reserve Base in Austin, and then we
22 follow that with five minutes from the Air Force Electronic
23 Warfare Evaluation Simulator Activity. And then because of
24 apparently some rather -- a sad event that has occurred in
25 Oklahoma City this morning, we're going to proceed with the

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1 Oklahoma delegation so that they can get on back to Oklahoma
2 City before we open the floor for public comment. Apparently
3 there has been what is reported to be a bomb in the federal
4 building that has cost life, and apparently -- I'm hearing
5 behind me -- that there's even been some indication they have
6 found a second one. So there has been a very, very sad state of
7 affairs in Oklahoma, and we want to accommodate them.
8 So with that, we have a quorum of commissioners
9 present and so -- Mayor Todd, good to see you again. Would you
10 introduce your team and I'll swear them in?
11 MAYOR BRUCE TODD: Thank you very much. We're
12 pleased to have the opportunity to be back in front of you to
13 discuss the issue of Bergstrom. I would like to start by
14 introduction of the team who will be responding to questions.
15 And they are -- and I will just read these in order. Rick
16 Wheeler, John Merritt, Chad Huston, Lance Hill, Bill Welch, and
17 Chuck Gabus on slides.
18 You know, I think as -- you heard a mayor already
19 today, and mayors take great pride in their cities, but they
20 particularly take pride when there is so much support in terms
21 of the citizens giving of their time and effort as did so many
22 people from San Antonio in the previous presentation. And I
23 want to say thanks to them and all the people who helped work on
24 this presentation.
25 CHAIRMAN MONTOYA: Very good. We'll have them all

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1 rise, and they can participate.
2 (Seven witnesses sworn).
3 CHAIRMAN MONTOYA: Very well. And welcome.
4 MAYOR BRUCE TODD: Thank you again. We have before
5 you today of course the slide presentation, one tape that some
6 of you have seen. But I want to start with what we believe is a
7 very important statement and will be the hallmark of our
8 presentation, and that's a quote made by Sherry Goodman in June
9 1994 that said "Bergstrom is the perfect example of base reuse
10 this administration is looking for." We believe that we have
11 demonstrated that through the efforts that we have made in the
12 past few years and believe as we go through our analysis today
13 that will be abundantly clear.
14 We believe that Bergstrom has a joint
15 civilian/military operation that is not only productive and
16 efficient, but it is the kind of reuse that is appropriate as we
17 move into the next decade, the next century, as we engage
18 ourselves in military preparedness and making sure that we take
19 advantage of all the things in front of us.
20 We will be focusing today of course on the federal
21 promise that was referred to by the Senator and by the Governor
22 in their opening comments earlier today. We'll be talking about
23 what's happening at Bergstrom in this year, 1995. We'll be
24 talking about the evaluation criteria both in terms of the
25 mission requirements as well as the cost requirements. We'll be

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1 'king about a proposal that we want to put in front of you,
2 they're your need specifics. We'll also be concluding with
3 comments that will be appropriate to the presentation.
4 I do want to move first, though, to a promise. I
5 want to read these for emphasis. The comment made by the 1991
6 base closure and realignment commission, "The Air Force Reserve
7 units shall remain in a cantonment area if the base is converted
8 to a civilian airport." Reading now from the 1993 base closure
9 and realignment commission, "Bergstrom's cantonment area will
10 remain open and the 407th fighter squadron with the F-16
11 aircraft and the 924th fighter group support units will remain
12 at the Bergstrom cantonment area at least until the year 1996."
13 We realize this is 1995, and 1996 is ahead of us; but we believe
14 that those words constituted a promise and reliance upon the
15 Austin community to move forward on this effort.
16 It should be noted that Bergstrom was not to be
17 converted to an airport. I note -- excuse me -- Austin had
18 looked at Bergstrom for almost two decades and requesting joint
19 use, but that not having been granted, they made a decision --
20 after a great deal of community struggle -- to put an airport
21 northeast of our community. We had spent nearly $10 million and
22 were literally a week away from making a purchase of land when
23 that announcement was made in 1991, two weeks after I took
24 ce. We understood the relevance and the importance of the
25 t use proposals that were being made and the thrust of that

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1 airport and proceeded immediately to abandon those
2 voter-approved plans. And mayors don't abandon voter-approved
3 plans once they are made without a great deal of concern, a
4 great deal of interest, and a great deal of thought about what
5 is to come.
6 We believe the reliance upon the joint use that was
7 being proposed was an appropriate one. You abandoned those
8 plans and immediately started working toward a vital election
9 which was held in 1993, which passed by 63 percent, a much
10 higher margin than I ever received personally, but a 63 percent
11 margin to reuse Bergstrom as a civilian airport and started in
12 the planning efforts.
13 Now, moving on to that promise. I would like to play
14 a tape that some of you have seen earlier, if I may. We have a
15 slide. This tape, by the way, was edited. We have the full
16 version to play.
17 SPEAKER ON VIDEOTAPE: "The law and the Base Closure
18 Act requires the Air Force to leave the reserve unit here
19 at Bergstrom, but it also requires the community to
20 decide by June of 1993 as to whether or not they're going
21 to have an airport there, because obviously we have to
22 have an airport operator there in order to support that
23 reserve. If there is -- by June of 1993, if there is not
24 a decision by the community to establish an airport, then
25 we're compelled by law to take action to move that unit

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1 to another location. Let me state here that it is not
2 our purpose to try to influence the city at all in how
3 you decide to use Bergstrom Air Force Base. Certainly we
4 would like to see an airport there because then we could
5 leave the unit right where it is. But that's your
6 decision, that's the community's decision; and however
7 you decide, we will make it work for the Department and
8 the Air Force."
9 CHAIRMAN MONTOYA: Thank you. That's very helpful.
10 MAYOR BRUCE TODD: We believe that that statement,
11 along with others I previously read, constitute a promise. I
12 made a promise to the Austin public in seeking approval for that
13 bond election, and that is that we would move swiftly and with
14 all deliberate cost containment issue to produce the most cost
15 effective airport that could be a joint airport used by both the
16 military as well as civilian use.
17 Not mentioned in the slides though was the regional
18 control facilities we have located on that base which is part of
19 the reserve that's staying there, and that is a state of the art
20 facility which saves the Air Force between 1.5 to $2 million a
21 year as opposed to other uses. We have before us, as you can
22 tell from the slide, a master plan that we are proceeding with
23 that allows for a cantonment area for the reservists, in the
24 yellow picture, to be used for their exclusive use. It should
25 be noted, and something I failed to point out the other day,

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1 that the entirety of the Bergstrom land was not bought by the
2 military. It was bought by Austin taxpayers in 1941 as part of
3 the military effort. So this free land will be kept by the
4 military if this decision, this recommendation we heard is to be
5 used as a cantonment area.
6 It should be pointed out that in our plans, in our
7 reliance on the promise we have made sure that our planning and
8 our engineering will satisfy cantonment reservists. We have
9 moved the -- we have located the terminal site appropriately to
10 not the cheapest location but to accommodate the military. We
11 have proposed an access road, we have proposed a northern
12 alignment of the airport, not the cheapest but the one that
13 accommodated the military. We have proposed a second runway,
14 not at the 7,000 feet the airlines are requested, but at 9,000
15 feet to make sure that the military needs were met in their
16 entirety. We awarded a contract just a month ago for a fire
17 station, a basic necessity of an airport, be it civilian or
18 military. This will be a joint use facility between the two
19 communities to be used for the future. We have spent over
20 $540,000 just relocating utilities to accommodate the cantonment
21 area.
22 As you can see from that slide, there's not just
23 words that's being floated around; these are actual work -- this
24 is actual work that's going on today as we are sitting here
25 and -- at the Bergstrom site preparing the site for the use.

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1 Now as I had mentioned earlier, I have been here
2 before. Certainly I was here in spirit in 1991 for the hearing
3 then, when it was in Birmingham in 1993 for the hearing, and now
4 I'm glad you're in Texas. Although I'd rather not be here, I'm
5 glad you're here for the hearing in 1995. We believe that the
6 promise has been made, and the plans that we are underway with
7 show that, as was said in the previous -- as made in the
8 previous comments, is the appropriate way to go.
9 Now, looking at 1995, we acknowledge that the reason
10 for a change -- that there's a higher criteria for putting on a
11 unit where a previous decision has been made. That criteria had
12 to do with providing such changes that are necessitated by
13 additions to -- structure force additions or organization for
14 significant revisions of cost effectiveness. We believe both in
15 terms of the mission of Bergstrom reservists as well as the
16 cost, that the information contained in the recommendation is in
17 error. I would like to review that for just a moment.
18 In looking at the operational side of the uses, we
19 believe that -- if you flip the slide -- we believe that no
20 consideration was given to the joint Army -- to the Army/joint
21 operations as contained there. We believe that only three of
22 the six fighter unit locations were compared. We believe that
23 no comparison was made of Austin-Bergstrom for alternative
24 mission and requested the evaluation of a, quote, "objective
25 criteria".

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1 Moving forward on -- you need to understand that one
2 of the primary uses of Bergstrom is to provide support
3 facilities. And indeed the primary facility is -- that we have
4 to support, that we all support, is that of Fort Hood, the
5 largest military and largest Army base in the free world. And
6 we do provide support for that facility.
7 Moving on to some of the actual analysis, and I'm
8 just going to hit on some high points to these and leave the
9 rest for Q and A. But when we looked at -- if we go back to the
10 first slide previous to that, when we look at some of the
11 analysis of the objective criteria, we believe it's simply
12 incorrect. In fighter mission, we agreed with the DOD analysis,
13 but in the other areas where we were classified as red by DOD,
14 we believe that area ought to be green and overall ought to be
15 green. I'd like to look at the next slide, at the bomber and
16 tanker issue. Let it be understood that Bergstrom was built as
17 a longer base. The minimum criteria for green is 150 feet wide
18 and 1,000 feet long. We are at 300 feet wide and 12,000 feet
19 long. The taxiways, 75 feet wide; we're at 150 feet wide.
20 Apron, 283,000 square feet; we're at almost 800,000 square
21 feet. We believe the analysis shows are wrong. I remember the
22 day watching a 747 with the space shuttle on top land on that
23 airport. I believe it's adequate for the purpose stated and
24 certainly should be green, a far better color than red.
25 Looking on to the evaluations concerning a number of

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1 other areas. One I'd like to focus on is one that's third from
2 the bottom which is the weapons drop areas. Noting again that
3 in many of the DOD analyses we're listed as red. According to
4 our information we should be marked as green. Looking at the
5 next slide, the full range mission drop, the full scale mission
6 drop ranges for green criteria, less than 200 nautical miles; we
7 are less than 60 nautical miles from Fort Hood, the base that I
8 mentioned earlier. We believe certainly that points to a
9 different grading criteria.
10 In looking to the next slide, in summary I want to
11 say that we simply believe that the analysis that was prepared
12 was incorrect and in looking at the information provided on the
13 back of it, you will see that our analysis is correct and that
14 that decision -- that recommendation needs to be revisited.
15 Now, on to the dollars briefly. We believe that only
16 the Air Force Reserve dollars were considered. We believe the
17 construction costs at alternative locations were not
18 considered. We question why only three reserve locations were
19 considered. And we believe that the overhead costs primarily,
20 which is much of this discussion in the cost area, were
21 considered in 1994 terms, not in 1996 when full joint use will
22 occur.
23 Moving to the next slide, I'd like to point out that
24 in our analysis Austin is right in the middle in terms of net
25 present value of savings in closure. Below that, Homestead,

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1 below that Fort Worth, and certainly comparable to the other
2 cities that should have been looked at as part of the analysis.
3 When you move on to the discussion of what the
4 relevant costs are, we believe that they're simply much lower in
5 terms of costs for the military than compared to DOD analysis.
6 And I believe that that estimate is well supported by the backup
7 that you have in hand.
8 We understand that DOD analysis in 1994 is far
9 different than what's going to be occurring in 1996 when we have
10 true joint operations. In 1995, just next year, we're going to
11 have air cargo opening and handling some of those joint costs.
12 In 1996 the Air National Guard is scheduled to move its military
13 aviation operations to Bergstrom, thus absorbing some of those
14 costs. And of course in 1998 we will have full commercial use
15 of that airport thereby reducing the cost to the military in a
16 more significant way.
17 We have also taken a look, at your request, at
18 possible other operations. I'm not here as mayor of the City of
19 Austin to tell you or the military what the best plans would be
20 to address what we think are inadequately laid out in the
21 analysis. But we do want to suggest to you. One that we would
22 suggest was that we ought to look at Carswell in terms of
23 combining the reservists not at Carswell but at Bergstrom. We
24 believe that's an efficient kind of operation, has much more
25 room available to do so, and provide cost savings as well as

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1 operational efficiency. I would note that when the decision was
le about Carswell two years hence, a few years previous, there
e only 4,000 people on duty at the shutdown. They're
4 proposing there would be 11,500 under the plans that are
5 presently presented to you. There were only 30 aircraft
6 stationed there; 140. And if you'll move to the next slide, you
7 will see that compared to Austin, that will be -- if you move
8 those 140 aircraft, they will be flying in one of the most
9 congested areas in the entire country.
10 We also took at look at -- so moving on to the next
11 slide, if you just analyze the numbers, we believe that there's
12 great justification for a proposed move that we presented in
13 your information of Carswell reservists to Austin. We also took
14 a look at Homestead, and certainly the tragedy at Homestead of
15 the natural phenomenon that occurred there must have affected
16 their score because we believe that there is significant reason
17 to question that move, as you must have seen in some of your
18 presentations. In effect, due to decisions made in bullet point
19 one and two, you'll have a single squadron at Homestead with
20 about an $88-million-dollar cost in new construction alone, 15
21 million of which has been already been spent.
22 Move on to the next slide then. I think that just
23 shows some of the analysis.
24 We believe that a move from Carswell -- next slide
se -- a move from Carswell, a close of Homestead all provide

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1 great opportunities for this commission to look at and for DOD
2 to look at in terms of their presentation. Next slide please.
3 I'd like to close by saying that there is something
4 that we believe strongly, whether it's among people or among
5 governments, and that is the ability to rely on promises that
6 are made. I have led my community through a great deal of
7 ordeal and a great deal of soul-searching and a financial
8 commitment of over $400 million in bond monies to be able to
9 accomplish and fulfill the promise of the commission that we
10 believe we agreed to in 1991 and reaffirmed through this
11 commission's support in 1993. We believe that the cost
12 justification for allocation of costs which were anticipated
13 have not been properly accounted for, and we believe that will
14 be apparent through the review. We believe in joint operations,
15 and we believe that those joint operations with the U. S. Army
16 certainly can make a great deal of sense.
17 Austin is not a community that will be as highly
18 affected as some others you will look at, and we understand
19 that. We also believe, for that very fact, with the high
20 education level of Austin, the fact it is a high technology work
21 force, that we have great opportunities for recruitment in years
ome as far as what we have offered to DOD as part of the
lysis. We are one of the very few metropolitan areas in
24 Texas that is below the environmental attainment standards that
25 are set forth by EPA. We believe that provides a great deal of

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1 opportunity in terms of direct operations. Also, our weather is
2 one that permits full-time use on a year-round basis, a way to
3 more further the analysis.
4 As was said in the previous presentation, your job is
5 one of the most difficult that could be possibly undertaken.
6 You have difficult decisions to make. We understand that and
7 appreciate the commitment of time and energy you put to your
8 task. We believe that we have fulfilled our end of the
9 promise. We feel also that we have an excellent cost analysis
10 to present to you, your backup; it was outlined here briefly
11 today. We think by looking to the future that was laid out by
12 Congress and by this Commission in 1991, it has been lived up to
13 by Austin every day since, that we have a great opportunity as
14 y'all go about reviewing this hopefully in the Bergstrom
15 decision.
16 Thank you very much.
17 CHAIRMAN MONTOYA: Thank you, Mayor.
18 MAYOR BRUCE TODD: I'll be glad to answer any
19 questions you may have.
20 CHAIRMAN MONTOYA: Thank you. Any questions?
21 COMMISSIONER STEELE: I don't have a question, and I
22 was getting an answer from my partner here. I just wanted you
23 to know that we have bounced off all the corrected statistics
24 that you've provided to us, and if indeed they are corrected,
25 they're at the Air Force and the trusty answer is we're supposed

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1 to get an answer back by the 27th of April on if the -- there
2 can be adjustments to the measurements of runways, taxiways, et
3 cetera. So I just wanted you to know that was in the works.
4 MAYOR BRUCE TODD: That's very helpful. We do
5 appreciate that very much.
6 Anything else we can help you with?
7 CHAIRMAN MONTOYA: Well, I think you made your case
8 very clear. And I didn't swear the fellow on that TV set.
9 MAYOR BRUCE TODD: We will leave the swearing to
10 later. We simply look forward to a favorable recommendation by
11 this Commission.
12 Gentlemen, we thank you all for being here.
13 CHAIRMAN MONTOYA: And we thank you all. And
14 particularly our visit was very worthwhile. The tour -- we had
15 to leave that day, but the tour was really good, especially
16 seeing that Nick Rose has grown Southern. That is an
17 engineering piece of work.
18 MAYOR BRUCE TODD: We believe that is a wonderful
19 operation. It would be a tragedy to throw that away. It and
20 serves the needs of the military, both Army, Navy, and Air
21 Force, for quite some time here.
22 CHAIRMAN MONTOYA: There's no question they feel
23 very, very comfortable where they are. No question that they
24 enjoy their relationship with you.
25 MAYOR BRUCE TODD: Part of that is they just don't

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1 want to leave Austin. The other part of it is they do fine work
2 here and very proud of the product they produce.
3 Well, again, I want to thank y'all -- thank the troop
4 from Austin that came up for their time and effort; thank y'all
5 for yours. We certainly will be glad to respond at any later
6 time to any questions you may have.
7 CHAIRMAN MONTOYA: Thank you very much.
8 (Applause).
9 CHAIRMAN MONTOYA: Is the -- I guess they are
10 prepared, the delegation from the Air Force Electronic Warfare
11 Evaluation Simulator Facility.
12 Are y'all ready to go?
13 MR. CHARLES ANDERSON: Yes, sir.
14 CHAIRMAN MONTOYA: Let me -- let me comment, our
15 friends from Oklahoma are going to be prepared, but because of
16 Brooks we had five people signed up from San Antonio, five who
17 signed up and their buses are waiting. We are going to hear
18 their public comment, and then we'll take the Oklahoma
19 delegation.
20 So, Mr. Anderson, are you the lead for this group?
21 MR. CHARLES ANDERSON: Yes, sir, I am.
22 CHAIRMAN MONTOYA: And are they -- are you going to
23 be the sole testifier, or do you want me to swear them all in?
24 You only have five minutes.
25 MR. CHARLES ANDERSON: Swear them all in.

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1 CHAIRMAN MONTOYA: All right, let's do that.
2 (Five witnesses sworn).
3 CHAIRMAN MONTOYA: Very well. Mr. Anderson, please
4 proceed.
5 MR. CHARLES ANDERSON: Thank you, Admiral Montoya.
6 My name is Charlie Anderson. I'm the Vice-President of Special
7 Programs at Lockheed, Fort Worth Company. Let me begin by
8 thanking you -- is this microphone on?
9 CHAIRMAN MONTOYA: It doesn't sound like it.
10 (Pause).
11 MR. CHARLES ANDERSON: Again, my name is Charlie
12 Anderson. I'm the Vice-President of Special Programs at
13 Lockheed, Fort Worth Company. Let me begin by thanking you for
14 the opportunity to present our case for the AFEWES laboratory
15 remaining in Fort Worth. I'm sure that most of you, until you
16 saw the name in the commission, didn't realize what an AFEWES
17 was, and I'm not sure all of you do still. By limiting us to
18 five minutes, you've done two things. You've allowed me to sit
19 down, and you can say to yourself a new guy is pressing us. So
20 I appreciate that too.
21 Our case for keeping the AFEWES is very simple. One,
22 the AFEWES is a significant cross-service in international
23 military value which would be degraded if the laboratory was to
24 be relocated; and, two, an AFEWES move makes very little
25 financial sense. And, three, unnecessary and unstated community

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1 impact would be avoided if we did not move it.
2 First, you need to know that the AFEWES is a
3 laboratory that occupies about 39,000 square feet of space
4 within the Air Force plant floor which Lockheed operates for the
5 Air Force. It exists to test the ability of the electronic
6 warfare and infrared electronic warfare countermeasure systems
7 to protect the airplanes against SAM threats. This is done
8 under actual battle conditions. During Desert Storm the
9 countermeasures were put on board every U.S. airplane; every
10 coalition airplane had been tested in the AFEWES. AFEWES is
11 needed because it can test EW equipment at every single stage of
12 the development from concept through the final product. If you
13 wait until equipment is flyable, you generally get in the same
14 kind of situation we got in with the B-1 where the equipment
15 didn't work. We need not to say that this equipment will keep
16 you from having to go over the flight test, because we do need
17 flight tests; but AFEWES is a critical piece in the electronic
18 process testing.
19 AFEWES is needed because it is far less expensive
20 than the flight test. I will present you a paper in the book I
21 will give you presented by the 513 test squadron from Moffet to
22 an infrared testing symposium earlier this month that says
23 AFEWES testing did things impossible to do in flight test.
24 While doing that it saved $5 million in flight tests and
25 increased the odds that the B-1 can perform its mission

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1 successfully and come home bringing the crew home safely. At
2 the same symposium the Air Force manager, Eglin Air Force Base,
3 remarked that the cost of AFEWES testing was less than three
4 percent of the cost of flight testing. As I said before, AFEWES
5 testing does not eliminate the need for flight testing, but it
6 can minimize the amount of expense that flight testing
7 requires.
8 Now let us review the information in the DOD base
9 closure and realignment report. It says that AFEWES projected
10 workload is only 28 percent. This is not true. In fact,
11 utilization has been around 90 percent for the last few years,
12 and based on available data we expect it to be that way. I
13 believe probably the 28 percent number came from the fact that
14 we have 39 simulators, and we do not use all the simulators at
15 once.
16 We expect the workload to continue through the
17 foreseeable future. This year we have already conducted a C-17
18 test, an Air Force sponsored test that verified linking AFEWES
19 to other test facilities in ranges is feasible. And that
20 option, I might add, is far less costly by combining and hooking
21 the ranges together than relocating the laboratory.
22 Additional tests are planned this year for the B-2,
23 the Priority 1-1 Special Access Required program and numerous
24 OSD-sponsored infrared countermeasures tests, a test of the
25 Army's system which is a countermeasure system, and tests for

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1 Sweden, Germany, and the United Kingdom. For '96 and beyond we
2 've to date been contacted about testing the B-1, B-2, the
3 , and the F-15, as well as the major chest of the U.S. Army,
4 .S. Navy, Japan, Germany, Sweden, Italy, and the United
5 Kingdom. Other tests will materialize as those years approach.
6 AFEWES' usage is healthy and supported by military
7 need. The DOD report states that our capability is duplicated
8 elsewhere is untrue. AFEWES is a very unique facility with 39
9 high-fidelity simulations that is not matched anywhere else.
10 That is why the Air Force, the Army, the Navy, and foreign
11 governments test their equipment here regularly. The DOD
12 reports state that only nine jobs are affected. But that number
13 reflects only the Air Force jobs that oversees AFEWES. In fact,
14 there are about 100 contractor people that their jobs are
15 affected.
16 Call for -- excuse me -- the Air Force recommended
17 action calls for two things; one is to move the people; and
18 two -- to manage the AFEWES and, two, to move the laboratory.
19 The small savings presented in the report are entirely due to
20 moving the people. The Air Force management from Fort Worth to
21 Eglin and the Eglin management to Edwards, we do not oppose this
22 move because we ran for many years without Air Force oversight.
23 In fact, the Air Force can achieve the savings without moving
24 the laboratory. There are no savings associated with moving the
25 oratory. In fact, this will be very costly to move the

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1 laboratory.
2 CHAIRMAN MONTOYA: Mr. Anderson, your time is up.
3 Let me ask you, can you -- do you have any -- I've got three
4 points I've written down, or four. Do you have any one or more
5 points you can quickly give, and we then can terminate this?
6 MR. CHARLES ANDERSON: Yes, sir. It's going to cost
7 about 50 or $60 million to move the lead. That's a fact. It's
8 been documented, and the Air Force can tell you it's
9 documented.
10 CHAIRMAN MONTOYA: Okay.
11 MR. CHARLES ANDERSON: It's also a fact that they
12 will have to build facilities at Edwards to take this particular
13 facility.
14 CHAIRMAN MONTOYA: Okay. What else?
15 MR. CHARLES ANDERSON: So if you move all of it or
16 even part of it, there's going to be a large cost due to
17 laboratory. The only savings is moving the people.
18 CHAIRMAN MONTOYA: And we'll have your testimony, and
19 we can then follow up and check on those numbers.
20 MR. CHARLES ANDERSON: Yes, sir.
21 CHAIRMAN MONTOYA: I know we give you a tough task in
22 minutes, but you've adequately raised some flags for us and
23 ant to thank you all for coming to participate.
24 MR. CHARLES ANDERSON: Thank you. Do you have any
25 questions?

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1 CHAIRMAN MONTOYA: No, we don't. You're right; I
2 know more about an AFEWES now than I did before I sat down.
3 Thank you.
4 MR. CHARLES ANDERSON: Thank you
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1 CHAIRMAN MONTOYA: I have four names of people we
2 believe who might still be here who signed to take part in the
3 public session. And if so, if you would stand -- come forward,
4 just stand along the front here so I can swear you in. And the
5 names I have are Linda Billaburke. Good to see you,
6 Councilwoman. Adeno Rogales, Roger Callenberg. Is Mr.
7 Callenberg here? And the last one is Mr. Terry Shippey. So
8 it's three of you.
9 (Three witnesses sworn).
10 CHAIRMAN MONTOYA: Thank you. Well, in the order
11 that I read to you, you may each have two minutes.
12 LINDA BILLABURKE: Thank you, Commissioner. I just
13 came to deliver some letters from one of my grade schools in San
14 Antonio, which has 75 Brooks students, and another from a
15 Catholic school. And I think you ought to appreciate this; you
16 have grandchildren. And all I want to say is that I want to
17 talk about the big picture, and it goes beyond what Brooks is
18 and saving Brooks but talking about nurturing and building a
19 brain trust. My biggest hope is that the United States has the
20 biggest and best scientists and technicians that can move our
21 country forward in technology and that we preserve that.
22 San Antonio has been extremely lucky to have Brooks;
23 they've been a partnership with the community and have one of
24 the largest tutoring systems in all of the air forces. So it
25 benefits the community, and it benefits the Air Force. You can

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1 only have a strong military if you have a very strong community
2 support. I'm very proud to say that San Antonio stuck by the
3 military when times have been bad and will continue to stick by
4 the military.
5 But I think that you will enjoy these letters, and
6 they're going to be a real tug on your heart when you read them
7 because they're from first-graders all the way up to
8 fifth-graders. And there's not anybody more honest than a
9 child. So you're going to get purely honest letters that some
10 will make you laugh, most of them will make you cry; and you'll
11 understand that it's great to be a child and why can't we always
12 think as a child does. So I'll give these to you.
13 CHAIRMAN MONTOYA: Thank you very much. And I
14 appreciate you coming. Mr. Rogales?
15 MR. ROGALES: Adeno Rogales. I'm the President of
16 the Local 1757, American Federation of Government Employees.
17 I've been privileged to have worked on the BRAC Task Force for
18 San Antonio since its inception, and I affirm to you that we
19 have worked diligently to understand all the proposals that the
20 task force has given towards y'all. We are willing to work with
21 the agency in the negotiation of the COBRA plan. We have
22 established a partnership on the base. I think we are one of
23 the unique organizations that have worked towards the
24 partnership. And you have full support of the union, and we
25 will work with the agency in this noble mission. Thank you.

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1 CHAIRMAN MONTOYA: Thank you very much. Mr. Shippey?
2 MR. SHIPPEY: I'm Terry Shippey. I represent the
3 IAFF, the fire fighters at Brooks Air Force Base. I've worked
4 at Brooks Air Force Base for the past 21 years. This gives me a
5 unique look at base operations and the workplace family. The
6 facilities at Brooks were built around the people and their
7 needs. The plan to retain the mission and abandon the
8 facilities is not logical and should be rethought. The balance
9 of workers and the atmosphere and the technical support of the
10 community should not be disturbed. I'd like to thank y'all for
11 you all's cooperation and I hope you read the comments that I
12 put in the letters.
13 CHAIRMAN MONTOYA: I read your letter.
14 MR. SHIPPEY: Thank you.
15 CHAIRMAN MONTOYA: Thank you for coming up and
16 representing your community.
17 Again, thank you all for the long trip that you made
18 to represent San Antonio and Brooks.
19 Now, hopefully we are prepared to take the Oklahoma
20 delegation out of order so that we can proceed with our day. Is
21 the Governor here?
22 LT. GEN. RICHARD BURPEE: We have a point man.
23 CHAIRMAN MONTOYA: Yes, sir.
24 (Pause).
25 CHAIRMAN MONTOYA: Senator, you may not be aware that

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1 we are required to swear in all witnesses for BRAC hearings, so
2 we can do that.
3 SENATOR DON NICKLES: Oh. Why don't you swear in our
4 whole delegation.
5 CHAIRMAN MONTOYA: I will. I'll do them all at once.
6 If y'all will rise.
7 (Witnesses sworn).
8 CHAIRMAN MONTOYA: Senator, welcome, and we're ready
9 to proceed.
10 SENATOR DON NICKLES: Commissioners, thank you very
11 much for coordinating with us and allowing us to go forward a
12 little earlier than planned and thanks also to the other
13 witnesses. We appreciate your accommodation too because we know
14 a lot of schedules have been bumped around a little bit to
15 accommodate us, but we do have a natural -- not a natural
16 death -- a real tragedy that's caused by terrorism this morning
17 in Oklahoma City, and many of us want to return and to be
18 helpful if we can in any way possible.
19 I also wish to compliment the Commission for the
20 outstanding job that you've have done and the very difficult
21 task that you have. I remember testifying two years ago before
22 the regional hearing in Texas on base closures; in fact a lot of
23 the same bases that are here today. But this is probably more
24 difficult because certainly in the previous rounds I think BRAC
25 had closed most of the easy bases. Now you're really getting

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1 into tough, tough decisions. And I appreciate your willingness
2 and cooperation in coming to visit Tinker Air Force Base and
3 many of the other air bases around the country. You have a very
4 difficult task, and I compliment you for your courage in taking
5 it on. Certainly when you get into the air logistic centers
6 this is not an easy quest. A couple years ago the Air Force was
7 recommending closing of one. There's no question we have excess
8 capacity. Whether one should be closed or two should be closed,
9 a lot of that decision now rests before the Commission. I wish
10 you well.
11 I did wish to open up in presenting the case for
12 Tinker Air Force Base. There's five air logistic centers. We
13 happen to think Tinker is the best. It's a big base. Several
14 of you have visited our base. It's one that we're very proud
15 of. We have a history going back 55 years. The commitment
16 between Tinker Air Force Base and the Air Force and our national
17 defense is long and solid and secure, and it's an excellent
18 relationship. Our community, our state has done a lot to make
19 that happen. They've donated land. They've built fabulous
20 facilities. When the Air Force indicated maybe they'd like to
21 have some additional space around the base, they donated that
22 land as well. Actually, we had a referendum on that land that
23 passed over eight to one to buy the land surrounding the airport
24 to give it additional space.
25 We have one of the largest hangars in the country.

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1 It truly is a national asset. We have dual runways capable of
2 servicing large airplanes. We really have experienced
3 cross-servicing because we actually service not only Air Force
4 planes but Navy planes; and that saves the Department of Defense
5 and our taxpayers a lot of money.
6 We're centrally located. We think we have the best
7 facility anywhere in the country. And we also believe,
8 Commissioners, we have the best work force anywhere in the
9 country. We're very proud of Tinker Air Force Base and its
10 contribution. We think it is a national asset, and we're
11 confident after you review it that you will agree with us as
12 well.
13 I'm happy to introduce my friend and colleague, newly
14 elected Congressman from this district, Congressman J. C.
15 Watts.
16 CONGRESSMAN WATTS: Thank you, Senator, and Mr.
17 Chairman and other Commissioners. I will be brief, and I thank
18 you for the opportunity to share my thoughts on Tinker Air Force
19 Base and also the opportunity to acknowledge my continued
20 support and confidence in the employees and leadership of Tinker
21 Air Force Base and their contribution to the military readiness
22 of our great nation.
23 Let me characterize my support in two words. Tinker
24 delivers. Whether it's the fabrication of parts to keep our
25 most sophisticated aircraft like the B-2 bomber in a

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1 mission-ready state or the management of missiles such as the
2 air-launched cruise missile, the short-range attack missile, the
3 Navy's harpoon, and advanced cruise missiles, Tinker delivers.
4 Tinker delivers.
5 As the Commission considers the BRAC options, I
6 encourage you to closely consider the quantitative data
7 associated and prepared and maintenance of the equipment and the
8 systems under Tinker's watchful eye. Commissioners will
9 discover, as you continue to take a close look at Tinker Air
10 Force Base, the efficiency and the effectiveness of the Tinker
11 community. For example, working with the current industrial
12 fund budget of almost $1 billion, depot maintenance, personnel
13 seek out and achieve excellence in every endeavor. Examples of
14 Tinker's achievements include responsibility for managing more
15 than 17,000 jet engines. Department of Defense's own depot
16 maintenance operations indicates and states that during the
17 period ended in the second quarter of the fiscal year 1994,
18 Tinker's average engine processing was greater than one-third
19 better than the competition. Tinker's schedule indicator index
20 for the period between April of '93 and February of '94 was the
21 second best for the Air Force materiel command.
22 Tinker is leading the fleet in the area of technology
23 innovation in the Department. Tinker's formed a number of
24 technology advancement coalitions to address a wide spectrum of
25 environmental issues. One such thing is going on in the

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1 Department of Defense installations in Oklahoma that's a
2 coalition to cost the information on compliance actions and
3 improve the partnership between EPA and other federal agencies.
4 Also, Tinker blazed a trail in cost savings of fuel
5 use by adapting some 551 vehicles to run on propane and
6 electricity. Nearly 300 fleet vehicles have been converted to
7 dual-fuel and natural gas, giving Tinker the distinction of
8 having one of the largest dual-fuel mottoes in the nation. The
9 bottom line and important defense issue is how this installation
10 contributes to the nation's war fighting capability and military
11 readiness. And I, serving on the National Security Committee in
12 the House of Representatives, have gotten a firsthand look at
13 how important fighting capability and military readiness is. Of
14 course we believe strongly that Tinker plays a critical role in
15 that proposal.
16 Tinker delivers and does it extremely, extremely
17 well. As a matter of fact, we think they do it the best. The
18 men and women of this great facility are committed to delivering
19 the products, services, and support that has made this base and
20 its people an integral part of our national security strategy.
21 Mr. Chairman, I thank you for the opportunity to
22 present my thoughts on tinker Air Force Base. As you will find
23 in the next few speakers, we are awfully proud of Tinker Air
24 Force Base, its employees, and the leadership that we have
25 there.

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1 At this time, Mr. Chairman, let me take this
2 opportunity to introduce to you and let him address the
3 Commission, a former commander of Tinker Air Force Base and the
4 gentleman that has led the efforts of the Tinker Task Force in
5 Oklahoma, my friend, General Dick Burpee.
6 CHAIRMAN MONTOYA: Thank you, Congressman.
7 LT. GEN. RICHARD BURPEE: This is not very high tech,
8 but I do welcome the opportunity to use this kind of a format to
9 brief you on Tinker. I have just a few charts. I'd like to go
10 through them kind of quickly here if I can.
11 The first chart, we think that Tinker is truly a
12 national military asset. It's been bought and paid for, it's
13 been invested by the American people, and it just truly is a
14 national military asset.
15 Here's how it all started. We have base support
16 around the country for all of our military installations, and
17 I've been in a number of them and I know you people who served
18 in the military have been in communities where the support was
19 just superb. In Tinker it's a little bit different because it
20 all started by the community giving -- buying the land and
21 giving it to the war department, 960 acres, back in 1941. And
22 in years later, as the mission expanded, the base housing area
23 and the hospital and cantonment area and that sort of thing,
24 that land was purchased by the community and given to Tinker as
25 well as the other shaded areas that you see. Now, this was at

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1 no cost to the government, which is considerably different than
2 what we experienced when we were -- I know when I was at SAC a
3 community used to buy a -- build a swimming pool for the Air
4 Force where they'd have a barbecue grill or this sort of thing.
5 But very seldom did you ever see where they actually purchased
6 land and gave it to the military and said it's yours. And
7 that's what happened.
8 If we turn now and look at military value, the
9 Senator talked about that a few minutes ago. Tinker is located
10 right in the center of the United States. You can see the
11 radius here. The thing that makes that so important is that
12 when the founders of the community wanted to give the land to
13 the war department, they wanted it to be a distribution center.
14 And they thought because of its location that it would make the
15 most sense to make it a distribution center so it could service
16 all parts of the country. The thing that makes us also
17 important in the Air Force is two-level maintenance. And, as
18 you know, the log air system has gone away and the
19 transportation things that we use now is done by truck mostly
20 except for a few critical parts. But you're within -- you're
21 within 12 hours usually of some place that you can get parts to
22 Tinker, quicker turnaround, less inventories, et cetera, et
23 cetera. And Tinker is involved in that two-level maintenance.
24 Also, I want to talk about military value, and I
25 could list -- Tinker has 570 industrial buildings. And I'm not

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1 going to talk about all those, but I would like to point out a
2 couple here that do stand out. We have an aerial port which is
3 available. It was the largest signaling aerial port during the
4 Desert Storm. It's sitting there vacant right now not being
5 used. Building 3001, I'm going to address that separately.
6 But the are blade repair facility, I want to take
7 just a second on that. That facility was built just a few years
8 ago. It cost -- the building itself was about $11 million, and
9 then the equipment inside of course is much higher than that.
10 But I remember when I was a commander we had a private
11 contractor who is doing what they call plastic spray on engine
12 blades. It was the only -- the only contractor that could do
13 that; they had the patent for that. And it was big business.
14 Well, they defrauded the government by $12 million. We sued
15 them. We didn't have this blade facility at that time. The Air
16 Force sued them for their money back; we recovered 4 million.
17 And then I was directed by the legal counsel of the Air Force to
18 bar this company from doing business with us. But they had the
19 patent; they were the only ones who could do it. So we were
20 hostage to the company. And so at that time this building, the
21 blade repair facility, was in the works and that sort of turned
22 it over, and now we do all that blade repair right there at
23 Tinker. It has the capacity of 5 million blades per year.
24 We're currently doing just less than a million. And there's
25 only one other facility like that in the country, at least in

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1 the government, and that's at Cherry Point, the Navy -- the
2 Marines.
3 B-2 facilities, we just invested $27 million in three
4 brand new B-2 facilities that are waiting for the B-2 operation
5 to come in. We're the only depot that has dual runways.
6 Composite repair, all of them have that, but we have that ready
7 for the B-2.
8 The fuel control facility was just -- the ground was
9 just broken on that -- or not the ground, I mean, the ribbon was
10 just cut on the 6th of April. Brand new $14.5 million facility,
11 just really first class. We have two large engine test cells,
12 on that will take engines up to 50,000 pounds of thrust and then
13 four units -- four test cells that will take engines up to
14 100,000 pounds of thrust. I think that's the only one in the
15 government that can do that.
16 I point out the large aircraft hangars. We have a
17 number of them. We can handle B-2's, B-51's -- I mean B-1's and
18 B-52's and that sort of thing. But the point I want to make
19 here is that if you can handle large airplanes, you certainly
20 can handle small ones.
21 I said I wanted to talk about Building 3001. It's
22 truly a unique building all in itself. And I just use this as a
23 representative display of the flexibility that you can do with
24 this building. Now some of the Commissioners were there the
25 other day and rode around in a cart and saw that. But you can

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1 put bombers in there, you can put tankers in there, fighters.
2 When I was the commander, we had 20 A-7's going on at the same
3 time. They had a bunch of KC-135's. Engine lines, commodities,
4 our spare parts. And the other part about it is that the
5 manager of the weapons, the engineers and the administrators and
6 that sort of thing are in the same building. So if you run into
7 any kind of a problem out there doing some depot repair, you get
8 the engineer and he comes down and takes a look at it and solves
9 the problem, gets on with it.
10 It's interesting, this building is almost a mile
11 long. When it was being built they were producing Douglas
12 DC-3's during the war. At the same time they were still
13 continuing to build the building. But it's a unique asset to
14 the Air Force. We had a fire in 1984 from about this point on,
15 and when it was rebuilt they rebuilt it to the most modern
16 machine repair center or facility probably in the world. It has
17 all the latest stuff in there to overall engines and so on.
18 Continuing with more military value, the
19 cross-service, the shaded area reflects the synergism that you
20 get by being co-located with the AWACS -- or the AWACS, the Navy
21 wing being co-located at this depot. This eliminates a number
22 of people. You don't have to have a tire shop in both the AWACS
23 and the Navy. You don't have to have a fuel cell. You don't
24 have to have an engine shop. And a whole bunch of things are
25 missing. The Navy initially thought they were going to have to

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1 have 1600 people to run this wing. They do it today with
2 '11 -- 1115. And then AWACS, they -- normally the AWACS size
3 ld be -- if they weren't at Tinker it would probably be
4 something like 6500 people, and they do it with 3500 now. So
5 you get a great synergism by being co-located and letting the
6 depot do the work for those two units.
7 We have a kind of unique -- I don't really like that
8 term, but it is different than any other base. We call -- the
9 Navy wing we call the Tinker Naval Air Station, but it is the
10 fleet or fleet depot for the E-6, and it really is great. In
11 addition to base support, when you come through the gate you may
12 have a Navy -- a sailor on or an airman or whatever. But they
13 share the alert facility that was already built for the AWACS.
14 Simulators, they train in the same simulators, the AWACS crews,
15 the Navy crews. Aircraft trainers, there are three trainers
16 that they do transition with and air refueling and that sort of
17 thing. That's all done both by AWACS and Navy crews.
18 Intermediate maintenance done by Tinker and of course the depot
19 repair.
20 The Navy came in and had a little different concept
21 of depot repair. They wanted to replace -- or fix the airplanes
22 in depot as it went through the phase, a phase type thing. And
23 by doing that, they saved some 60 days. They were looking at --
24 the Air Force was looking at doing that with the AWACS. what's
25 portant about that is two things. One is the cost, and the

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1 other is it keeps the airplane in the air 60 days more than what
2 you would if you had to put it in the depot. The Navy says this
3 operation saves them a quarter of a million dollars -- a quarter
4 of a billion dollars each year.
5 Tinker has also been doing a lot of cross-service
6 work. 15 percent of their engine workload is done on Navy -- on
7 the F-14 engines right now. And they're very proud of the fact
8 they've met every engine on time and below cost, and this is the
9 Navy figure here. And it goes -- they said by doing this here
10 they've saved $6 million a year.
11 I just want to show here -- I want to show where the
12 community has protected that base over the year. Senator
13 Nickles mentioned a little while ago -- this is the base
14 proper. Some 14,500 acres have been preserved for Tinker
15 expansion if they need it. This is owned by the city. It's a
16 wetlands area, and it's -- General Davis pickled a couple of tip
17 tanks off in Stanley Gregor Lake once and didn't think it was
18 there. It didn't hurt anybody. The community voted a
19 $10 million bond issue and removed a whole section up here of --
20 a housing section including a school when it looked like it was
21 going to shut down the main long runway, and that is now leased
22 k to the Air Force for a dollar for every 10 units -- 15
23 s. So the encroachment -- there is no encroachment problem
24 in the community. The state, the city, and county have all
25 protected that very, very carefully.

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1 We agree with the Air Force on how they evaluated the
2 depots and when they put them in the tiers, and you're well
3 familiar with these tiers. We just happen to think that it is
4 the best, as Congressman Watts mentioned.
5 Here's the way the BRAC recommendations -- and this
6 was the third iteration I think. The original one came out and
7 showed us losing -- showed Tinker losing 1180 people. And the
8 one that was just reprocessed revised and showed us losing 398.
9 And then we're gaining back some people from Rome -- the Rome
10 laboratory, 476. So we have a net gain now out of this system
11 of 78.
12 If we go back in the reductions, and there's some
13 concerns about readiness. If you go back in 1990, Oklahoma
14 City, just civilians alone, there were 16,500 people there
15 working. From '90 to '93 you can see the cuts. I learned the
16 other day that there's a Dorn memo that directed the Air Force
17 to lose 30,000 people by the year 2001, and Tinker's share of
18 that is 4,115. If you put that together with the BRAC, that
19 shows us by the year 2001 we're going to take this kind of a hit
20 for a 56 percent cut in civilian -- this is civilian-only
21 personnel. That translates into this kind of an annual impact
22 in terms of dollars to the community.
23 The impact on readiness that we just mentioned is a
24 concern to me as a former blue-suiter in that we may be placing
25 ourselves out of business if we continue the down-size process.

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1 Tinker has the capacity to work $12.9 million direct labor
2 hours. They're presently operating at 7.3. If they were at
3 12.9, the cost per hour is $50 an hour. Today their cost is $60
4 an hour. And as we continue to draw down these numbers of
5 people, of course the costs continue to go up.
6 If we took that $10 an hour, for example, and just
7 applied it toward this 7.3, it's $70 million a year. If you put
8 it towards the total Air Force direct labor hours requirement,
9 that's $300 million that is a potential savings, if you filled
10 up the depot.
11 I showed this next chart to some of your
12 commissioners the other day, and this just emphasizes that these
13 unit costs go up, you know, the Air Force has a cash flow
14 problem. You aren't going to buy C-17's or F-22's or anything
15 else because you're absorbing that. The other thing that can
16 happen to you is that you price yourself out of business, you go
17 contractor, you become a hostage to the private industry or
18 whatever. It's just not a healthy position for the government
19 to be in.
20 So I see your challenge as, one, to pick the right
21 size in looking at all depots in the Department of Defense and
22 measuring and balancing the war fighting capability and getting
23 in the right balance so that we can meet our military
24 commitments around the world.
25 Mr. Chairman, that's all I have.

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1 SENATOR NICKLES: I'd like Congressman Moongoose to
2 conclude. Senator Inhoff we were hoping would be here and maybe
3 coming in momentarily, but Congressman Moongoose has had several
4 thousand citizens who work at Tinker as well.
5 CHAIRMAN MONTOYA: Congressman?
6 CONGRESSMAN MOONGOOSE: I'd like to thank the
7 Commission for the opportunity to briefly address you. I think
8 I simply want to stress one point in this matter -- having
9 observed the General's demonstration and all the information
10 that you've gone through, I know it's mounted in recent days and
11 weeks -- but nonetheless that's the work ethic of the Tinker
12 work force in Oklahoma. 54 years of a proven track record,
13 being efficient and being productive. And that's demonstrated
14 in all the information you've seen. That all boils back down to
15 the people who make the things happen in that facility, a
16 clearly proven dedicated work force, the kind of folks that
17 would provide the type of efficiency and productivity that we're
18 going to have to have in the days ahead of us if we down-size.
19 That's really the mission that I bring to you, is that when you
20 consider all these myriad of details, all these myriad of facts
21 that come before you, take that into account, the people who do
22 the work to accomplish the goals that have to be accomplished.
23 Thank you.
24 CHAIRMAN MONTOYA: Thank you very much.
25 SENATOR NICKLES: As I mentioned, Admiral, I wasn't

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1 sure whether or not Senator Inhoff would be here since he's
2 flying his own aircraft. He may be here momentarily, but we'll
3 be happy to answer any questions you might have, and we
4 appreciate your accommodating him if he should come in later.
5 CHAIRMAN MONTOYA: Yes, sir, we certainly will; we'll
6 find room for him sometime today if he chooses to -- if he gets
7 here and chooses to speak, we certainly will. Any questions?
8 COMMISSIONER STEELE: I only have one. I'm sort of
9 the source talk I guess of the group. Your capacity number,
10 General, is based on when?
11 LT. GEN. RICHARD BURPEE: That was the highest
12 capacity Tinker reached. It was in 1989.
13 COMMISSIONER STEELE: Have they removed work stations
14 to degrade the ability to hit that limited number?
15 LT. GEN. RICHARD BURPEE: Some of the work stations
16 have been removed, but certainly the potential capacity is
17 there.
18 COMMISSIONER STEELE: I don't have any other
19 questions.
20 CHAIRMAN MONTOYA: Any questions, Mr. Cornella?
21 COMMISSIONER CORNELLA: General, on the figure you
22 used of 335 million impact, was that direct or with
23 multipliers?
24 LT. GEN. RICHARD BURPEE: Those are -- those are
25 direct dollars. Those are '95 dollars. We used constant 1995

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1 dollars and then projecting it up. Just kept constant FY '95.
2 That's direct annual payroll by the way, just payroll.
3 COMMISSIONER CORNELLA: Thank you very much.
4 SENATOR NICKLES: Admiral, I might just mention one
5 thing that General Burpee mentioned. We've had a reduction in
6 the work force in the last few years of over 4,000 people. I
7 think that's important to note. So there has been down-sizing,
8 significant down-sizing, and as a result of that the cost per
9 hour has had some increase. I think that then was by the
10 chart. Also, I wanted to apologize, I stepped out because the
11 President was calling me expressing his condolences but also his
12 assistance on the disaster we have in Oklahoma City and will be
13 returning there, I think all of us, trying to assist in any way
14 we can. We appreciate very much your willingness to accommodate
15 our schedules; and also to the other participants because we
16 know we moved them back a little bit, and we appreciate your
17 flexibility as well.
18 CHAIRMAN MONTOYA: Senator, our best wishes to all of
19 you in the delegation and a safe trip back. And thank you for
20 joining us today.
21 SENATOR NICKLES: Thank you very much.
22 CHAIRMAN MONTOYA: Thank you all very much.
23 (Applause).
24 CHAIRMAN MONTOYA: This hearing is now adjourned, and
25 we will reconvene promptly at 1:30, or 13:30 for the Army.

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1 (Lunch recess).
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1 CHAIRMAN MONTOYA: The afternoon session is now in
2 session. Good afternoon to all of you.
3 (Audience responds).
4 CHAIRMAN MONTOYA: Welcome to our afternoon session,
5 and I'm Benjamin Montoya and with me are my fellow commissioners
6 Al Cornella, Rebecca Cox, J. B. Davis, Josue Robles and Wendi
7 Steele.
8 (Applause).
9 CHAIRMAN MONTOYA: This afternoon we will hear the
10 continued presentation from the State of Texas which will last
11 70 minutes. Then presentations from Arkansas -- a presentation
12 from Arkansas which will be 25 minutes. As is the case with all
13 our regional hearings, the Commission has given a block of time
14 to each state based on the number of installations on the list
15 and the job loss. We have left it to the elected officials and
16 leaders of those communities to decide how to fill their block
17 of time, so you will have all 70 minutes to use as you see fit.
18 We're ready to begin. So Mr. DuVall, if you will
19 introduce to us those whom you expect to be part of your
20 presentation, I'll swear them in.
21 DR. PHILLIP DUVALL: All right, sir. First I have
22 Brigadier General Donovan; Mr. "Swede" Lee -- Robert E. "Swede"
23 Lee; myself, Phillip DuVall; Congressman Chapman; and Senator
24 Kay Bailey Hutchison. And we have staff members, Mr. Dwight
25 Ford; Dennis Lewis; Ms. Donna Dastillon.

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1 CHAIRMAN MONTOYA: Very good. If y'all will raise
2 your right hand.
3 (Six witnesses sworn).
4 CHAIRMAN MONTOYA: Thank you. Please proceed.
5 Welcome, Congressman Chapman.
6 DR. PHILLIP DUVALL: Sir, first I would like to take
7 time to introduce the Red River family. I would like for the
8 Red River family to stand up, please.
9 (Applause).
10 DR. PHILLIP DUVALL: Commissioners, we're happy to be
11 here. We want to thank you for the opportunity to present the
12 defense on Red River. You have a tough job, and we just want to
13 present you with the facts that we consider pertinent to the
14 case. First, we're going to have a brief video, about a five to
15 six-minute video that gives you an overview of the installation,
16 to show the size, and then we'll follow in this order of
17 presenters. I will lead the first one.
18 (Video presentation).
19 DR. PHILLIP DUVALL: I'd like to take just a few
20 additional minutes to expand on some pertinent facts related to
21 our complex that are critical to the community's case that will
22 be presented by Congressman Chapman.
23 First, we're a maintenance defense complex unlike any
24 other installation in the world. You see before you the key
25 components of our installation, our DLA distribution center, the

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1 Red River Army Depot, the Lone Star Army Ammunition Plant, eight
2 tenants who not only support the complex but also support
3 customers beyond, way beyond the boundaries of the
4 installation. The size of the complex is 35,000 acres, it's
5 massive place, most of you have been there; and it's located 20
6 miles west of Texarkana. The primary businesses of our complex
7 are outlined here. The distribution depot serves not only the
8 maintenance portion of the depot but many external customers as
9 I'll show you later. The Red River Army Depot proper includes
10 both a maintenance and ammunition operations mission. The Lone
11 Star plant is adjacent to Red River. It's a contractor-operated
12 plant that manufactures ammunition.
13 Now, each of these missions is a vital part of the
14 total complex. As you are aware, DOD's plan is to realign the
15 distribution mission, close the maintenance mission, except for
16 the rubber products, and enclave the ammunition and rubber
17 operations to Lone Star. I'd like to point out, though, these
18 missions do not operate as self-contained entities. Each is
19 dependent upon the other as reflected by this chart. This
20 creates synergy which reduces the cost of operations because of
21 the shared base operations cost and other resources. For
22 example, maintenance is both a customer and a supplier of DLA
23 and vice versa. Vehicles are received by the DLA's distribution
24 depot; issued to maintenance for repair and return to DLA for
25 storage or distribution as required.

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1 Removal of any of these missions will result in
2 increased support costs for the remaining mission because some
3 support like the boiler plant, the water plant, the industrial
4 wastewater treatment plant must be maintained for the remaining
5 mission.
6 This map clearly illustrates our location in relation
7 to our major customers. We're in the center of the United
8 States, and over 50 percent of all stateside military posts,
9 camps, and stations are located in the Central United States.
10 We can provide cost efficient one-day service to most of our
11 customers.
12 In looking at our top ten distribution locations as
13 shown on this chart, the importance of our central location is
14 further amplified. Fort Hood, our number one customer, accounts
15 for 17.6 percent of our total workload. The Army maintenance
16 mission at Red River is not in the top ten customers, yet DLA
17 has stated that the maintenance depot is by far their biggest
18 customer and the primary reason for their presence there. While
19 that's the case for most other depots, you can see that's not
20 the case for Red River.
21 This chart reflects a little bit of that. It shows
22 the actual profile of the materiel in storage in the DLA's
23 warehouses at Red River. The materiel is valued at over 6.4
24 billion dollars. You'll note that the actual percentage of
25 materiel in storage to support the maintenance operations is

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1 I welcome this opportunity to appear before you today.
2 You've seen the short video, you've heard Dr.
3 DuVall's presentation, which clearly shows the importance of Red
4 River to the defense of our nation, and the closure of the
5 installation is not in DOD's best interest. Red River Army
6 Depot just won the government equivalent of the Malcolm
7 Baldridge Award. It is an intense competition. It has been
8 recognized as one of the five -- five finest federal facilities
9 in the country and the only one in the Department of Defense.
10 It is the best --
11 (Applause).
12 CONGRESSMAN CHAPMAN: The briefing you have just
13 heard by Dr. DuVall, while presented on behalf of the community,
14 is precisely the same briefing that the depot commander gave to
15 the commissioners that attended on April the 6th -- Mr. Cornella
16 was there -- precisely the same briefing. No slant, no
17 difference, just facts. Colonel Hall would have liked to have
18 been here today, and he requested that he be allowed to be here
19 today in civilian clothes on annual leave, and that permission
20 was denied. He, along with the chief civilian employee, the
21 number one civilian employee at DLA who was dispatched to
22 Washington today after he also requested permission to take
23 nual leave and appear with us in support of this effort.
24 ther of those gentlemen are here, but the briefing you have
25 just heard is the same briefing they gave on April the 6th.

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1 We've obtained the Army and the DLA data that are the
2 baseline for the decision to recommend closure of the Red River
3 Army Depot and the disestablishment of DDRT. Our review of this
4 data has led us to conclude that the DOD overall analysis is
5 flawed, fundamentally flawed.
6 I led a delegation to the Pentagon on January the 5th
7 of this year. We briefed Deputy Assistant Secretary of Defense,
8 Robert Bader, and Undersecretary of the Army, Joe Reeder, on Red
9 River's military value; and we specifically requested they
10 evaluate Red River as a single defense complex. It is not just
11 a maintenance depot; it is not just a supply mission. There are
12 eight other tenants. It is a military complex that has a
13 synergy that Dr. DuVall has briefed you on. That analysis did
14 not occur.
15 The Army and the DLA analysis of military value and
16 cost were reviewed separately and independently. I will tell
17 you that is just like going and evaluating a fighter wing and
18 evaluating a big boat with flat top and neglecting to point out
19 that it's an aircraft carrier with a fighting force on board.
20 precisely the same kind of flaw that the Army conducted in
21 analysis of this facility.
22 Red River is the only Army depot with a large
23 co-location of a DLA distribution mission. DLA is located at
24 other depots to service those maintenance depots. DLA is
25 located at Red River not only to service the maintenance shop at

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1 Red River but as a large distribution center that services over
2 50 percent of the troops in the continental United States. And
3 it was not analyzed on that basis. Because of this, the true
4 military value of the total cost closure were not considered.
5 We have discovered other flaws in the Army's methodology and
6 specifically the COBRA analysis, and that's what I want to talk
7 about.
8 First of all -- and please hear this if you hear
9 nothing else -- the Army savings that are claimed as BRAC
10 savings include -- the savings include reductions in personnel
11 strength that are a result of force structure reductions, not
12 BRAC. Force structure reductions. And they have nothing to do
13 with BRAC. This was verified by the April 17th, 1995 GAO report
14 just released, on page 32, which pointed that out, as part of
15 what the Army did. We estimate, using DOD's numbers, that the
16 savings may be overstated by as much as $116 million due to the
17 workload reductions and other base operations costs. When you
18 look at Red River and Anniston workload reductions, workload
19 reductions already programmed to occur between now and 1999, 72
20 percent of the workload reduction is going to happen at
21 Anniston. 28 percent will happen at Red River. Yet, the Army
22 claims all of the personnel that will go away as BRAC savings
23 from the closure of Red River, that is wrong, it is flawed, it
24 is a mistake, and it ought not to be accepted. In fact, it
25 would suggest --

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1 (Applause).
2 CONGRESSMAN CHAPMAN: It would suggest we're closing
3 the wrong depot. The cost closure --
4 (Applause).
5 CONGRESSMAN CHAPMAN: There are other costs of
6 closures that have not been included in the Army's analysis.
7 DLA's decision to close defense distribution depot Red River was
8 based solely, solely on the Army's decision to close the
9 maintenance shop. And General Ferrell so testified before you
10 all in Washington under oath five times. It is their policy to
11 close the DLA mission where it is co-located with a maintenance
12 shop if that maintenance shop goes away, but it ignores the fact
13 that this supply mission, only 12 or 13 percent of its business
14 is at Red River. Over 80 percent of its business is in other
15 places around the country, and in fact around the world. We
16 estimate that the DLA relocation cost will not be as they
17 suggest, but $319 million. You've got to move those vehicles,
18 you've got to move that stock.
19 Just as a little example -- in fact, if I might
20 digress, they presume for a moment that they can trip the
21 inventory in the supply warehouses, and they assume a six-year
22 closure process. Yet, when we come around and want to make it
23 convenient to minimize the cost, we say we want to close it in
24 two years. Well, of course it minimizes the cost if on the one
25 hand you're going to give six years to reduce the inventory in

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1 only 13 percent. Another approximately five percent is for
2 other local customers. The bulk of the materiel, 82 percent, is
3 in support of customers external to the complex. This, again,
4 contradicts DLA's contention that the maintenance activity is a
5 distribution depot, the primary mission.
6 Now included in that materiel, besides what's in
7 general warehouses, are over 8,000 vehicles as shown on this
8 chart. Another 6,000 are presently in route or will be in route
9 transferred from Drew Elliott as a result of BRAC '93. Now, if
10 we were to vacate all these vehicles and the materiels shown on
11 the previous chart, it would require approximately 19,000
12 18-wheelers to haul the stuff off. Now I computed that up, and
13 I estimated the mileage. The convoy that would haul that stuff
14 off would stretch from here to California. Wouldn't you imagine
15 that? The cost of the movement of this stock was not included
16 in the Army analysis.
17 Now let's look at our maintenance operations. DOD's
18 core weapons systems presently assigned to Red River the depot
19 maintenance as shown on this chart. The core systems are the
20 systems that are required to support the Army's war fighting
21 capability. I would like to point out that Letterkenny is
22 responsible for one track of the DOD core system, the
23 self-propelled Howitzer and that Anniston has only one, the M-1
24 tank.
25 Speaking of numbers, while you're looking at the Army

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1 mechanized division, over three-fourths of the track vehicles
2 for the Army are presently maintained at Red River. The other
3 23 percent is split between Letterkenny and Anniston. No
4 analysis was conducted by the Army to consider moving the
5 remaining 23 percent to Red River, even though we have past
6 experience in overhauling tanks and Howitzers that we can still
7 do that work.
8 This chart is a summary of the Army's total fleet of
9 vehicles that will be maintained at Red River under the new
10 force structure. There is no plan to buy new vehicles, as
11 you're aware. We must -- simply must maintain what we have;
12 there won't be any more. At the current production rate of
13 1,000 per year, it will take 24 years to cycle this fleet
14 through our depot for overall. If this work were moved to
15 Anniston, they would be overloaded and the cycle time definitely
16 will increase. And I ask you: Can the Army's readiness afford
17 that? Would you drive your car over 24 years and get it
18 overhauled?
19 With our personnel and their unique knowledge -- and
20 we've built it up over a 20-year period in these vehicles -- we
21 have the capability and the capacity to support an emergency
22 wartime requirement. What these figures show you is that with
23 the vehicles we now have on hand we can equip an entire division
24 within six months. That's not the full overhaul; that's just
25 getting the vehicles ready to fire. Under the Army's proposal

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1 to eliminate infrastructure, it's doubtful that this could be
2 accomplished with only one depot. Because we have the unique
3 knowledge base, we can respond instantly. If that knowledge
4 base is lost, which will occur under the present plan, our
5 soldiers will be in trouble if there is an emergency.
6 Let me give you some examples of how we use our
7 unique knowledge to support the soldiers. We routinely send
8 teams from both the maintenance and the distribution operations
9 throughout the world to support the troops. They can repair and
10 modify the vehicle, provide supply support, train our soldiers
11 and also support our foreign allies. During Desert Storm we
12 provided on-site support to deploying units throughout the
13 United States. Even more important, we provided support for our
14 soldiers there in the desert. A classic example was a
15 modification of our rocket system, the multiple-launch rocket
16 system, to allow it to fire long range.
17 Some of you may recall seeing the rocket attack on
18 CNN, some referred to as the night of steel rain. Our
19 technician support made this possible and directly contributed
20 to the allied victory. After the war, as a part of the force
21 reconstitution effort, many of your vehicles were cycled through
22 the depot prior to return to the using units here in the United
23 States.
24 The next chart, you don't follow in your book; you'll
25 find it over in tab H. One of our presenters didn't show, so

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1 I'm doing that part of the briefing. Time and again we have
2 been formally recognized as the leader in quality, not only in
3 the Department of Defense, but in the total federal sector.
4 Some of the other awards that we've received are listed, but the
5 main one I'd like to bring to your attention is the first one on
6 the bullet, the Federal Quality Improvement Prototype Award we
7 just won this year. That is synonymous with the Malcolm
8 Baldridge Award in private industry. I think it's very special
9 that we won this award.
10 (Applause).
11 DR. PHILLIP DUVALL: Now, the result of this quality
12 effort is reflected in productivity gains and the high level of
13 quality in our products. We're concerned that this record is
14 not considered in the process. There is no question that it
15 should be. This chart summarizes my briefing.
16 Congressman Chapman will now discuss the community
17 plan to show why it makes absolutely no sense for the soldiers
18 or for the taxpayers to close what the commanding general has
19 called the "flagship enterprise of the depot system". Why in
20 the world would the Department of Defense close its leader in
21 efficiency and quality? Congressman Chapman.
22 (Applause).
23 CONGRESSMAN CHAPMAN: Good afternoon. I am Jim
24 Chapman, the United States Representative for the 1st District
25 of Texas. and it's a pleasure to have you here in our state.

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urn on investment.

If you look at the column up here on the right, we've also computed return on investment. That assumes the DLA mission stays but the maintenance shop closes. Recurring savings is based on the estimated reduction in base ops of 237 people, and again the direct labor man-hours performing the mission will be needed also at Anniston. The Army assumes they would not be needed. Again, as I say, they claim it as BRAC savings, and under even that analysis the payback is 43 years.

Next chart, please. The man the Army hired to run the operation is Major General Dennis Benchoff. He is the commander of the installation operations command. He was at one time a commander of Red River Army Depot. He is the fellow that they put in charge of running this part of our armed services. And he said that he considered the planned annual net operating result as the primary depot performance measure; therefore we should reward positive variances from the planned NOR. Now, if that's what the man says that we hired to run this part of our military, let's see how Red River has stacked up by that measure. Next chart.

Here's the result. You see how we won the Presidential Quality Award when you look at the last five years' performance as measured by the general who used the yardstick said this is the way we ought to measure depot performance, and Red River measures tops in the entire depot system in

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profitability.

So here's where we are. Next chart. The Army has three vehicle maintenance depots, Red River, Anniston, and Letterkenny; we know that. The recommendation is to close Red River, realign Letterkenny, and retain Anniston as the Army's only vehicle maintenance depot. The FY '99 work load projections supports the need for 1.75 depots, not one. Now, that's not Jim Chapman saying we need 1.75 depots; that's the Army. Until we got to BRAC '95. I personally believe the work load may be understated, and here's why even the need for 1.75 depots may be too low. During the '80's and the '90's the Army bought thousands of new weapons system vehicles. Now very few vehicles are being procured, as we all know. As the vehicles continue to get older, the maintenance requirements go up. Since the Army's estimates of maintenance work load is based on past experience, it could be significantly understated. In addition, distribution depots are required to maintain readiness. Approximately 50 percent of the troops in the continental United States are stationed in the Central United States, and 80 percent of Red River's distribution mission is in support of those external customers.

So what do we need to do? First, we should follow the concepts recommended by the Defense Science Board in April of 1994, not the concepts of the Chamber of Commerce in Texarkana but the concepts of the folks who say what we ought to

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do. The board, made up of senior defense military and industrial leaders, identified excess depot maintenance capacity, the need to down-size poor work load, and the need to preserve both the organic and the industrial base. We believe that we have a plan that will achieve precisely those results. We believe the Army should retain its two most efficient vehicle depots, Red River and Anniston, down-size the poor work load. That would maintain the knowledge base that is unique in existence at Red River and that will be lost if this transfer occurs. The Army should realign Letterkenny's track and miscellaneous work load to Red River and Anniston. Both Red River and Anniston have existing missile facilities, and in fact Red River's missile facility is also unique. And that way we could accommodate the missile work load.

Then we partner with industry; something I think we all think we all to look at. The Defense Science Board recommended that maintenance and overhaul of poor systems be retained in depots and modification and upgrades be reserved for industry. The most efficient approach is to perform any modifications and upgrade at the time of overhaul. By teaming with industry and providing excess depot facilities for industry use, the Army can help preserve both the organic and the industrial skill base.

Red River/United Defense. United Defense as being mainly the FMC who built the Bradleys new and the 113's, the

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producers of the Bradleys and the 113's. We have already explored some possible teaming arrangements, and in your briefing book is a letter from the president of United Defense outlining those negotiations. In fact, it is believed we were only a few weeks away from reaching a public/private agreement to do the very things we suggest when the BRAC list was announced. Both parties believe the concept is a good one. The agreement where Red River will serve as a subcontractor to United Defense on the 113, the A-2, the A-3, have been completed and work began at Red River this week. That's where a private contractor already won a contract and through the private sector has subcontracted back to Red River. The team effort is already in place in some contracts; there's no reason it won't work in the future.

And, finally, we must maintain the distribution mission at Red River. And best of all, everybody wins, the Army, private industry, and perhaps most importantly the taxpayer. This approach provides the core readiness base required at the absolute lowest possible cost. I believe that's the answer that we all should seek.

Ladies and gentlemen, I appreciate the opportunity to make this presentation, and now I want to quickly introduce to you Retired Brigadier General Donovan. He's the man who knows firsthand the vital role that Red River plays in the Army's readiness factor. General Donovan is a former commander at Red

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1 the warehouse, and it minimizes the cost again if you say but
2 we're really going to do it in two years when we get down to
3 it. That is the kind of, if you will, dishonesty that appear in
4 these numbers.
5 We estimate the cost of construction, build time,
6 that will be required at Anniston to accept the maintenance and
7 distribution mission, it was not even included -- it was not
8 even in COBRA. A conservative estimate of 34 million is based
9 upon DLA's own estimate of a $19 million hardstand that would be
10 required and $15 million for relocation of the combat vehicle
11 workloaded to Anniston. We believe there will be additional
12 construction required since Anniston is shown -- is shown by the
13 Army as having zero supply capacity and ranks dead last in all
14 depots in future requirements; that is, its expansion
15 capability.
16 Other requirements were not included in the cost of
17 closure analysis. Supply preservation packaging the rubber,
18 storage, and manufacturing process. The cost of supporting that
19 in the enclave were not considered. Also, the fact that some
20 support such as medical services, property disposal, the
21 calibration mission are still required in support of the
22 remaining rubber ammunition missions, and there is no cost
23 assigned to maintain those missions.
24 The Defense Finance Accounting Service has not
25 appropriated funds. The accounting office, DFAS, and the Army

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1 missile recertification offices were not even considered.
2 Almost 300 warm souls who work today at Red River Army Depot in
3 the BRAC analysis are wandering somewhere in the way to twilight
4 zone. They were not even considered as part of the cost
5 analysis.
6 We found several flaws in DLA's methodology in
7 addition to the Army's flaws. First, the DLA's military value
8 ranking criteria placed Red River 5 of 17. Now remember,
9 General Ferrell testified he's closing DLA because the Army's
10 closing the depot. He's closing a DLA facility that they rank
11 on military value 5 out of 17. So it is certainly not being
12 closed because it doesn't meet the military value test. That
13 ranking was based on Red River support of the co-located
14 maintenance operation and Red River would have scored even
15 higher in military value except the DLA's model penalized Red
16 River for having the largest distribution mission. The DLA's
17 military value assessment was not the basis for the
18 recommendation. As I said, DLA made this decision solely
19 because of the Army's decision.
20 The most serious flaw is that DLA's decision was
21 driven in that way. The DLA justification -- this is DLA's
22 justification for closing their supply mission. And I quote,
23 "The primary reason for their existence is to provide rapid
24 response in support of a maintenance operation." Quote closed.
25 While this is true -- while this is true at other installations,

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1 it is not true at Red River. Red River's maintenance shop is
2 only 12 percent of DLA's work load. In fact, Fort Hood, just
3 down the road from here -- from us today, Fort Hood is a much
4 larger customer, it is the largest military base in the world,
5 it is the home of two Army divisions, it is the biggest customer
6 Red River has. And where under this recommendation are we going
7 to supply Fort Hood from? California of course. That makes a
8 lot of sense.
9 And finally -- and finally the decision --
10 (Applause).
11 CONGRESSMAN CHAPMAN: Finally, the decision was not
12 based on cost savings. As a result of the flaws that I have
13 just addressed, I take serious issue with the Army's
14 calculations and the return on investment. The Army says they
15 will receive an immediate -- they will receive an immediate
16 return on investment. This is just simply not the case. Using
17 DOD data, not the community's spin on DOD data, using the
18 Department of Defense numbers we estimate the return on
19 investment at 57 years, four years longer than the installation
20 has even been in existence. It just doesn't make sense.
21 Let me give you some detail on that. I don't want
22 you to accept it just because the hometown congressman is up
23 here saying it to you. When you take the savings claimed by the
24 Army that are the actual result of force structure reductions
25 and not BRAC, the only real savings that accrue are from the

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1 reduction in base operations. This is 337 people; and, yes,
2 that's a savings, $13.1 million a year. The Army falsely
3 assumes -- and this is fascinating. The Army assumes that the
4 direct labor man-hours performing the mission could be
5 eliminated, but the man-hours will be needed by Anniston. An
6 analysis of the recommendation says the job being done by almost
7 1900 folks at Red River somehow moved 1200 miles to Alabama can
8 now be done by 375 people. Now you understand, you understand
9 this is a job being done by the folks that have just won the
10 award for being the highest quality and most efficient DOD
11 facility in the country. And somehow they're going to do that
12 same work with a fifth of the work force 1200 miles away? I
13 don't think so.
14 The community used the Army's estimate for recurring
15 costs, which includes base operations personnel required to
16 support the remaining operations. The annual net savings is 7.3
17 million. We believe one-time costs, as I said before, in DLA is
18 319 million -- they say a little over 50 million -- for
19 relocation of DLA stock. The Army -- the Army didn't even count
20 the cost of moving the core work load, the tanks, the
21 Bradleys -- I mean the Bradleys and the 113's, the current core
22 work load from Red River to Anniston just to move the operation
23 down there, did not even count the cost anywhere of moving the
24 stocks in the core work load. When the one-time cost is divided
25 by the annual net savings, the result, as I said, is a 57-year

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1 mon is a four-star general who is commanding the Army's
2 riel command, and as such is the most senior logistician in
3 the Army.
4 But if that chart is not alarming enough, let's look
5 at the next slide. Now what you see here is that if you don't
6 use the requirements, as the law and policy demand, but instead
7 use the projected funded work load, the projected funded work
8 load of 5.2 million direct labor man-hours would utilize the
9 three combat vehicle depots at 58 percent of their capacity that
10 capacity index shown on the slide is simply the number of
11 man-hours a facility can accomplish in a single shift
12 five-day-per-week schedule for a year.
13 If Letterkenny Army Depot were to be closed, as is
14 also currently being considered, the remaining two depots would
15 be utilized to 81 percent capacity. If they were to be
16 workloaded at a rate that would not contribute to a growing
17 backlog of deferred maintenance, they would both be operating at
18 over 100 percent capacity. And if Red River Army Depot and
19 Letterkenny Army Depot were both to be closed, Anniston Army
20 Depot would have to work a two-shift operation, have no surge
21 capability, and be unable to reduce the backlog in effect at
22 that time. Remember, this is a projected workloading of 54 --
23 or excuse me -- 45 percent of the core requirement. Now, why
24 ld we want to do that? How would we ever restore readiness
25 ny reasonable time with a combat vehicle depot maintenance

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1 capacity reduced to only 63 percent of our current program's
2 overall projections and 36 percent of the required maintenance
3 capacity projected?
4 As a taxpayer, as well as a former soldier, I'm very
5 sensitive to geographic realities of what is being considered.
6 My understanding is that the proposal is to relocate 90 percent
7 of the DLA stock to California and the rest to Alabama. One
8 need only look at where the DLA major customers are to see that
9 we would be incurring a significant longer distance to transport
10 supplies and repair parts to combat vehicles if we were to
11 relocate these stocks.
12 In today's political environment our military units
13 may be and often are called upon to move very rapidly to points
14 around the world. These units must be quickly fleshed out with
15 serviceable equipment and supplies prior to deployment. The
16 depot system can react astonishingly well to these demands.
17 Their reaction time, as well as the cost, is driven in no small
18 way by their proximity and the availability of transportation.
19 Red River Army Depot, the DLA installation there are
20 much more centrally located with respect to many of these
21 loying units than the sites selected to relocate its
22 ssions.
23 An alternative to closing Red River Army Depot
24 briefed by Congressman Chapman were developed by the Red River
25 Defense Committee and are in line by they remarks that General

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1 Solomon at the same appearance before the Congress that I quoted
2 earlier. They appear to be reasonable, prudent, and
3 affordable. The staff at Red River Army Depot is far more able
4 than I am to provide the details which would point to these
5 conclusions. From a purely pragmatic standpoint those of you in
6 industry or government must seek considerations of readiness,
7 cost, driven by capacity, capability, location, productivity,
8 and unique skills would suggest that the study which concludes
9 that Red River Army Depot is expendable is flawed to the point
10 of providing a reckless recommendation which can severely damage
11 the readiness of our military forces and the security of our
12 nation.
13 Whether you accept these alternatives or not, I
14 believe that those of you who were able to tour the facility or
15 will in the near future will agree with Vice-President Gore's
16 statement shown on this screen. Should Red River Army Depot be
17 closed? Some answers are self-evident.
18 I'll be happy to take any questions. Thank you very
19 much.
20 (Applause).
21 CHAIRMAN MONTOYA: I've got 19 minutes yet, plus of
22 your time. We'll hold questions to the very end.
23 MR. ROBERT E. "SWEDE" LEE: My name is Robert E. Lee.
24 I'm the President of the Texarkana Chamber of Commerce, and I'm
25 serving currently also as the Chairman of the Red River Defense

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1 Committee.
2 I am, again, pleased that you're here. I have four
3 minutes to talk about the subject that's probably most important
4 to all these people. That's the economic impact that closure,
5 as proposed by the Department and the DLA, would have on the
6 Texarkana area. Obviously, a lot of people sitting here in
7 these yellow shirts would recognize the impact directly. How
8 bad would it be? Well, in one word it will be severe. It's
9 ironic that the Texarkana metro area, 122,000 total population,
10 will suffer under this plan, the largest loss of jobs of any
11 area in the nation. In fact, there are only two states outside
12 of Texas that would suffer job losses in the civilian sector
13 greater than Red River Army Depot in the Texarkana area,
14 Missouri with 4100 job loss, California with 3988 job loss
15 programmed, and us with 3901 programmed civilian job losses.
16 When you add to that the indirect losses that will occur as a
17 result of this action, the total numbers swell to over 7500
18 people in the Texarkana area that will be out of work.
19 I think it significant that Red River Army Depot
20 under this plan is called on to absorb over ten percent of the
21 total job losses for the whole BRAC '95 process nationwide.
22 That will test even our patience, and we are truly patient. I
23 would like to add too -- also that these programmed job losses
24 in BRAC '95 are coming right on top of over 2500 direct job
25 losses we've absorbed at Red River and Lone Star Army Ammunition

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1 River Army Depot, but more importantly he was the program
2 manager on the Army's combat vehicle systems, the Bradley and
3 the M-113. He was also the project manager for the M-60 tank
4 that's maintained at Anniston. And General Donovan is here
5 today at his own expense, on his own nickel, on his own time
6 because he is keenly concerned that the Army is making a
7 mistake, and he cares a lot about the national security of the
8 country we all love.
9 This was my moment to make my case. And I appreciate
10 so much you having given me the opportunity to do so. I thank
11 you.
12 CHAIRMAN MONTOYA: Thank you very much.
13 (Applause).
14 BRIGADIER GENERAL DONOVAN: Thank you, Congressman
15 Chapman. As Congressman Chapman said in his introduction, I'm
16 here as a private citizen who happens to have seen firsthand
17 from a number of viewpoints the importance of the depot system,
18 both supply and maintenance depots and their very favorable and
19 cost effective impact on supply and readiness. As a logistician
20 and a program manager, as well as an operations analyst and an
21 engineer, I was both a slave to and a proponent of numbers.
22 Therefore I know, as I suspect all of you know, analysis is
23 invariably driven by assumptions and criterion which may miss
24 the heart and soul of the issue. Although I have not followed
25 the details of the issues raised by Congressman Chapman and the

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1 Red River defense committee, I have studied them in enough depth
2 to believe in the validity of their statement that the analysis
3 was flawed.
4 But putting that aside, I would like to address the
5 broader question of whether the decision to close Red River Army
6 Depot and the Defense Logistics Agency's supply function there
7 is in the national interest. You members of the Commission come
8 from many diverse backgrounds. Some of you are business people,
9 some come from government, both the legislative and executive
10 sides, but I dare say you pride yourself in being able to look
11 at issues from a business standpoint. Depot maintenance is
12 smart business. It returns to units and the supply system in an
13 almost new condition, at less than 30 percent of the acquisition
14 cost, these combat vehicles. Now, that's relevant if the items
15 were in production. If no new items are being produced, depot
16 maintenance is the only way of overcoming the effects of
17 operational wear and tear in a way that provides troops with
18 equipment, with the reliability and durability approaching that
19 of new equipment.
20 What separates depot maintenance from that
21 accomplished in field units is the size, cost, mobility, and
22 complexity of the equipment needed to accomplish the maintenance
23 as well as the special skills and knowledge needed of the
24 mechanics and the tolerances to which they work.
25 With combat vehicles it is almost never good business

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1 for private industry to facilitize for this kind of maintenance
2 unless a continuing work load is highly probable. That is why I
3 think the idea of a partnership between government and industry
4 to share the work load of Red River Army Depot at Red River Army
5 Depot makes good sense.
6 I would like to now walk you through a series of
7 slides that in my opinion shows why the recommendations that you
8 have been asked to agree to present an unacceptable risk to
9 national security.
10 Slide one. The point that I want to bring out in
11 this excerpt from the United States Code is that our logistic
12 capability is to be sized according to requirements.
13 Next slide. The report from which this was taken was
14 approved by the Office of the Secretary of Defense in April
15 1994. You will note that this is in full compliance with United
16 States Code. It bases the existence of organic depots upon core
17 requirements.
18 Next slide please. Now, what this slide shows are
19 requirements compared with the projected funded work load for
20 the three combat vehicle depots in the Army for the year 1999.
21 The requirements, computed in accordance with policy shown on
22 the previous two slides, is 9 million direct labor man-hours.
23 The projection for funding for depot maintenance that year is
24 about 42 percent of the requirements. Now, what is the
25 difference between the requirement and the funded work load?

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1 The difference is deferred maintenance.
2 We have been fortunate, as has been said previously,
3 in the last several years in being able to defer our maintenance
4 on core systems without serious degradation of readiness for two
5 reasons. One, is that the equipment was new; and that the other
6 is that the draw-drawn in units let us redistribute the best
7 equipment for deactivated units and transfer equipment that were
8 in need of depot repair into a waiting depot maintenance
9 category. Those of you who have or will visit Red River Army
10 Depot have some feel for the number of items in this category at
11 Red River Army Depot alone. And this increase in depot
12 maintenance backlog can seriously degrade our readiness.
13 Now, this is not just my opinion. In testimony
14 between the Readiness Subcommittee of the House Armed Services
15 Committee a year ago last week, Dr. Leon Solomon made the
16 following statement, and I quote, "Several of you individually
17 have asked me to tell you what effect the growing backlog of
18 unaccomplished maintenance is doing to the readiness of our
19 fighting forces. The unfunded portion of our depot maintenance
20 requirements has been growing over the last few years." And he
21 goes on to say, "Reliability is lower, and the depot work is not
22 performed. For example, tanks which do not go through the depot
23 have almost 25 percent more mission failures. Simply put", he
24 says, "Readiness of the future could suffer if the backlog
25 continues to grow." For those of you who do not know, General

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k it is similarly unwise to make such a consolidation within Army's depot maintenance infrastructure. I visited, three weeks ago, Fort Hood, our largest Army base in the world. It's right there in Killeen, Texas. I talked to the people there about Red River. I said, "Where do you get your supplies?" Well, you know the answer, of course. "Red River." So when you move this distribution and repair facility away from its largest customer, where are the costs? You saw the map. Red River is clearly the central location. Is Fort Hood going to wait longer for its supplies? Probably not. You know what they will do. They will start stocking up more supplies. What is the cost of that? Has that been considered here? I really don't think so. Are they going to wait for their vehicles to be maintained? Are they going to wait a longer time? You know the answer. They're going to start getting more maintenance facilities at Fort Hood.

I don't think we have factored the cost of closing this depot when you look at what Fort Hood and all of those major Army bases surrounding the central location of Red River and the added costs of increasing their capability for supplies and increasing their own maintenance capabilities.

You have seen a great community briefing today, and I preciate the fact that more of you are going to visit Red r than probably any other base. That tells me how seriously you are considering this very important decision. What you have

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seen today is that the cost estimates made by the Army were flawed. The savings, if any, will not materialize for more than half a century, and yet the negative impact on our military readiness will be felt for the next 50 years.

I want to summarize the points that have been made here today. The devastating economic impact is an issue here. You may hear this at every base closing hearing; it really matters here. You are talking about a city that is 60,000 people, a metropolitan area in two states that is 120,000; and you're talking about ten percent of the entire BRAC economic impact. And this is not an area that is next to a metropolitan area. These people do not have other job capabilities. So while economic impact may not be your first criterion, in this case it is a very important point that you must consider.

Second, central location. How can we be talking about closing the most centrally located depot facility that has 77 percent of the capacity? How can we even be being considering it?

Cost of closing, I do think when you look at the nbers, which is what you must do, that you are going to see the cost of closing has not been presented to you. You cannot factor in what all of those other bases are going to have to do for their supply lines and for their maintenance. It is not in the numbers.

And last, but not least, you're closing the best

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facility.

(Applause).

SENATOR HUTCHISON: I have been saying for the last two years during my service in the United States Senate, we must put common sense into our government once again. My friends on this Commission, closing Red River Army Depot does not meet the common sense test. Thank you very much.

(Applause).

CHAIRMAN MONTOYA: Thank you, Senator.

Yes, I think some of my colleagues have some questions. Ms. Steele?

COMMISSIONER STEELE: I just have a couple of quick questions, and I'll save the rest for the 15th when Commissioner Robles and I will be visiting your fine facility. So we look forward to seeing y'all then.

(Applause).

COMMISSIONER STEELE: I can't believe I just said "y'all". You can tell I did move to Texas last year.

Just another comment just to let you know that the Commission also found it peculiar that the Army at least didn't run a COBRA on moving functions into Red River. So about a week after we got the report we've asked them to do that. We don't have the answer back yet, but that's going through the pipeline. I just wanted you to be aware of that.

(Applause).

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COMMISSIONER STEELE: And my two quick questions -- which won't be nearly as exciting as that last comment -- your figure of $116 million of nonBRAC-related savings because of personnel reductions, I'm just wondering where does that number -- where did you pull that from? Is that out of the net savings during implementation number in the report or where?

DR. PHILLIP DUVALL: We looked at the Department of Defense projection that studied and showed the projected funded workload out to '99. We compared the funded workload in '99 versus the current authorizations. There was a difference of over 1,000 direct labor positions in that. Only 375 positions are being realigned from Red River to Anniston. The numbers just don't add up. You can't accomplish the work you were doing with 1800 people with 375 people. So that led us to the conclusion that that reduction was there. The work must be done; you can't just improve that much.

COMMISSIONER STEELE: Okay, thanks. Lastly, with the defense distribution, Dr. DuVall, what percentage of their distribution if materiel ends up going to Korea and Europe? Do you know by chance?

DR. PHILLIP DUVALL: Yes, just a second. I have to put my glasses on.

COMMISSIONER STEELE: That's okay; I can't take mine off.

DR. PHILLIP DUVALL: Europe six percent, Korea six

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1 Plant combined since 1990. The truth is the direct and indirect
2 job losses at Red River and Lone Star combined between '90 and
3 '95 leave us today with 1200 fewer people working in the
4 Texarkana area than were employed there in 1990.
5 So if this proposed action is allowed to take place,
6 what we're looking toward is not getting back to our 1990 level
7 of employment in the Texarkana area before the year 2007, not a
8 very heart-warming prospect. Our unemployment today is 8.1
9 percent. If this action proceeds, in less than two years we'll
10 be over 21 percent and will linger in that category for a long
11 time.
12 The major impact on our community is social. The
13 folks at the Red River Army Depot -- our motto, "Our best,
14 nothing less", and they carry that with them away from that
15 depot to the places where they live. Everything within 30 miles
16 of Red River Army Depot is impacted by these employees as
17 citizens. They include members of city council, school board,
18 church leaders, civic club leaders, girl scout, boy scout
19 leaders, and the list goes on. They're cornerstones of every
20 community in that area, and you can't put the weight on that.
21 The economic impact and the social impact combined
22 would be devastating to our community. The community will
23 survive if the worst happened, but we don't believe the
24 decision's driving forces are valid as you've already heard.
25 I want to personally thank each member of this

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1 Commission. And I think I speak for all these people here and
2 probably a lot of people everywhere. I'm amazed that any of you
3 would accept such a job because it is honestly -- it has to be a
4 terrible job to make a decision you have to make. You are
5 indeed the judge and the jury of this whole process. I am
6 impressed by the way you're going about your work. I am truly
7 impressed that you're taking the time and making the schedule,
8 holding regional hearings like this and indeed have at least one
9 or more of your members visit every base on the closure list.
10 If high-ranking officials in the military were as
11 diligent, we wouldn't be here talking to you today, I don't
12 believe. It's almost impossible to believe that the two highest
13 ranking officers who are responsible for filing the audit to
14 determine which Army installation goes on the list have never
15 set foot inside the fence at Red River Army Depot. I've never
16 heard of any case where an executive would make a decision to
17 close the finest complex in this country without having ever
18 seen it. I say God bless this Commission. Whatever you end up
19 with, we'll know it's fair. Thank you.
20 CHAIRMAN MONTOYA: Thank you.
21 (Applause).
22 CHAIRMAN MONTOYA: Senator, you opened up well; you
23 have a light step there.
24 SENATOR HUTCHISON: I guess nobody would know, but I
25 am very, very pleased to be up representing this wonderful

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1 community. I know that you have listened carefully because I've
2 been watching you, and I want you to know this is a gut
3 decision. I want to reiterate a few points and to summarize the
4 presentation that's been made here today. I believe that
5 closing Red River will adversely impact our military readiness.
6 Secondly, the Department of Defense, the Army, and the Defense
7 Logistics Agency analysis were flawed. And, third, the return
8 on investment is not as estimated. I stated to you earlier this
9 morning that I believe the world remains a volatile place and
10 hostile to our national security interests. The number of
11 hostile nations --
12 (Applause).
13 SENATOR HUTCHISON: -- seeking to acquire weapons of
14 mass destruction is clearly on the rise. At the same time we
15 are pursuing a flawed policy of reducing our active military
16 forces and capabilities to levels we have not seen since just
17 prior to the Korean war. We are increasing the requirements on
18 our armed forces while we are shrinking them. In essence, we
19 are asking the men and women of our armed forces to do more with
20 less. The margin for error is razor thin. The readiness of our
21 armed forces, therefore, is paramount. We must have force
22 structure. I believe we have reduced the size of our armed
23 forces to a level that is inadequate to meet our needs. I
24 believe that you must consider that in your decisions to close
25 the bases. We must have ramp-up capabilities.

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1 Secondly, modernization takes into account the
2 technical sophistication of weapons systems and equipment. I
3 ask each of you to look at the 1996 DOD budgeted request. We
4 are authorizing no fighter aircraft for the United States Air
5 Force for the second consecutive year. This has not happened
6 since there was an Air Force. The Army is authorizing no new
7 tanks, armored fighting vehicles, or attack helicopters.
8 Unfortunately, the list goes on for the other services. So how
9 will our forces and their equipment do the job we're asking them
10 to do? Readiness will depend on how we maintain and repair our
11 equipment. That is the bottom line.
12 Clearly, we are not replacing our equipment. Look at
13 the 1996 budget. So the importance of depot level maintenance
14 capabilities is vital. And yet you are considering closing the
15 Army depot that maintains 75 percent of the track vehicles in a
16 mechanized division and consolidating that workload into one
17 other depot. That doesn't even take into account the missile
18 work and the other activities at Red River Army Depot. Why is
19 moving the other 25 percent to Red River not being considered
20 and not a better solution?
21 (Applause).
22 SENATOR HUTCHISON: If anyone suggested to this
23 Commission that 75 percent of the aircraft depot maintenance
24 should be added to the workload of one air logistics center, I
25 feel confident you would dismiss that as a silly suggestion. I

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(Applause).

MR. DAVID WOOD: I would like to say another thing. I heard a man say that our rebuilt products were approaching the quality of a brand new product. I'd like to say that that transmission will be better than a new one, and I will tell you why. Our dynamometer test facility has specifications and tests that are not even required by the manufacturer of the transmission that I build. When it passes my -- when it passes that dynamometer test, it will have passed tests that are not even required by the manufacturer.

I would like to say another thing. I was on the first team from Red River to go to Desert Shield. I was called -- we work a four-day work week. Thursday is our Friday. I was called while I was watching the 6 o'clock news on Thursday that they needed help to go to Desert Shield. I left Monday morning at 8 o'clock. I spent six months in Saudi Arabia. I worked on other depots' equipment as well as our own. I can say that we went as civilians; we were uniformed. To my knowledge, I don't know if the Army ever uniformed you and put civilians into conflict areas. I have pride and patriotism. I felt like I did my part. I never was in the service, but I felt like I contributed what little I could.

I'd like to say that I appreciate my job. I've tried [illegible]make and do the best I can for the country and for the [illegible]axpayer, and that's all I've got to say. Thank you.

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CHAIRMAN MONTOYA: Thank you very much.

(Applause).

COMMISSIONER STEELE: Are you sure you don't teach public speaking somewhere?

MR. DAVID WOOD: Ma'am, I'm shaking I'm so scared.

CHAIRMAN MONTOYA: And this is Ms. Pat Pierce?

MS. PAT PIERCE: Yes. You've heard today how in fact Red River Army Depot is a military/civilian platform. You've also heard about our quality award that is -- in fact the federal award is synonymous with that of private industry, the Malcolm Baldridge. I think something that you probably would like to know is that, yes, there were five of those awards given in the federal government. There could have been eight. It's not something that they just hand out because they could hand that many out. Another thing is in '94 we were a finalist for that award, and we didn't hire somebody to come in and put that package together. It was done in 21 days, and it was just a matter of putting down on paper what the good people at Red River Army Depot do. And then in 1995 we in fact were a winner, [illegible] only blue collar winner in the federal government. There [illegible]e three other Army depots that did apply for that award. [illegible]one of them passed the screening of Army level.

What I want you to do today is put down on your note, "quality" with a big question mark, and when you think of Red River think of quality, and then think why is it not part of the

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criteria for the base closures? And then the next thing I want you to think, when you think "quality" and "Red River" is to think people because that's what quality is, is the people.

Also, we have -- we don't just do quality at Red River. We are in fact the leader in all the federal government. We have shared our strategies with approximately 6,000 other government members. In fact, yesterday I got a call from the nominee for the top presidential award and they want to come visit Red River, and they are on May the 31st, to find out how we do it.

On August the 2nd, 1995 Red River Army Depot will be presented the Quality Award by the President or the Vice-President.

CHAIRMAN MONTOYA: One more phrase?

MS. PAT PIERCE: Okay. I just want you to ask yourselves the question: How can we not consider quality as a value to our military?

CHAIRMAN MONTOYA: Thank you.

(Applause).

CHAIRMAN MONTOYA: Horace G. Pierce?

MR. HORACE SHIELDS: Horace G. Shields. That's Pat Pierce right there.

My name is Horace G. Shields, and I'm a member of Red River Army Depot. And on behalf of the Red River members and our community members I would like to make four points that I

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would like for you to consider between now and the 1st of July.

Point number one is this. The United States of America is the only superpower left in the world. We did not get to be the only superpower nor will we remain the only superpower with a weak defense. Consider keeping our national defenses at an acceptable level.

Point number two is this. We feel that we should not put all of our tracked and wheeled vehicle maintenance eggs in one depot basket. This is not a good idea, whether that one basket be Red River or Anniston or Letterkenny; it's not a good idea.

Point number three. We feel that the military value of Red River Army Depot and the DLA supply activity is unsurpassed by any other military activity in the world.

And then point number four is this. Don't close the best of the best. Get Red River and DLA off the closure list on the 1st day of July. Thank you.

(Applause).

CHAIRMAN MONTOYA: Mr. E. J. Chiartano?

MR. E. J. CHIARTANO: I'd like to thank the Commission for allowing me to speak. I know you have a difficult job, and I'd like to think that I represent some of the members and families of members that are here today. We're here on our own time. We drove over three hours, some in buses and private cars, at our own expense because we have faith in

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1 percent.
2 COMMISSIONER STEELE: Okay. Thank you very much.
3 That's all.
4 CHAIRMAN MONTOYA: Senator, if you would convey this
5 to the Governor and all you folks here and the rest of the
6 delegations from Texas, we appreciate your appreciating our
7 job. I think it's fair to say that all eight commissioners also
8 feel a very strong affinity for the defense posture of our
9 country or we wouldn't be serving on this commission because we
10 do think it's probably one of the most important things if not
11 the most important things that we'll do in our lives. Certainly
12 one of the most difficult things obviously in my life.
13 Your position on defense is certainly clear, Senator,
14 and I for one appreciate it and we all appreciate the support
15 that you've shown your state today and we appreciate the
16 hospitality we've received before, received today, and I'm sure
17 that we we'll receive in the future. Thank you very much.
18 CHAIRMAN MONTOYA: For the Red River folks, we are --
19 because we're a little bit ahead and Oklahoma went this morning,
20 we're going to take a few minutes and hear the public comment
21 portion from the Red River folks who signed up to speak. So
22 we'll do that right now. If you'll be so kind as to return, and
23 we'll do that.
24 We have 11 -- 11 citizens. You've got two minutes
25 each. That will get us back on schedule a bit for Arkansas, but

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1 we have 11 folks. I'd like to have them come up and stand in
2 front so we can swear them in. Let me read the names. They are
3 Jim Taylor, Joe Jones, David Wood, Pat Pierce, Horace G. Pierce,
4 E. J. Chiartano, Steven Arnold, Molly Beth Malcolm, Randy Pipes,
5 Michael Fields, and Mayor John Jarvis of Texarkana. If they'll
6 all come forward.
7 If you'd all kindly raise your right hand.
8 (11 witnesses sworn).
9 CHAIRMAN MONTOYA: We'll start first with Mr. Jim
10 Taylor.
11 MR. JIM TAYLOR: Good afternoon. I certainly
12 appreciate the opportunity to get to speak to you. I'd like to
13 speak about two things.
14 First, is the most valuable asset we have at Red
15 River Army Depot which is our members. At Red River you pick up
16 the phone and -- want to talk about military value -- overnight
17 we will provide you 2 to 300 members willing to go anywhere in
18 the world to do anything they can to support the military. At
19 the same time, the members that are left at Red River Army Depot
20 will be glad to work overtime so our production does not slip.
21 We've proved this during Desert Storm.
22 At Red River there's no challenge that's too big. We
23 would be foolish to tell you that our sister depots cannot do
24 the work that we do because they can. But the difference is our
25 members, the quality work you get, the timeliness of the work.

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1 At Red River our saying is "Our best and nothing less." I
2 believe we have shown this time and time again through the ACOE
3 awards, through the Hammer Award presented by Vice-President
4 Gore. We're recognized throughout the United States as the
5 leader in reinvention of government. I feel that all of these
6 do have to be taken into consideration. I thank you very much.
7 CHAIRMAN MONTOYA: Thank you. Mr. Joe Jones.
8 MR. JOE JONES: Thank you. I'm up here to talk about
9 military value because I think that's what the Army is trying to
10 consider when they decide who they're going to close. And I
11 think some things show up in military value, and they're easy to
12 measure. But I think some things don't show up in the numbers,
13 and they can't be measured worth anything. I think one of those
14 things is the patriotism of the work force. I'm probably just
15 following on his heels, but a number that's real easy to check
16 on is the savings bond participation rate at any installations.
17 At Red River we've flown the Minuteman flag that shows how much
18 we participate in the savings bond program for 39 consecutive
19 years.
20 Probably numbers that are harder to find, but much
21 more important are numbers that indicate how willing that work
22 force is to go in when times are tough. Red River work force
23 has found themselves in the position, for instance, in -- when
24 Saudi was called, of having to support the weapon systems from
25 other depots where those workers didn't want to go into those

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1 places where it was uncomfortable to work. But the work force
2 at Red River has always shown that patriotism. When the call
3 comes in, Red River answers that call.
4 And the other thing I want to talk about is the
5 manpower and the cost implications, that phase of the military
6 value. This was -- this is probably the easiest point for Red
7 River. We live in a low-cost area, and our labor rates are
8 among the lowest of any of the depot systems. The local high
9 schools graduate large numbers, high-quality graduates that make
10 good workers out there at Red River. They said NOR was going to
11 be the guide for who showed up on this list, and that isn't what
12 they did. Apparently, we broke the rules because we make money
13 on NOR. Thank you.
14 CHAIRMAN MONTOYA: Thank you very much. Mr. David
15 Wood.
16 MR. DAVID WOOD: Good afternoon, ladies and
17 gentlemen. I would like to apologize for one thing; I'm not a
18 public speaker. Excuse me. I'm a direct laborer. As far as
19 building vehicles, there's no more direct labor than me. I'm on
20 the very bottom. You've heard from people at the top, and
21 they've told you figures and things that I don't even
22 understand; I don't have a clue. All I know is I've got a
23 transmission that's on my stand that Monday morning was a piece
24 of junk, it was worthless, it was scrap. Tomorrow afternoon it
25 will be a code A asset worth $89,000 to the taxpayer.

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nmand at Rock Island. The sole purpose of this was to try to sition strategy that this work force, Red River Army Depot, has accomplished in organizational development. You've already heard the accomplishments and the results of that, the awards they've received and what revenue that they've accomplished.

It's contradictory to us to even consider closing the installation that we constantly point to, to other places, and say "This is what we want you to be like." When you ask the question: What is the Red River Army Depot? It's these people in the yellow shirts. They're what make it. Thank you.

CHAIRMAN MONTOYA: Thank you.

(Applause). Looks like -- are you the Mayor? We have -- it's Michael Fields I guess.

MR. MICHAEL FIELDS: Yes, sir, I'm Michael Fields. I'd like to thank the Commission this morning for letting me -- or this afternoon speak to y'all.

You'll notice I'm wearing my chocolate chips. All right? Well, I've been working at Red River almost 20 years now, and I've got nine years experience in National Guard deployment and also Army Reserve. At the present time I'm working on becoming a drill sergeant. This BRAC commission -- or this BRAC has hit me double -- well, two times. First Red River, now my Army Reserve unit also. I take this kind of sonal, you know. It's kind of hard not to take it that way.

What I'd like to do is bring your attention back to

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history though. All right? The Kaiser lost the first world war; you had chaos. You had one man who came in and took over a country, becomes a super world power, almost took over the world. This man was Hitler. All right, now in this present day we have the Iron Curtain which is supposedly down. Those countries under the Warsaw pact are more of a threat now than what they were when they were under the Soviet Union.

Also, we forget; we have China, North Korea, and other countries around the globe that are totally against democracy and the American way. Also, I bring your attention back to history on Pearl Harbor. The Navy, the Pacific fleet placed all their assets -- almost all their assets within Pearl Harbor. The Japanese came in and and took it all out. Now you want to take and put all your major defense maintenance operation in one area. It doesn't have to take a terrorist act to set the production back. All it has to be is a natural disaster. Keep Red River open and keep Anniston open. That way if something does happen, a tornado or some kind of natural disaster comes up, you still can get some type of support to your troops.

I served in Desert Storm; I was in Saudi Arabia for months. I'd like to also point out that several other members here at Red River, they were there. Please stand up. Those that were in Saudi Arabia please stand up.

(Individuals stand).

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MR. MICHAEL FIELDS: I know there's more than that. I do know there's other people that supported Desert Storm and Desert Shield. Would you please stand up. Every one that was involved in that.

(Audience stands; applause).

CHAIRMAN MONTOYA: Thank you very much. Now I think we're at the last speaker, the Mayor. Mayor John Jarvis.

MAYOR JOHN JARVIS: Thank you, Commissioners. I appreciate your intelligence, open-mindedness, and hopefully ultimately your ability to make good business decisions. I want to talk to you about disasters, such as tornadoes, floods, and fires in our area. Over the past they have caused a great community effort to clean up and rebuild and heal. The Red River flood a few years ago caused a great number of people to run to the rescue of people who were victimized, a totally unselfish and caring effort.

My point is that we can crunch numbers, take percentages, create theories, and guess what the effect that the closing of Red River would have on the four-states area, but luckily all we have to do is look at what has been happening with community efforts, business involvement, cities and counties, their involvement's been incredible. The group you see in the audience today, a group -- a much, much greater group that you can't see right now, but believe me they're with us in spirit and thought. There has never been a greater effort --

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there has never been a greater effort to come to the rescue of our families in the four-states area. And I want to thank all of them for their passion and caring. We're not like Tooele in '93; we don't have a Salt Lake City 25 miles away. We're talking about a lot of families that would have to move, and it's devastating to think what would happen and could. It's very scary. Again, I appreciate your intelligence, open-mindedness and hopefully and ultimately to make good, sound business decisions. God bless you, and thank you.

CHAIRMAN MONTOYA: Thank you very much.

(Applause).

CHAIRMAN MONTOYA: I want to thank you all very much. And I think you've done -- you've done so well today that I want to ask the soldier among us to close this part of the session for us. General Robles.

COMMISSIONER ROBLES: I -- this is a little bit unorthodox, but let me put this in perspective. Of course I was always unorthodox when I was on active duty; I might as well continue to be unorthodox.

This has nothing to do with the presentation you gave. We'll analyze that and take a look at it and try to sort all this out. But I will tell you that in August of 1990 I was assigned to Fort Hood, Texas as Assistant Division Commander of the 1st Cavalry Division. My job was to be the chief logistician for the 1st Cav. and get them ready for Desert --

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1 Red River Army Depot as a complex.
2 We'd like to say we've grown old; we've grown
3 smarter. You've seen a lot of facts and figures. We know what
4 we're capable of. I am an Army veteran. I served as an officer
5 in the regular Army, and I'm a reservist now.
6 One of the things that's not been mentioned besides
7 our active duty requirements is we train over 5,000 reserve
8 soldiers a year. I myself am an instructor for the United
9 States Army Reserve. I travel throughout the state of Texas and
10 northeastern area to train Army troops. That type of expertise
11 will also be lost. There are many reservists to be served at
12 Red River Army Depot as a part of the Army civilians.
13 If Red River stands on anything that you've heard
14 today, we stand proudly in the record that you've seen both
15 visually and presented by the members that are here today. I
16 realize you have a tough decision, but you obviously were
17 selected for your intelligence in the area of military
18 responsibility, costs, administrative data. We ask that you
19 consider us based solely upon our record, which we are extremely
20 proud of.
21 (Applause).
22 CHAIRMAN MONTOYA: Thank you. Mr. Steven Arnold?
23 MR. STEVEN ARNOLD: Good afternoon. Ladies and
24 gentlemen of the Commission, I would like to talk to you again
25 about military value, about Red River Army Depot. As a missile

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1 worker in the Missile Maintenance Division, I would like to
2 mention that I have had an opportunity and privilege to serve on
3 a self-made, self-empowered work team. This team applied the
4 force concept: Honesty, ethics, accountability, respect, trust,
5 and support. A conception of this team is historic. We went
6 from three missiles a day and built that up to a productivity
7 rate of 24 missiles. And what I would like to say is: This is
8 indicative of what the Red River employees are all capable of
9 and can do. Not just that one team. Missile people, I can
10 confidently say, have the expertise to accept any and all
11 missile work directed their way.
12 What does the force concept mean to a soldier in the
13 field? It lets them know that they're getting the best quality
14 product, that it's been the most cost efficient. On October the
15 14th of 1994 Joe Reeder, Undersecretary of the Army, and Joseph
16 Gotlowe, Economics Secretary, came to Red River and presented
17 Vice-President Al Gore's Hammer Award. This was a very big
18 honor in my opinion to Red River Army Depot and its people. It
19 showed that they can apply all the concepts. We are cost
20 efficient, innovative, creative; we cut red tape. It's been
21 proven, and it's on paper.
22 And I'd just like to end it with this saying. That
23 Red River people will do their best and nothing else. Thank
24 you.
25 (Applause).

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1 CHAIRMAN MONTOYA: Ms. Molly Beth Malcolm?
2 MS. MOLLY BETH MALCOLM: Good afternoon. I am not an
3 employee of Red River Army Depot, nor do I have any family
4 members employed there. I'm not a military expert, but I do
5 know the USA must close some of our excess military bases.
6 We're no longer in a cold war and that y'all have a hard job
7 before you.
8 What I am is a taxpayer, a concerned citizen and
9 interested in the national defense of our country. And while
10 base closures must be done they must be done the right way, and
11 Red River Army Depot is the best of the best. It is efficient,
12 it is vital to our national security, and it's tops in
13 profitability. They can do it better, cheaper, and quicker.
14 Red River Army Depot has evolved over the years into
15 a laboratory of innovation in the defense of our nation. How
16 can what Red River does be done better, cheaper, and quicker?
17 And the answer is: It can't be done better, cheaper, and
18 quicker.
19 The whole of what Red River Army Depot does is not
20 only better, but it is also cheaper and it's quicker. And we
21 don't need to fix -- as East Texans say, "We don't need to fix
22 what ain't broke."
23 (Applause).
24 MS. MOLLY BETH MALCOLM: An example of this that I
25 remember very vividly is when thousands and thousands of

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1 vehicles rolled through Texarkana at the Red River Army Depot
2 during the Gulf War. Why did they have to come there? They
3 were drab Army green, and they needed to be painted camouflage
4 colors for the desert. Why were they sent to Red River? They
5 could have been painted in other places. The reason they were
6 sent to Red River was because the Army knew they could be done
7 better, cheaper, and quicker at Red River Army Depot.
8 (Applause).
9 MS. MOLLY BETH MALCOLM: This is only one incident of
10 decades of strong, proud support of our national defense
11 effort. There's a long-standing tradition at Red River Army
12 Depot for high-quality folks; they're dedicated to the national
13 defense of our country to spend their lives at Red River
14 responding with long hours, hard work, and dedication to protect
15 the U. S. -- United States.
16 And some things cannot be measured in balance sheets,
17 income statements, and COBRA; and the innovative can-do and
18 economically soundness of Red River is one of those things.
19 It's not in our country's best interest to close Red River
20 because they can do it, better, cheaper, and quicker.
21 (Applause).
22 CHAIRMAN MONTOYA: Mr. Randy Pipes?
23 MR. RANDY PIPES: Thank you. I've worked for Red
24 River Army Depot for 15 years up until this past year when I was
25 detailed to go to Headquarters for the Industrial Operations

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affee, Arkansas firmly believe you will give serious sideration to the realignment of Fort Chaffee, Arkansas, utilize major portions of the acreage that it encompasses for all those purposes. Fort Smith, the surrounding area and the military, have enjoyed a mutually beneficial relationship for our national defense. Fort Smith has continually been a good Army town for the military and their families since the fort was built in 1940, '41, and this has been a mutual partnership between the military and the fort itself.

Fort Chaffee occupies 25 percent of our county, Sebastian County, Arkansas. This is a vital concern to us in our region, and we agree that it's best suited for the most part for our continued military training. In our company today we have Mr. Steve Riddell representing Senator David Pryor's staff; Mr. Brian Moran from Senator Dale Humphrey's staff; Mr. Ed Warmax, civilian aide for the Secretary of the Army for the State of Arkansas; Senator Billy Dooley, President of the Fort Smith Chamber of Commerce; and Mr. Jack Plight, the Chairman of the Fort Smith Chamber of Commerce. The Fort Smith Chamber is unsurpassed by any chamber anywhere in its promotion and support of the fort and its continued use.

We'll have presentations today by Major General Thrash, Adjutant General of the Army National Guard, and Colonel Boyer, U. S. Army retired, who will bring live many of the strategic and tactical and monetary reasons for the continuation

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of use of the major -- of the majority of Fort Chaffee and its acreage for military training and national defense.

If realignment of Fort Chaffee should be your choice, as we believe it will, areas to the west of Fort Chaffee would be ideal for bringing the interstate highway networks together by using land already owned by the federal government but outside the training areas necessary and requested by the National Guard and Reserve components.

Our presentation time is extremely short. I reiterate the support of the citizens of the region in urging you to consider realignment of Fort Chaffee.

It's my pleasure to introduce Major General Thrash, Adjutant General of the Arkansas National Guard, who will be followed by Colonel Robert Boyer, to present some of the remarkable features of Fort Chaffee for the continuation of training use and national defense by the Army Reserve, the National Guard, and other military branches through base realignment.

Thank you for your consideration to this important ue.

CHAIRMAN MONTOYA: Thank you, Judge.

MAJOR GENERAL MEL THRASH: Distinguished members of the Base Realignment and Closure Commission, it's certainly my pleasure today to be here to present the facts concerning Fort Chaffee.

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Governor Tucker sends his regrets. He could not be present. He had some duties that he could not change and had to remain in the state of Arkansas today.

You have before you a packet of information which I will speak from that. The rest of it I know you will take home and study at a later date.

My responsibility and charge is to be sure that the men and women of the Army and International Guard of Arkansas are well trained, men and women who are prepared to go and win the next battle and, most importantly, return home safe. To do this 63,000 acres of Fort Chaffee is extremely important as maneuver space for our men and women. We find there a tempered climate, and there are no environmental distracters for training at Fort Chaffee. This is really important. For as you know, in many bases today there are environmental problems that prohibit training.

There are several hundred reserve tenant units out at Fort Chaffee. You see them listed on the screen, including the NCO Academy, RTS-Med school at that location. The Army tenant unit, 142nd field artillery brigade, in Northwest Arkansas attended the Persian Gulf War and served with suspension at that time. The 1st and 233rd air defense artillery also sent a unit from Fort Chaffee, along with the 188th tactical fighting group. Other tenants you will find, a regional training brigade, which is a brigade that is designated to conduct lanes

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training which is required by Title XI congressional mandates. There are other tenants we hope will remain at Fort Chaffee if we continue to use it for training of our troops.

Fort Chaffee is centrally located. And within a 200-mile radius you will see the 45th infantry brigade and the 39th infantry brigade, both separate, enhanced brigades doing the same thing, designated as such; and the 142nd field artillery brigade. They're within a 200-mile radius and trained at Fort Chaffee. You will notice not only is this in a centralized location within the United States, you have a nearby civilian airport at Fort Smith that's capable of handling the C-5A aircraft. Also, you have easy access to the interstate highway system. You have an inland waterway system in the Arkansas River. It has been used to transport equipment down to the Mississippi River and to further points for demarcation. Also, we have two C-130 capable dirt-landing strips in a tactical area on Fort Chaffee. Also, you have a training area on both sides of the Arkansas River where we can conduct training operations for river crossing, the only post I know of where a river crosses an active-duty post where those operations can be conducted.

The reserve components are a hometown organization and, as such, major training areas might be regionally located within commuting distance if we are to do the training necessary to be prepared for our next conflict. Not only for our annual

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1 Shield then, and Desert Storm. My job was the tank division,
2 upload them down at Beaumont and Houston, get all the equipment
3 on board and move out, never expecting to come back or knowing
4 if we were going to come back to Fort Hood or even to the United
5 States.
6 So what we did is we packed up everything we needed
7 to go to war, and I directed that everything else was left. We
8 started out with lots and lots of repair parts and equipment
9 that was left behind that we couldn't take to war. And I
10 remember as clearly as yesterday a dedicated team of civilians
11 from Red River Army Depot came down there and started to sort
12 through that that we left them. And I've have to tell you it
13 wasn't very pretty. As you can imagine, a division, an armored
14 division when it leaves its trail as you get ready to go off to
15 war. I thought you would be working at it for the rest of the
16 war and on into the next couple of years. And so I was amazed
17 by November, when I got called back, and said it's all done,
18 it's all cleaned up, the Red River folks came and packed it up,
19 cleaned it up, sorted it, classified it, and have redistributed
20 it throughout the Army at a great savings.
21 The next time I ran into Red River folks was when I
22 was in the desert. And we did need to get our MR missile
23 launchers up, refurbished and modified. We did need to get our
24 tanks, to have special work done on our tanks and a lot of other
25 modifications. They were in the dirt, in the heat, in the dust,

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1 very austere conditions, no lifts, all done by sweat, labor, and
2 lots and lots and lots of dedicated patriotic Americans, of
3 which you were a great part of that.
4 So I want to thank you, as a soldier who spent his
5 whole adult life in the dirt in far away places, for being what
6 you were then, the greatest virtue, the best America has to
7 offer; and certainly you were a great civilian unit. And we
8 came back and we probably never told you this, so now I'm
9 telling you: Thank you, from the soldier's perspective, for all
10 you do for America and certainly all you did for us then.
11 (Applause; standing ovation).
12 CHAIRMAN MONTOYA: We will start the Arkansas hearing
13 at 20 after, in ten minutes.
14 (Recess).
15 CHAIRMAN MONTOYA: The hearing is back in session.
16 General, who is your leader?
17 MAJ. GENERAL THRASH: Judge Harper.
18 CHAIRMAN MONTOYA: Judge Harper?
19 MAJ. GENERAL THRASH: Yes, Admiral.
20 CHAIRMAN MONTOYA: Very well. Judge, if you would
21 introduce your contingent, I will swear you in and we'll get
22 started with our last session of the day.
23 JUDGE HARPER: Members of the base realignment
24 commission, ladies and gentlemen, I'm Bud Harper. I'm Sebastian
25 County Judge from Sebastian County, Arkansas. I'm Co-Chair of

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1 the Committee for the Continued Use of Fort Chaffee for Military
2 Purposes.
3 COMMISSIONER STEELE: Excuse me. I'm sorry. I'm
4 having a little trouble hearing you.
5 JUDGE HARPER: Is this not on?
6 CHAIRMAN MONTOYA: I'm afraid you're not on.
7 COMMISSIONER STEELE: It might just need to be turned
8 closer.
9 (Pause).
10 JUDGE HARPER: Members of the Base Realignment and
11 Closure Commission, ladies and gentlemen, I'm Bud Harper,
12 Sebastian County Judge and Co-Chair of the Committee for the
13 Continued Use Fort Chaffee for Military Purposes, along with
14 Congressman Tim Hutchinson. Congressman Hutchinson at this time
15 is flying someplace around above Dallas and Fort Worth, and I
16 understand now that he's in route back to Washington, so he's a
17 little frustrated I'm sure. So this gives me a couple
18 additional minutes to introduce some of the folks we have on our
19 committee.
20 Our committee is composed of a group of citizens who
21 live and surround Fort Chaffee, Arkansas who are interested in
22 the most practical use of Fort Chaffee by the military to
23 provide necessary training for the armed forces with the
24 ultimate objective being a strong national defense. We realize
25 that the best involvement is by utilization of existing military

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1 installations with necessary reductions to be made by the
2 Department of Defense. While we realize each community
3 represented here --
4 CHAIRMAN MONTOYA: Sir, may I interrupt you for just
5 a minute? Are you going to read a statement first before you
6 introduce your members? Because I need to swear all of you in
7 before you get into your presentation.
8 JUDGE HARPER: All right.
9 CHAIRMAN MONTOYA: And I thought you were going to do
10 that for me. Introduce your members to our team, and then we'll
11 swear you in.
12 JUDGE HARPER: All right. The members that we have
13 that are going to speak today are Colonel Bob Boyer who is Army
14 retired; Major General Thrash who is the Adjutant General of the
15 Arkansas National Guard, and myself.
16 CHAIRMAN MONTOYA: Please stand up. This is being
17 required by the minutes of the BRAC statute to swear you if in
18 if you're going to testify. If you'd raise your right hand.
19 (Three witnesses sworn).
20 CHAIRMAN MONTOYA: Very well. Sorry for the
21 interruption. Proceed.
22 JUDGE HARPER: Fine. Thank you, sir.
23 We realize that each of the communities represented
24 here today is placing its best foot forward in a convincing
25 matter. We who represent the two-state area around Fort

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urces to operate primarily as a dedicated reserve component
d training installation. Our desire would be for it to be
located under force com. If that's not possible, then latch
them to the reserve component -- or reserve component training.
I think we owe it to our young men and women who give of their
time and being away from their families and vacations,
birthdays, and little league ball games to train to serve their
country, that we provide them with a place where they can truly
be trained and be prepared to fight and win the next war. Fort
Chaffee is absolutely an outstanding infantry training
facility.

Thank you very much.

CHAIRMAN MONTOYA: You're welcome.

(Applause).

COLONEL BOB BOYER: Honorable Commission members,
I'm Bob Boyer and I appreciate the opportunity to say a few
words to you this afternoon. It's obviously going to be a very
few words because of our allotted time, but I do have a letter
that I would like to leave with you in which I go into some
detail concerning the points I'd like to try to make in my time
today and point out why you should retain Fort Chaffee as a
major training area.

I was going to talk a little about community support,
I think it's obvious from General Robles' visit to Chaffee
that the community support is there. So I won't take up any

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more time on that subject.

None of us on the Chaffee committee are paid for our
services on the committee. We're all volunteers because we feel
it's the right thing to do, and it's right not only for our
community but more importantly for our nation.

In regard to military value of Fort Chaffee as a
major training area, you've heard from General Thrash, and he
has spoken as to how critical Chaffee is to the Arkansas
National Guard and also the Oklahoma National Guard which trains
at Chaffee. He's told you that he needs, for training of his
enhanced brigades, some 63,000 acres. And when you combine the
U. S. Army Reserve's requirements at Chaffee, it totals 68,000
acres. General Thrash has also pointed if the Reserve's
building is there, he needs 5,000 buildings for his soldiers.

The charts have shown that it's really cost
prohibitive to go to alternate sites for this essential
training; and even if the money were available, the traveling
time would cut too severely into that essential and limited
training time. General Hardy of the U. S. Army Reserve also
efed General Robles much to the same effect as did Colonel
ton, Commander of the Army's regional training brigade at
Fort Chaffee.

Fort Chaffee is also used by the -- some units of the
Louisiana National Guard, the active Air Force, the Air Force
Reserve, the Navy Seals and Seabees, the Marine Corps Reserve

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and the active Army's Joint Readiness Training Center, the JRTC,
in connection with the training of the 82nd Airborne Division,
the 101st Airborne Division, the 18th Airborne Corps, the 2nd
Armed Cavalry Regimen at Fort Polk, and Special Forces Unit of
the Southern Command, as well as the civilian United States
Department of Energy.

I did want to add one thing that General Thrash, when
he commented on that river crossing training site at Fort
Chaffee, the river runs right through Chaffee. And I understand
it's the only Army installation in the country where the Army
owns land on both sides of the river for crossing training. It
also has the unique additional feature in that locking dam 13
run by the U. S. Army Corps of Engineers is right down the
river, and they can control the flow of the river current to
enhance the river crossing training. The engineering units that
use that river crossing training site say it's undoubtedly the
best in the country.

All these units that I've mentioned use Fort Chaffee
because it's the most outstanding major training area that they
have access to. And that's why it was selected in 1986 as the
initial home of the JRTC, the Army's premier trainer of our
light forces. And that's why even after the JRTC was
transferred to Fort Polk in 1992 to replace the unit departing
Fort Polk, the JRTC still uses Fort Chaffee for its more
important training missions.

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It's interesting, when you go back and look at that
1986 report -- and I'll give you a copy of it -- where the Army
chose Chaffee as the initial home of the JRTC, they compared
Chaffee with nine other installations as the possible home.
They immediately rejected six as not being suitable for that
type of training, and the competition boiled down to Chaffee;
Camp Shelby, Mississippi; and Fort H. P. Hill, one of Chaffee's
present competitors. They found that H. P. Hill had 11 serious
disadvantages; one being a major highway going between its
maneuver area and its impact area. Chaffee easily won that
head-to-head competition with H. P. Hill. And Fort Chaffee's
gotten even better since those days. In 1991 it was selected as
the most improved small facility of the year, and it won
additional honors in 1992 through 1994.

In the BRAC 1993 review Chaffee was rated higher than
five of the other installations that it's competing with today.
So the question arises: Well, how -- if that was true one year
ago, how in less than a year did Chaffee move from being rated
higher than five of those installations down below those
installations today? Well, the obvious answer is that the
factors that were fed into the computer were changed. And I'd
like to mention some of those factors just briefly.

Gosh, I was counting on this time remaining -- okay,
I see how it's working now. I thought I had four and a half
hours, but I only have four and a half minutes. So I have to

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1 training but also for inactive-duty training and weekend
2 training. We feel that -- our National Guard bureau did not
3 agree to the Army basing study criteria for evaluation of value
4 on the maneuver training area. It failed to recognize the IDT
5 or weekend drill and the schoolhouse usage for reserve
6 components. It also failed to consider the congressionally
7 mandated Title XI training requirements of GFRE personnel to
8 train priority RC units and conduct of lanes training by the
9 active component of the regional training brigade, USAR training
10 division exercise. It also failed to consider the relocation
11 costs of the USAR units and the Army and air units which total
12 approximately $40 million in relocation costs.
13 We have some requirements if we are to conduct the
14 type of reserve component training that is necessary for our
15 units to be ready. You must have a maneuver and lanes training
16 area for a light brigade. A brigade must train as organized if
17 it is to mobilize and deploy within the 90 days that they are
18 asked to do today. You cannot break down and train a battalion
19 in that zone. You must have an area for artillery maneuver, for
20 the Howitzer. You must have an engineering coalition and
21 complex. You must have land for the USAR schools, the NCO
22 Academy, and the RTS-Med facilities. This all would take
23 approximately 68,700 acres if you are to conduct these types of
24 training required by Title XI.
25 Also, Title XI requires a regional training brigade

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1 to provide maneuver/lanes training areas for establishment of
2 infantry, mec, aviation, field artillery, combat engineer
3 lanes. These can all be overlaid in areas at Fort Chaffee. The
4 USAR division exercise requires maneuver/lanes training areas
5 for establishment of combat service, combat services for
6 compliance.
7 I realize I'm going through these quite fast, but to
8 hit the major bullets I must do that in the time allotted.
9 Those are the units that train at Fort Chaffee. Arkansas,
10 Oklahoma, and Missouri run our National Guard and the
11 International Guard. They do include the two enhanced brigades,
12 the 45th and 39th and also the artillery brigade from Arkansas
13 and one auxiliary 155 battalion in Oklahoma.
14 Here's the current list of schedules to conduct
15 training at Fort Chaffee from the USAR, the ones you see there
16 are a total of 1710 people. That does not include the soldiers
17 that are trained in the RTS-Med. We have a razorback range
18 located at Fort Chaffee, which is the 188th tactical fighter
19 squadron unit from the Arkansas National Guard. It is also used
20 by the Oklahoma and Texas International Guard, Louisiana and
21 Texas Air Force Reserve, U. S. Army -- U. S. Air Force in New
22 Mexico, the Navy and Marines from Texas and South Carolina.
23 Last year there were over 7,000 sorties flown training in
24 bombing deployment at this location at a cost of $185 per
25 sortie. That makes the area extremely important if you go up to

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1 30,000 feet above Fort Chaffee. Other bombing training ranges
2 are not -- do not provide that altitude for them to train in.
3 The next slide shows the area required for use of the
4 razorback range. You can see the two circles. We're in the
5 maneuver area there, but they must have restricted area which to
6 enter before they can arm their weapons. They cannot arm over
7 federal land.
8 Fort Chaffee usage increases from year to year. In
9 FY '94 right after the RTC left Fort Chaffee to go to Fort
10 Polk. At that time any uses had been suspended; they were
11 training at another post. Then in '95 land became available,
12 training time became available, and once again they started
13 using Chaffee. The '96 figures do not include the 39th infantry
14 brigade. They will be going to Fort Polk, Louisiana for their
15 RTC training in FY '96.
16 The Department of Army or BRAC alternative training
17 locations that were given to me were Fort Riley, Kansas; Fort
18 Sill, Oklahoma; and Fort Polk, Louisiana.
19 This chart shows the distances that troops have to
20 travel at those training locations. Fort Sill can support AT
21 and IDT. However, it cannot support an entire infantry brigade
22 in the nuclear area. There are also some restricted
23 environmental policies at Fort Sill.
24 Fort Polk cannot take either AT or IDT. They just do
25 not have time or space. The second ACR from Fort Polk trains at

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1 Fort Chaffee now because they cannot find training time at Fort
2 Polk. They trained last year, they're training this year, and
3 they're on schedule for '96.
4 Fort Riley, Kansas can take the AT and IDT training.
5 However, the distance requires ten hours of travel time so we
6 can only do AT training at Fort Riley. Additional cost factor
7 for training of these out-of-state locations, AT and IDT
8 training at Fort Sill will take, we figure, approximately
9 $7.4 million in additional cost. At Fort Riley we can only do
10 annual training. Because of distance it. Would take
11 $3.5 million.
12 And Fort Polk, as I indicated, cannot help us at
13 all. It does not have the training, time, or facilities.
14 Now the impact of closure of Fort Chaffee would mean
15 lost training time, which would decrease readiness because we
16 have to spend so much of our time in travel. If we went
17 commuter five or six, this requires conflict with employees and
18 also increased time away from families and would result in
19 potential issues for our union. Also, an increased safety
20 hazard because we would have tired men and women going to and
21 from the training areas. Also, an immediate multimillion-dollar
22 environmental restoration or remediation action would be
23 required if Fort Chaffee was closed.
24 In summary then, what we would recommend this
25 Commission is that the post be realigned with the funding and

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Well, thank y'all very much for your presentation and ur interest in coming to Dallas and joining us, and I thank you for the data you've given us. General Robles will represent you well, I can assure you, with what he's wearing.

COLONEL BOB BOYER: Thank you.

MAJOR GENERAL MEL THRASH: Thank you.

CHAIRMAN MONTOYA: Thank y'all very much. And do we have -- just one final call for anyone from the State of Arkansas? Oh, you're back.

MR. MICHAEL FIELDS: I'm back, sir.

CHAIRMAN MONTOYA: Very well. In your reserve uniform?

MR. MICHAEL FIELDS: No, sir. I'm still in civilian clothes.

CHAIRMAN MONTOYA: All right.

MR. MICHAEL FIELDS: I'm Michael Fields. I'm a resident of the state of Arkansas, former member of the Arkansas National Guard. Major General Thrash at one time was my confidant when I did attend OCS in Little Rock, Arkansas. What I'd like to stress is Fort Chaffee, I lived there back in 1963 when my father was in the Army. He was a chief warrant officer in charge when they shut down the installation from being the ular Army. At the present time I'm in the U. S. Army Reserve the 95th training division and I'm in Bossier City, with my headquarters in Oklahoma.

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I do know from experience with the Arkansas National Guard that Fort Chaffee is an excellent training facility. I'm trained in infantry tactics. I'm a Red Bravo; that's Charlie qualified and MOS qualified. The tactics I went through at Fort Chaffee proved to be an excellent facility to where you can gain proper training in infantry tactics. I've had experience at Chaffee with mechanized infantry; I was also was on the air mobile and a straight leg infantry. It's an excellent training facility, as I've said before, and I'd hate to see Fort Chaffee close, most especially with its past history in service to the military. I believe it still would be a great asset even though JRTC has moved to Fort Polk, where I've also lived in the past. I do know both installations real well as well as Fort Sill.

The military would gain -- well, they would keep -- now I'm trying to think of the proper words here. It would be of great benefit if they did keep Chaffee because of the artillery area, it was excellent for artillery, and you also had the straight runs for aircraft, and just any number of things that could be utilized in that facility.

CHAIRMAN MONTOYA: Okay. Thank you very much.

Any further comment? Being I can see or hear none, the regional hearing in Dallas, Texas is hereby concluded.

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STATE OF TEXAS )
COUNTY OF DALLAS )

I, DONNA L. COLLINS, Certified Shorthand Reporter in and for the State of Texas, do hereby certify that there came before me on the 19th day of April, 1995, at Dallas, Texas, the witnesses hereinbefore named, who were duly cautioned and sworn to testify the truth, the whole truth, and nothing but the truth of their knowledge in this matter before The Defense Base Closure and Realignment Commission and that their testimony was reported stenographically by me and then reduced to writing; that the transcript is a true record of the testimony given by the witnesses.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 23rd day of April, 1995.

DONNA L. COLLINS, CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF TEXAS, NO. 1086, EXPIRATION: 12/31/96

COLLINS & MILLER, P.C.
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Suite 640 South Tower
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1 find this rather quickly, but I did comment to General Robles on
2 the things where we find errors and items in the report to
3 BRAC. We feel they're wrong as far as Chaffee's concerned, and
4 that's just concerning the maneuver acres involved, some folks
5 undoubtedly counted their national forest acreage; Fort Chaffee
6 did not. Apparently, the installations were not using the same
7 criteria in reporting their figures. If Fort Chaffee added its
8 forest acreage, we could add 1 million acres to Chaffee. Under
9 the category of employment, Chaffee wasn't given credit for the
10 interim waterway system while apparently Fort McCoy and Fort
11 Indiantown Gap were given credit for their access to the distant
12 Great Lakes system. Under the category of maneuver -- under the
13 category of reserve training, Chaffee was underreported, and
14 I've supplied the correct figures in my letter.
15 One of the more important factors considered in the
16 report to you -- and this is at page 48 of your report -- in
17 evaluating the competing installation states, "The single-most
18 important attribute for support of land forces is land. The
19 value of land is measured by mechanized maneuver acres."
20 Chaffee ranks third in that category, and really it ranks second
21 if you exclude Fort Polk's national forest acreage.
22 Under the Army guidance it takes 61,000 acres
23 approximately to conduct battalion-level mechanized unit
24 training. Only Chaffee and three other installations meet the
25 guidance for conducting that battalion-level training on

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1 mechanized units. I don't understand how you can be effective
2 as a major training area if you cannot conduct the kind and size
3 of mechanized maneuvers.
4 The major reason why Chaffee rated low in the present
5 competition is due to the age of the buildings at Chaffee.
6 They're some 51 years old now, and what the computer doesn't
7 consider is that in those years the Army was pumping millions of
8 dollars into Fort Chaffee while the JRTC was there. Many of
9 those barracks and other buildings were refurbished. General
10 Robles I understand has seen those buildings, and I'm hopeful
11 that he'll report to you that they're a plus now and not a
12 minus. It's also pertinent to I think to note that the type of
13 training done at Chaffee doesn't require lavish buildings. The
14 troops are there only a short time for that type of training,
15 and they spend much of that time in the field and very few days
16 in the buildings. But these are the type of factors that I'm
17 afraid the computer printout doesn't consider in coming up with
18 its rankings.
19 I also wanted to point out to you that the savings
20 reported for closing Chaffee are just not there when you analyze
21 the data that General Thrash has given you. He's pointed out
22 that when you close Chaffee and his units had to travel, let's
23 say to the closest installation to Fort Sill, because they can
24 get the training time there, which is doubtful, but just for the
25 weekend drill and annual training for the Arkansas Guard and a

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1 few other guard units and the U. S. Army Reserve units, it would
2 cost $7.4 million a year. Right now they're running Chaffee on
3 an operating budget that ranges between 8 and $10 million a
4 year, very little more than it would cost to cover those
5 additional travel costs. General Thrash has pointed out that
6 there's another cost of $40 million that wasn't considered in
7 moving the reserve units and the other units that are now on
8 Chaffee to other locations. And he's referred to the
9 environmental costs, which would be extensive.
10 I won't have time to talk about the economic effects
11 to our area, but they are covered in our letter. I just want to
12 join in General Thrash's recommendation to you that you consider
13 Chaffee for realignment and not closure. The active Army
14 intends to leave, if it can, the regional training brigade at
15 Chaffee; and Chaffee's a perfect fit for it because of its
16 central location and its training of guards and reserve troops.
17 We feel that Chaffee is an important and essential major
18 training area to cover that region of the country, and we
19 believe it's in the nation's best interest to retain it as a
20 major training. Thank you very much.
21 CHAIRMAN MONTOYA: Thank you very much, Colonel.
22 (Applause).
23 CHAIRMAN MONTOYA: I have one question for
24 clarification. You're through with your presentations I
25 understand?

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1 JUDGE HARPER: Yes.
2 CHAIRMAN MONTOYA: On one of your charts you made the
3 comment -- you had it up there and you mentioned I believe that
4 if Chaffee were closed that you would have to have immediate
5 multimillion-dollar environmental restoration or remediation
6 action would be required. Why isn't that going on now or
7 required anyway regardless of whether you close it or not? I
8 didn't understand that phrase.
9 MAJOR GENERAL MEL THRASH: What I'm referring to, as
10 I understand it, when military bases are closed and are turned
11 over for civilian use, must be environmentally cleaned up.
12 Those impact areas and all of the fort cannot be cleaned up.
13 CHAIRMAN MONTOYA: Because of the past ordinances and
14 so forth?
15 MAJOR GENERAL MEL THRASH: 619 and 41, yes, sir.
16 CHAIRMAN MONTOYA: So it's that kind of land which
17 you're talking about, ranges.
18 MAJOR GENERAL MEL THRASH: Yes, sir.
19 CHAIRMAN MONTOYA: Okay.
20 MAJOR GENERAL MEL THRASH: And some of the old
21 buildings, if they're disturbed. If they're not disturbed, it's
22 not a problem.
23 CHAIRMAN MONTOYA: That clears it up for me what you
24 were speaking to. I have no further questions. Any questions
25 from my colleagues on this side? This side?

THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

DELTA JUNCTION, AK REGIONAL HEARING

MONDAY, APRIL 24, 1995
HELD AT DELTA JUNCTION HIGH SCHOOL
1:00 P.M.
DELTA JUNCTION, ALASKA

REPORTED BY: Valerie A. Hance
Registered Professional Reporter





A P P E A R A N C E S

Members Present:

COMMISSIONER AL CORNELLA
COMMISSIONER REBECCA COX

Panel:

GOVERNOR TONY KNOWLES
STATE SENATOR GEORGIANNA LINCOLN
STATE REPRESENTATIVE GENE KUBINA
CLEETA BARGER, PRESIDENT, DELTA/GREELY COMMUNITY COALITION
RAY WOODRUFF, VICE PRESIDENT, DELTA/GREELY COMMUNITY COALITION

Public Comment:

MARY ELLEN LUCAS
JEROLD G. BARGER
COL. TOM MCBRIDE, USA (RET.)
JACKIE NELSON-LIZARDI
GERALD CLANCY
DANIEL E. LUCAS
SAM B. WAGER
CAROL J. COREY
GERALD D. OLIVER
MIKE RAWALT
PATRICK SCHLICHTING
THOMAS E. LASSEK
JERILYN PRESTON





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P R O C E E D I N G S

COMMISSIONER CORNELLA: Good afternoon, ladies and gentlemen and welcome to this regional hearing for the Defense Base Closure and Realignment Commission. My name is Al Cornella and I am one of eight commissioners charged with the task of evaluating the recommendations of the Secretary of Defense regarding the closure and realignment of military installations in the United States. With us here today also is my colleague, Commissioner Rebecca Cox, of Newport Beach, California.

First, let me thank all the military and civilian personnel who have assisted us so capably during our visit here. We spent this morning looking at Ft. Greely and asked questions that will help us make our decision. The cooperation we received has been exemplary and thank you very much.

The main purpose of the base visit we conducted here -- it is one of 54 base visits the commissioners are making -- is to allow us to see the installation firsthand and to address the military personnel, the all-important question of the military value of the base.

In addition to the base visits, the Commission is conducting a total of 11 regional hearings of which today's is the eighth.

The main purpose of the regional hearing is to give

members of the communities affected by these closures a chance to express their views. We consider this interaction with the community to be one of the most important and valuable parts of our review of the Secretary's recommendations.

Let me assure you that all of our commissioners and staff are well aware of the huge implications of base closure on local communities. We are committed to openness in this process and we are committed to fairness. All the material we gather, all the information we get from the Department of the Defense, all of our correspondence is open to the public.

We are faced with an unpleasant and painful task which we intend to carry out as sensitively as we can. Again, the kind of assistance we receive here is greatly appreciated.

Now, let me tell you how we will proceed here today and at all our regional hearings. The Commission has assigned a block of time to each state affected by the base closure list. The overall amount of time was determined by the number of installations on the list and the amount of job loss.

Alaska has been given 50 minutes to make its presentation. We notified the appropriate elected officials of this procedure and left it up to them, working with the





local communities, to determine how to fill this block of time.

At the end of the presentation, we have set aside a period of 50 minutes -- excuse me -- 30 minutes for public comment at which time members of the public may speak.

We have provided a sign-up sheet for this portion of the hearing and hope that anyone who wishes to speak has already signed up. We would ask those of you speaking at that time to limit yourself to two minutes. We will keep the time and let you know when your time is up. If you are not able to present everything you wish to in that two minutes, we will take anything else you have in written form. Anything you give us, we will make part of the record.

Let me also say that the base closure law has been amended since 1993 to require that anyone giving testimony before the Commission do so under oath and, so, I will be swearing in the panel, the witnesses and that will include individuals that speak in the public portion of the hearing. With that, I believe we are ready to begin.

With us today on the first panel, we have Governor Tony Knowles, State Senator Georgianna Lincoln, State Representative Gene Kubina, Cleeta Barger, the president of the Delta/Greely Community Coalition and Ray Woodruff, vice president of the Delta/Greely Community Coalition.





Will there be anyone else giving testimony this morning -- or this afternoon?

MS. BARGER: No.

COMMISSIONER CORNELLA: Would you please rise and I will swear you in.

(The panel was duly sworn.)

COMMISSIONER CORNELLA: The first portion of the hearing, Governor Knowles will have seven minutes. Governor.

GOVERNOR KNOWLES: Commissioner Cox and Commissioner Cornella, my name is Tony Knowles and I appreciate the opportunity that you have given me as the Governor of Alaska to address you concerning the proposed realignment of Ft. Greely.

I thought what would be the most effective testimony I might be able to give -- and that was before I had the opportunity to see, as you did, the heartwarming and sincere and effective signs all the way the drive from the base to this community and I could just merely submit those as perhaps the most persuasive testimony.

And, in that, I would say that had you not come here, you would not have had the opportunity to see and experience that event. And, for that, I am deeply grateful on behalf of the citizens of Alaska for your presence here and I do appreciate it.





It is my belief and it is the purpose of my testimony that the Commission has a solid basis to find that the Department of Defense substantially deviated from the criteria one through four in the military base closing and realignment decisions' process.

The substantial deviation from the cost and manpower implications and the others will be discussed later in detail by the Delta/Greely Community Coalition. That coalition is highly qualified for both the civilian and military experience to provide accurate information on this subject and I respectfully urge you to carefully consider its presentation.

In addition, I would ask that the Commission consider the unique role that Alaska plays in partnerships with America's military so that it can provide a clear and convincing basis for continuing a fully functional arctic, geographically strategic and totally integrated training center at Ft. Greely. That is the essence of the military value that I ask you to consider.

Three specific categories of this uniqueness are; one, location. Close proximity between all Alaska Army and Air Force Bases, which I understand is necessary for joint military training efforts, is critical. This is vital to maintain a quickly deployable military force from Alaska to the Pacific military theater.

Alaska's proximity to the polar route is unique and it is critical to the deployment of U.S. Armed Forces to Europe, Asia and areas covered by your CENTCOM Headquarters, Ft. Greely's active support of active military units.

Secondly, the uniqueness of the land use. Ft. Greely has 662,000 acres of training lands and the ability uniquely to conduct 360-degree arc live fire for all conventional weapon systems currently in the U.S. inventory.

And, number three, Ft. Greely's unique ability to provide cold temperature testing capability. If you don't believe how cold it is here, just ask anyone here. With the instability of countries in the world with cold climate conditions such as Russia, China, North Korea, the realignment of Ft. Greely might expose the Department of Defense to diminished effectiveness of this unique training asset.

A secondary issue of realignment is safety. If realignment does occur, it appears that there will be the need to SAFARI, if you will, troops back and forth between other bases in Alaska and Ft. Greely. This does create not only efficiency and effectiveness, but a safety concern.

I've spoken to you as governor, but it would be remiss if I did not also speak to you as a veteran and a long-time Alaskan who has seen the mutual benefits of a continued partnership.





The morale of our military is deeply affected by the support of communities and Alaskans have always received the highest marks in this category. Just ask the thousands of personnel who request continued service in Alaska, to be returned to Alaska, for those who retire in Alaska.

America's military mission has a great success in Alaska. The Commission has the opportunity to continue that result by continuing the combinations of factors that make it possible. A vital component of that continuation is a fully functioning Ft. Greely. Thank you, very much.

(Applause.)

COMMISSIONER CORNELLA: Thank you. Senator Lincoln.

SENATOR LINCOLN: I hope getting up here isn't going to be counted as my three minutes. My name is Senator Georgianna Lincoln and I represent the communities of Ft. Greely and Delta.

I, too, would like to say that I probably don't need to say anything to the commissioners here because as we came in, we went through the children out there holding up these signs that truly says it all. And as I stopped and asked them what they were doing there, I think about 95 percent knew exactly why they were there and how it affects their lives.

I, too, want to express my deep appreciation for Commissioners Cox and Commissioner Cornella for coming and





having one of the 54 base visits. I know that this is a long trip for you both, but I appreciate very much on behalf of the communities and the families involved for you to take the time to listen and to hear out what the folks here have to say.

I'm not going to go into a lot of the detail because I think that you're going to be hearing that from the residents here in Delta and those that are up at the head table.

What I am going to say and I think it shall -- it must be said over and over and over again and that is that the Army significantly understated the costs associated with the proposed realignment and restationing of organizations and personnel at Wainwright. That must be the key theme; that if we are looking at the true costs -- and as Governor Knowles pointed out, also the safety with Wainwright being a hundred and ten miles away -- that has to be a major consideration. Is, what is the cost savings then if we are talking about a distance delivery.

We also have to, as when I raised my right hand to the two of you as the commissioners to say I shall tell the whole truth, it shall be the truth, the whole truth and nothing but the truth. I, too, believe that when you sit down and look at your facts and your information, that it shall be the truth, the whole truth and nothing but the





truth. And I don't believe that what you have before you, at no fault of your own, but what you have before you is not the truth. It is not the whole truth and it is not all of the information.

We must have provided to you and you must have in order to make your decisions, reliable accurate facts. Just as a trial, that before you make a decision, you have to be assured that all of your facts are accurate and reliable and you must hear that before a decision is rendered.

And I would just suggest that from the onset for whatever reasons, whether they were political, whether it was just in error, your Commission was not provided with the whole truth and, hopefully, after today, with the testimony that you're going to hear here, you will leave here with doubt in your mind about how the point system, how the costs involved, how the safety, how you ever got the information that you did.

And I again want to appreciate the both of you for coming and especially for the governor for taking precious time when for all of you here, Alaskans know, we're in final stages of the budget and having our operating budget and I know that there is much that needs to be done on the capitol and I appreciate very much, Governor, you taking the time to come and share with the commissioners. Thank you.

(Applause.)

COMMISSIONER CORNELLA: Thank you, Senator. Representative Kubina.

REPRESENTATIVE KUBINA: Commissioners, I also would like to thank you very much for coming to Delta today. I'm State Representative Gene Kubina and I represent House District 35, which includes all of the Delta/Ft. Greely area.

Ft. Greely is an extremely unique military installation with high military value and must be retained because it is one of only two places in the United States where we can conduct joint Army/Air Force close air support exercises.

In the last BRAC round, Ft. Greely ranked third among its peers in the training category, but factual and analytical errors in the Army's analysis caused Ft. Greely to be incorrectly recommended for realignment.

All of our military installations and military personnel in Alaska are important to us, but only Ft. Greely provides a one-of-a-kind testing capability which cannot be replicated nor operated at any location other than Ft. Greely.

Retention of Ft. Greely is important to all assigns and our governor's presence here today underscores this point, but it is also important to the military and to the BRAC Commission, because Ft. Greely, its soldiers, civilian





employees and the community at Delta Junction which helped support it, are unique in their skills and dedication to conducting the training and testing mission there.

I urge you to carefully review the analytical data which the community will present to you today and review the accuracy of the material which the Commission must evaluate when determining the future of Ft. Greely, the home of the rugged professional. Thank you very much for coming.

(Applause.)

COMMISSIONER CORNELLA: Thank you. Cleeta Barger.

MS. BARGER: Thank you, Chairman Cornella and welcome to you and Ms. Cox, Governor Knowles, Senator Lincoln, Representative Kubina and other distinguished guests. We welcome you to our community and thank you for coming.

Governor Knowles has recognized the Delta/Greely Community Coalition as the representative body for our community. The Coalition is comprised of individuals from the Delta City Council, the Delta Chamber of Commerce, the Delta/Greely School District, the Deltana Community Corporation and the Farm Bureau, Delta Chapter. We wish to express our gratitude and appreciation for the opportunity to present the information compiled by the Coalition for your consideration.

Ray Woodruff will now present to you the executive





summary of information compiled by the Coalition and contained in your packet. Ray.

(Applause.)

MR. WOODRUFF: Commissioner Cornella, Commissioner Cox, you have in front of you a folder. This is our presentation to you and contains the information I will allude to today or give you today.

Ft. Greely was established in 1942 as a lend lease transfer point for aircraft being ferried to the Soviet Union. Attachment 1 in your book is a map that shows where Ft. Greely, Ft. Wainwright and Ft. Richardson are in the state of Alaska.

The Delta Community grew up around this base and added support to the military mission. Local businesses were established to provide needed services to this population. The city of Delta Junction was incorporated in 1960 as a second class city under the state laws. The Delta Community recognizes and appreciates Ft. Greely and has always been a good neighbor.

The facts presented today on all the installations will characterize size, usage, value, impacts on military readiness, civilian encroachment and complaints and factors which have the potential to create a public relations disaster for the Army. Any comparisons with any other base in Alaska are for the express purpose of presenting





Ft. Greely's capabilities only.

We will also show the errors in data which led to the decision to place Ft. Greely on the BRAC list. All of the above items will show that Ft. Greely is the only place to accomplish a testing and training mission currently being achieved there.

Army sources state there are 1.5 million acres of maneuver area in Alaska. However, much of this area is not accessible for a great part of the year. Attachment 2 shows that of Ft. Wainwright's nearly 876,000 acres, approximately 636,000 acres cannot be utilized because the Tanana River blocks access to that area for ten months of the year.

Ft. Richardson has only 67,000 acres and since the Eagle River Flats were closed, it's limited to small arms training and weapon firing. Neither Ft. Richardson nor Ft. Wainwright can accomplish large-scale live fire maneuvers.

Ft. Greely, on the other hand, is located on the edge of the North American Cold Triangle where the coldest temperatures on the continent have been recorded and is the only facility which can accommodate live fire, large-scale ground and air maneuvers with its closed air space from the surface to a hundred thousand feet and the availability of 670,000 acres of land which are accessible year round.

Attachment 4 shows an added perspective on the size

of Ft. Greely. Ft. Greely is about one-half the size of the state of New Jersey. Given the size of the area, Air Force elements are able to routinely accomplish live fire, air-to-air combat training on Ft. Greely's varied terrain. Some of the types of the terrain, variable terrain, is shown in Attachment 5.

In the training base comparisons from 1993 to 1995, significant changes were made which were erroneous in the areas of reserve component support, buildable acres and maneuver acres, as well as mechanized maneuver acres. This would have significantly improved Ft. Greely's ranking in this area.

Two of Ft. Greely's impact areas, the Delta Creek and Delta River, are used for year-round live fire exercises with no risk of forest fire. The Yukon Maneuver Area at Ft. Wainwright cannot be used in the summer without significant danger of forest fires, even though they may be surrounded by fire breaks. For the Army, this is a public relations disaster waiting to happen.

In addition, there have been many media articles complaining of noise, air space utilization and environmental contamination on both Ft. Wainwright and Ft. Richardson. Complaints of this sort are rare from the Ft. Greely community as the local populace understands the need for training, testing and support of the Army.





According to range regulations and historical use, the information presented in Attachments 6, 7 and 8 prove that neither Ft. Wainwright nor Ft. Richardson are capable of meeting either the Army's range safety regulations or their own, because they lack the terrain to keep fired munitions and lasers within the confines of the impact areas on the post. This is not true of Ft. Greely which has the capacity to accommodate firings out to 50,000 meters in addition to extensive mobility maneuvers -- mobility trails and other terrain which can be used to adequately maneuver and train as well as test new equipment in a cold regions environment.

Because of the location, existing lines of communication, available facilities, contingency response and mobilization from Ft. Greely can be done as easily as from Ft. Richardson or Ft. Wainwright. Allen Army Airfield has repeatedly been used as a marshalling site for troop deployments. More than 100 units have been deployed to and from Ft. Greely to include air landings by C-5A.

The distance from Ft. Greely to the ice-free, deep-water port in Valdez is only 265 miles. Both Ft. Greely and Ft. Wainwright are 365 miles from Anchorage. The distances from Ft. Greely and Ft. Wainwright to Frankfurt, Germany and Tokyo, Japan, are approximately the same as the distance from here to Los Angeles.





Due to the earth's curvature, the routes from here to the Far East are shorter than those from the west coast. In actuality, the capability to meet any short response contingency can be accomplished as easily from Ft. Greely as from Ft. Wainwright.

The military value of Ft. Greely cannot be overestimated in today's world. Allen Army Airfield is C-5 capable when the soil is frozen. C-141's and C-130's, as well as other major aircraft, also regularly use this air field. The ranges have the highest use and most value of any post in Alaska. The fact that the ranges have been used for everything from live air-to-air weapons firings to a large scale joint Army/Air Force live fire exercises reinforces the importance of Ft. Greely.

Ft. Greely is one of only two army bases, the other being Ft. Bragg, Pope Air Force Base complex, where close air support operations can be held. Previous studies and reviews have stated without exception that Ft. Greely is of incalculable value to the military.

In 1990, a stationing study was done by the Ft. Richardson Director of Resource Management Office which indicated a desire to station an artillery battalion and a maintenance unit at Ft. Greely. Although, we've been unable to obtain a copy of this document, the proposed stationing as put forth at that time would be even more feasible now





than then. This is especially true when considering the inability to fire artillery ammunition at Ft. Wainwright -- or Ft. Richardson -- excuse me. We've also been told the Air Force had plans for Ft. Richardson in the form of a proposed new runway expansion utilizing a portion of that post.

An issue not in the COBRA or other available information is the Air Force training, funding and other requirements for use of Ft. Greely. It is our opinion that all costs, both Army and Air Force, will increase.

Ft. Wainwright and Ft. Richardson have experienced encroachment to the very edge of the impact areas and the post boundaries with the accompanying increase in public relations problems. These problems encompass issues from public complaints of noise, traffic and environmental problems to actual trespass on live impact areas during firings. Complaints from the public may or may not be founded, but they do occur. With the expanding population of Fairbanks and Anchorage, this condition can only deteriorate.

Civilian aviator complaints regarding planned usage of areas have caused changes in training plans at both Ft. Richardson and Ft. Wainwright, a situation that has not happened at Ft. Greely. Range control activities can alleviate only a few of these problems. Range control

supervision cannot be accomplished from long distance, however. And the current plan calls for range control to be done from Ft. Wainwright.

I submit, having been responsible for this activity for two years, that this situation will cause unsafe conditions and possible injury. This will lead to some of the same problems as previously experienced when insufficient range control was exercised.

The only reason that range control was transferred to the 6TH ID was because of insufficient personnel at CRTC to perform all actions required to preclude misuse of ranges.

The occurrence of inappropriate incidents by personnel of the 6TH ID include firing of mortars and artillery at moose and buffalo, firing into areas which were not valid impact areas, destruction of wetlands, damage to facilities and clearing and using lands not a part of the reservation.

The concern is that these incidents will not only occur again, but be magnified with the inadequate range control planned under the realignment.

Ft. Greely has two primary missions which have a significant impact on the readiness of the U.S. Army, both of which are year-round requirements. These missions are testing of equipment in a cold regions environment and





training soldiers and cadre in operations in cold and mountainous environments.

Ft. Greely is the Army's only valid source of expertise in both these areas. There is nowhere else that the testing of equipment can take place to ensure that it will operate in cold regions. The environment required for accurate testing is not consistently available elsewhere as has been proven by many Army studies.

The test expertise and validity of the testing at Ft. Greely has been proven over and over again when tests are attempted elsewhere. The extent of testing done at Ft. Greely can best be comprehended with the knowledge that all the items used by the U.S. Army in the Gulf War were tested by CRTC.

Attachment 9 shows the major systems that were tested here. There are numerous instances of attempts to test at other locations which resulted in inadequate testing because the weather did not meet requirements and in other attempts where expertise was lacking in the test personnel. There are new examples, as well as past ones, of problems of this nature which prove that the expertise and climatic conditions are not available elsewhere.

And it should be noted that cold chamber testing is not a valid alternative to natural environment testing. There has been no other location where expertise can be





developed and retained or where that developed expertise is reinforced by daily contact with the conditions of testing.

It's a fact that expertise has already been lost as a result of downsizing both CRTA and NWTC and it would be further reduced by moving these organizations to Ft. Wainwright. As a point of fact, elements of CRTC were moved to Ft. Wainwright for two years and then moved back to Ft. Greely when range and climatic deficiency occurred. The proposed move makes less sense now than it did then.

Testing at Ft. Wainwright would be limited by terrain, visibility, range availability, traffic, weather, transport and many other factors. Attachments 6, 7 and 8, that I showed you previously, expound more on these problems. The terrain is too hilly for testing of many tank weapons or other direct and indirect fire weapons.

In addition, the safety fans of these weapons as well as indirect fire weapons exceed the boundaries of the area and since the range regulations allow for civilian usage of portions of the Yukon Maneuver Area, further limitations for access to testing will occur.

The concept of SAFARI operations from Ft. Greely simply does not make sense. The quarters at Ft. Greely will be closed and declared excess while requiring construction of more quarters at Ft. Wainwright. The Army will incur costs in the form of TDY pay and families will be separated





by having to train and test at Ft. Greely. This will cause logistics problems, delays in testing and creates an additional burden on the soldiers and civilians who have that mission to accomplish.

Keep in mind that the road from Ft. Wainwright to Ft. Greely is 105 miles of ice, ice fog, extreme temperatures, frost heaves and traffic. Bridge limitations and road limits during break-up will require contracting for movements and will incur higher costs.

The Aviation Detachment at Ft. Greely has demonstrated exceptional expertise as evidenced by their 30-year safety record. This expertise will be lost because of training, daily contact with the conditions and close coordination with the supporting organizations cannot be maintained from long distance. These problems will be encountered not only during the winter, but will be experienced year-round.

Attachment 10 shows you some of the examples of summer testing that's done here. The MAST service, Military Assistance to State Troopers, is to be moved, as well. This is the only medical evacuation in an area larger than the state of West Virginia. The value of this service and its medical aid was substantiated when two tour buses with severe casualties had accidents in remote parts of this area.

The SAFE AIR Feasibility Test will be conducted on Ft. Greely during August of 1995. This test was previously held in the lower 48, but was moved to Ft. Greely for one reason and one reason alone. It could not be done anywhere else. This live fire test could not be executed on any Air Force base or at White Sands Missile Range because of range constraints or, for that fact, any other place but Ft. Greely.

This feasibility test will show potential foreign military sales customers the value of upgraded air defense systems against a variety of actual targets utilizing National Guard and Marine Corps' assets to demonstrate capabilities against fixed-wing aircraft at short and medium range, rotary-wing aircraft, cruise missiles, unmanned aerial vehicles and ballistic missiles. This test clearly illustrates Ft. Greely's unique capabilities.

These facts clearly show that the military value of Ft. Greely is significant. And it's one-of-a-kind capabilities simply should not be forfeited.

The cost comparisons at Attachment 11 have been made. Included in Attachment 11 are the construction costs; have been made between the COBRA study and figures which have been developed by the Delta/Ft. Greely Community Coalition; specifically, members who have worked with those figures for many years.





A comparison of cost savings through the year 2001 show a total savings from the COBRA study of $42,974,000. However, only $13,230,000 was included as construction costs. The actual construction cost as provided to Senator Stevens was 48,800,000 and if just this figure alone was inserted into the COBRA study, the savings would be negligible.

When the figures were reviewed, several errors in methods or raw data were noted. With all the discrepancies corrected, this action would actually cost the Army $5,825,000 for that same period.

Likewise, when the savings in the outyears is studied, the mission cost of SAFARI operations is actually $1,649,000; not the $1,123,000 as listed in the COBRA study.

The return on this investment will take approximately seven years. When all figures were corrected and compared, the COBRA study indicates that $18,976,000 be saved every year. The actual savings from 2002 on, or thereabouts, is $8,937,000. And it is insignificant for the benefit that you get from Ft. Greely.

The figures and corrections to the COBRA study were based on the Director of Resource Management statistical data as of 30 September, which compares the cost of all three Alaska bases. And there is a study, Warmbase Ft. Greely and move of CRTA and NWTC cost comparison, which





has been compiled by the USARAK and which can also be seen there at Attachment 12. These all verified the coalition figures.

The cost of clean-up or other environmental restoration are not covered in this discussion. The cost indicates that Ft. Greely is a bargain by anybody's judgment and, again, this facility simply should not be lost.

There have already been military cutbacks at Ft. Greely with Cold Regions Test Center being reduced by 95 percent of its military personnel and Northern Warfare Training Center by about 59 percent of its personnel.

The COBRA study states that the census area of Southeast Fairbanks is the Delta/Ft. Greely impacted area. There is the map at Attachment 13. This entire area is 25,995 square miles or, as a comparison, larger than Rhode Island, Connecticut, New Hampshire and Vermont combined.

The actual impacted area, however, is a 30-mile radius around Delta Junction. That's the circle. Or 2,826 square miles which is an area only about twice the size of Rhode Island.

The COBRA study also used the entire population of the Southeast Fairbanks census area as the population for impacted area in arriving at their 36.3 job loss figure.

According to the Alaska state demographer, the





Delta/Ft. Greely area population is 3,988. The job loss figure provided by COBRA is ambiguous. However, when using their figures, but using actual population, the job loss in the Delta/Ft. Greely area is 70.5 percent of the total employment. However, assuming that the numbers that were developed by the Coalition are correct, that figure is actually 82.6 percent.

An article from the March 27, 1995 issue of the Alaska Journal of Commerce is at Attachment 14. It states that Fairbanks has no available housing. To aggravate that situation, there are two new industries beginning business in Fairbanks in summer. This will add to the already acknowledged burden on the housing market. And this plan would add CRTA, NWTC and the Aviation Detachment to that problem.

In summary, the Coalition would offer the following points of clarification. The training and testing missions accomplished without interruption for the past 46 years at Ft. Greely cannot be done elsewhere, either in the lower 48 or in Alaska, with equal efficiency when the ingredients of cost, climate, terrain, remoteness, people expertise and public acceptance are considered.

DA, DOD and hence the BRAC Commission, have been given erroneous information concerning the true capability and limitations of Ft. Richardson and Ft. Wainwright versus

Ft. Greely.

Only Ft. Greely has a real live fire joint U.S. Air Force/U.S. Army use capability. This realignment action is short-sighted with little or no future vision. We are concerned not only for the vitality of the Delta/Greely area but also the military presence in Alaska due to the future inability to effectively serve the military's agenda and mission.

As has been demonstrated with facts and figures, the Army's needs for Ft. Greely as a testing and training site is critical. There will be no cost savings should Ft. Greely be realigned and Ft. Greely is a bargain by anybody's judgment. The environmental concerns have scarcely been addressed. The Delta/Greely community in its entirety will be grievously crippled should this alignment occur.

Based on this information, the following requests are provided to the BRAC Commission for consideration.

One, remove Ft. Greely from the list and, if possible, prevent future drawdown without approval.

Two, if the decision is made to keep Ft. Greely on the BRAC list, establish a slow track to give our community time to develop an economic recovery plan.

Three, if the BRAC Commission's final decision is to realign Ft. Greely, we request the Commission provide for





the greatest amount of joint utilization of Ft. Greely by the Delta/Greely Community Coalition, for economic recovery.

I want to thank you for this opportunity to present our case and now Cleeta Barger, President of the Delta/Greely Community Coalition, will present our closing statement.

(Applause.)

MS. BARGER: Boy, that's going to be a hard act to follow.

Commissioner Cornella, Commissioner Cox, as president of the Delta/Greely Community Coalition, I would like to express our heartfelt appreciation for the personal commitment you each have made to the mission of the BRAC Committee.

In closing, I leave you with the following comments. Our executive summary has provided you with verifiable evidence of the highest possible quality of historical data, testing and training achievement. It provides verifiable documentation proving the lack of credibility of the data developed for your consumption.

The current recommendation lacks any future vision for the military presence in Alaska and to maintain our national military posture. Our military forces face potential conflicts in Korea, Bosnia, North Europe, as well as other areas and we are preparing to sacrifice that





training.

The material proves without a doubt the fallacy of the claim of economic savings within the official BRAC criteria. Specifically, the savings predicted by COBRA will take seven years rather than the required five.

The power projects for deployment, quality test and training results and Alaska mission accommodations, alone, demonstrates a value well beyond the current and projected cost.

The local impact data provided, economic as well as social, demonstrate a much higher cost than data from COBRA. For example, 48 percent of the students currently enrolled in school will be gone from our community. Fifty-two percent of the professional and support staff employed at our school district will be thrust into the ranks of the unemployed. The regional and state brain drain will be disastrous.

In closing, Commissioners Cornella and Cox, I leave you with one critical issue. Please direct your staff to scrutinize very closely the 1995 TABS report and the 1993 TABS report as you compare the two. Ask yourself how Ft. Greely could possibly have lost a minimum of a hundred and eighty-five points in such a short period of time.

The category of maneuver versus training base is questionable because of the extensive testing and maneuvers





at Ft. Greely. I ask you, did a huge amount of land mass that had been available for mechanized maneuvers simply disappear? Did 66 percent of the buildable acres that were rated in the 1993 report, but ignored in the 1995 report, simply vanish?

Mr. Chairperson, the information that the Coalition has presented to you confirms, in our opinion, the fact that through realignment, the proper utilization of the training and testing ranges will, in effect, be lost.

Commissioners, these are but two very minor discrepancies that support our contention that the recommendation is based on unacceptable data and that, in our opinion, Ft. Greely should be removed from the 1995 BRAC list.

Please keep in mind that members of our Coalition are prepared and willing to clarify anything presented here today at your convenience.

Thank you for your attention and especially thank you for coming to our part of the world.

(Applause.)

COMMISSIONER CORNELLA: I would like to thank the distinguished panel for their presentations and I would also want to assure the panel and all of the citizens here today that these issues will be addressed. We will check into the figures that have been submitted. We do have the COBRA team

on our staff that will check all these figures and numbers to make sure that they are accurate and they will be taken into consideration during our final deliberations.

We are now ready to begin a period set aside for public comment. Our intent is to try to insure that all the opinions on the recommendations of the Secretary of Defense regarding this community are heard.

We have assigned 30 minutes for this comment. We have asked any persons wishing to speak to sign up before the hearing began and we have asked that you limit your comments to two minutes and we will keep track of that time. As I indicated earlier, if that time is not adequate, we would ask any further information be given in written form.

If all of those who signed up to speak would please rise and raise your right hands, I will administer the oath. Would all those wishing to speak, please stand.

(The witnesses were duly sworn.)

COMMISSIONER CORNELLA: Mary Ellen Lucas. As I call your name, if you'd approach the microphone, please.

MS. LUCAS: Thank you, Commissioners, for coming to Delta Junction and hearing our testimony. I've been a resident of Delta Junction employed by the Cold Regions Test Activity for 20 years and I can only reiterate what has been said earlier by the Governor, Ray Woodruff and Cleeta Barger about the value of Ft. Greely.





We must ask ourselves again what is in the best interest of the Army, not only meeting its current training needs but any future needs that it may have, the potential here at Ft. Greely to even grow and expand to meet those needs. No other base in Alaska has that ability.

As has been said before, we have the ranges, the air space, the air strips, the assault strips, to conduct all the necessary activities to provide a very capable and efficient Army.

Again, is it prudent to shuttle our troops and equipment back and forth from either Richardson or Wainwright over the highways at an increased cost to training when we've got that barracks space, the housing here, to keep the troops here, when they can have access readily to all that is here at Ft. Greely.

Again, I ask you to favorably look upon Ft. Greely and remove it from the list. Thank you.

(Applause.)

MR. BARGER: Commissioner Cornella, Commissioner Cox, my name is Jerold Barger. I'm the Technical Director, Cold Regions Test Activity, Ft. Greely.

I wanted to make a statement regarding the subdirectives of the DOD BRAC recommendation that Northern Warfare Training Center would retain the Black Rapids Training Site and Cold Regions Test Activity would retain





the Bolio Lake Test Site, but both activities would relocate to Ft. Wainwright.

Each facility, which you visited this morning, will be retained as an essential billeting and building space necessary to conduct required operations. Each facility is worth in excess of six million dollars. It has been very recently constructed. I think that it is prudent so to keep those facilities.

Relocation to Ft. Wainwright takes the NWTC cadre an additional hundred miles from their base of operations at Black Rapids. Likewise, relocation of Cold Regions Test Activity to Ft. Wainwright takes us the whole hundred miles, not just in addition.

NWTC currently occupies two buildings on Ft. Greely. Cold Regions Test Center currently occupies nine buildings and part of another. Cold regions is undergoing the significant drawdown which will occur finally in 1998 and will occupy at that point approximately four buildings on Ft. Greely.

The current direction will be -- would lead to up to $12,700,000 new construction essential to support the heavy equipment shops and test support areas for CRTA.

In addition, it's estimated an annual requirement for $1,600,000 in TDY and travel costs will be required for operation from Ft. Wainwright with much of the testing





conducted at Bolio Lake and the rest of Ft. Greely. Costs --

(End bell rung.)

MR. BARGER: Is that the ding? Thanks. I have it ready. Who do I give it to?

(Applause.)

COMMISSIONER CORNELLA: Colonel Tom McBride.

COL. McBRIDE: I'm Thomas McBride. I'm U.S. Army retired, former Detachment Commander and Assistant Commandant in the Northern Warfare Training Center, former Deputy Post Commander, former Chief of Logistics and, eventually, the Executive Officer of CRTC.

I was here when the nuclear plant began to shut down and I was here when the C-5A landed at Greely, not in the dead of winter, but in October and offloaded the XM-1 tank which we were testing.

I thought about what has been mentioned about possible downsizing of Ft. Greely over the past few weeks. Finally, decided I had to say something as a military man who has not a job at Ft. Greely nor a business downtown, who is simply retired.

You've evaluated the military posts that are available in Alaska. How anybody in their right military mind can suggest that Ft. Greely be the one that be selected for downsizing and foreclosure is unthinkable to me.

I trust that in the coming days you all will leave no stone, no stone, unturned to find the truth and the actual facts in this matter and make a decision that would make those of us who served for over 30 years in the U.S. military proud of that decision and with the knowledge that it is the one that will best help our country and the military. Thank you.

(Applause.)

MS. NELSON-LIZARDI: My name is Jackie Nelson-Lizardi and I am the President of the Educational Support Personnel Association. We are the non-certificated employees of the Delta/Greely School District with an average of 10 to 15 years invested in this district and this community. The threat of this realignment alone has already cost us hours and jobs and if it becomes a reality, most of us will be unemployed and uprooted if we are to survive.

I wrote Honorable Alan J. Dixon of your Commission in March requesting that you not make a final decision until after you came to our community and allowed us an active role in the process. I would like to thank you for coming and giving us this forum.

Since its establishment here in 1942, Ft. Greely has become an integral and life-giving part of this community. The topography, some of which you experienced during your trip here, especially if you drove, unique climate,





demographics and the unparalleled distances between communities have all played a significant role in the tremendous interdependency of this military and non-military community. Because the relationship has existed for so long in this manner, we have become reciprocal life-sustaining parts of the same body.

You have already heard the importance of Ft. Greely to the survival of Delta Junction. Perhaps we need to also explain how the quality of life that this community offers the military is as rare as a rose in December. The values and strong sense of community permeate every fiber of the children's lives and are not discarded when they leave the security of their homes. The quality education, the opportunity for these children to grow and develop in an atmosphere virtually free of fear, gangs, violence, drugs and pollution is not something that should easily be cast aside as though it had no worth. What would you give to offer such an environment to your children, to your grandchildren? The media does not represent that such is the norm. Far from it are the cries of children and their anguished families across the globe. This is what Ft. Greely's children would have to sacrifice.

(End bell rung.)

(Applause.)

MR. CLANCY: My name is Jerry Clancy. I work for





the Ft. Delta/Greely School District. Thank you for your time.

I understand the need for downsizing in the military and also agree with the Department of Defense guidelines to close a post. I disagree with the Army misrepresentation of Ft. Greely as well as the smoke screen that everyone is hiding behind. General Needham, Governor Knowles, Ted Stevens, our congressmen and representatives, all say they knew nothing about how this decision was made. They also acknowledge it wasn't a good decision, so how did this happen?

Today, you heard the real facts, both current and historical; some provided by former commanders of Ft. Greely. In each category, training and research, cost savings and local impact, it should be clear that we do not meet the DOD guidelines for realignment.

I believe this post is more strategically useful now than ever before. You've heard already about North Korea, China and the former Soviet Union. Where else in the world can you fire Patriot missiles, maneuver armor brigades, fire heavy artillery and chemical munitions, mortar, fly low, fast and bomb without an environmental and public relations nightmare.

As reported today, arctic research and field testing was tried before in Fairbanks. It just didn't work. We





have the grounds. Anchorage and Fairbanks do not.

So, why is the military now planning to build more housing, offices and storage elsewhere and rehire a bunch of the same personnel, when we already have it? I think it's a creature comfort issue. The state command simply wants to live in downtown Anchorage and then drive to work here at Ft. Greely.

One hundred percent of Delta is impacted. We already can't sell our houses for half of our purchase prices. Services will cost more. Most of us will be out of work and have to move our families. This community, little community, 100 miles from nowhere, has worked hard and with the Army. Now, the Army feels no obligation to Delta. I hope you disagree.

(Applause.)

MR. LUCAS: Under the rules governing the BRAC --

COMMISSIONER CORNELLA: Your name, please?

MR. LUCAS: My name is Daniel Lucas.

Under the rules governing the BRAC, you have the power to add to, subtract from or otherwise modify the list given to you by the DOD.

In the case of Ft. Greely, I would urge you to modify or subtract Ft. Greely off this list. Consider all the points of the community, the Chamber of Commerce and it has given you, but also consider this.

Our nation's Army are being depleted to the point where only the superior weapons and highly trained individuals will be our only advantage. We're grossly outnumbered in a lot of world countries. With this in mind, consider the potential of Ft. Greely to play the role in accomplishing this mission.

We have a unique test facility in existence here. We test all types of systems; Army, Navy, Air Force, Marines and even British and Canadian weapons' systems. There's also the cold weather environment has produced major modifications to the equipment that was needed in any theater of operations. This included Desert Storm.

For training, Ft. Greely has in excess of 630,000 acres of land not fenced in by any population density such as found at any other posts on the west coast or, for that matter, the entire United States.

Joint operations for National Guard, Army and Air Force can easily be conducted here due to the unrestricted air space and operational mobility of this area. The assault strips have been established. Special vehicles for transportation have been tested and accepted. All types of terrain exist. Ft. Greely has it all.

I would ask that you would read the letter that I have sent to the base for details on how to build up this support so that this area would be more advantageous to the





government. By building corps activity here, we would not only infuse the economy but also infuse the Army.

I would like to take this time to thank you for coming.

(End bell rung.)

MR. LUCAS: I would like to tell you that Alaska needs the Army and the Army needs us. Thank you.

(Applause.)

MR. WAGER: Hello. My name is Sam Wager. I'm a career civil servant. I've been to Guam. I've been to Alaska and I have to say this is one of the most unique places I've worked and seen the spirit of cooperation.

I have here in my hand and I'm not going to read all these. This is a petition signed by the residents, neighbors and friends here in the community.

It says, Ft. Greely is the main source of employment in the Delta Junction area and we, the undersigned, do not want to see its realignment, downsizing, or closure. Ft. Greely provides jobs for more residents within a hundred square mile area than any other employer. The effect of this reduction, what it would have on Delta area is devastating. This petition is an objection to any action of realignment, downsizing, or closure of Ft. Greely, of the Army post here. Thank you.

(Applause.)





MS. COREY: My name is Carol Corey and I work for the Cold Regions Test Activity. CRTA belongs at Ft. Greely where we have the capabilities to do the excellent testing we have done in the past and will continue to do in the future.

What is the cost effectiveness of moving CRTA to Wainwright when we have the ranges and the facilities sufficient for testing at Ft. Greely. Moving CRTA to Wainwright would diminish our testing and increase the cost to our customers.

Because of the rising costs for research and development in a decreased defense budget, CRTA could go away completely and the Department of Defense would be left without a reliable source of cold weather testing.

Keep CRTA at Ft. Greely and keep Ft. Greely open. Thank you.

(Applause.)

MR. OLIVER: My name is Gerald Oliver. Thank you for coming. Realigning Ft. Greely is not good for the military and it's not good for the Army, but it is good for Ft. Richardson.

There are two purposes for an Army; fight a war or practice to fight a war. Ft. Greely has the ranges, support buildings and housing to train and test to keep the Army and the military fit and ready.





The Air Force, the Navy and the Marines and some foreign countries have performed tests here. General Dynamics Corporation spent two winters testing the M-1 and A-1 tank. The Navy seals, West Point cadets and the Alaska National Guard have trained here.

At Ft. Richardson, they can't train and they can't test. They have no military mission, but they do have a golf course and all the power.

(Applause.)

MR. OLIVER: An article from the Alaska Post, April 7, 1995, which is a weekly newspaper for and about United States Army Alaska. Ft. Richardson, "as draw down continues and the military trims its forces, the number of excess buildings increases while the amount of soldiers who make use of them decreases. However, in the civilian community, the situation is quite the opposite.

A joint venture was recently proposed in which Ft. Richardson and the Anchorage community would come together to help solve both dilemmas. Through the proposal, the leasing contract is currently being developed in which the Army Confinement Facility here will be used by the state in an effort to keep ease -- to help ease overcrowding in the city's detention facilities."

This goes along with General Needham's briefing of January the 20, 1995, at Ft. Greely's theater.

He said that Ft. Richardson is 50 percent empty. The Air Force is moving into the family housing. The Air Force is using and maintaining the runway. The fire department and commissary are joint Army/Air Force activities. The Alaska National Guard is taking over many of the buildings and the Justice Department has a building, so why is Ft. Greely on the list and not Ft. Richardson? The numbers to the Pentagon come from Ft. Rich.

(End bell rung.)

COMMISSIONER CORNELLA: If you would like to submit the rest of your notes, Mr. Oliver, we will be glad to put them into the record.

(Applause.)

MR. RAWALT: Good afternoon. My name is Mike Rawalt. I'm a retired Army lieutenant colonel having spent three tours at Cold Regions Test --

(Audience requested he speak louder.)

MR. RAWALT: I'm -- my name is Mike Rawalt and I'm a retired lieutenant colonel having spent three tours in Cold Regions Test Center here at Ft. Greely before my retirement and a resident of Delta Junction.

First, I'd like to thank you for coming today, allowing us to present our comments and I'd like to thank the Commission for all their efforts on our behalf. My comments will be brief.





Any community going through a realignment or closure is going to be impacted severely. I would wonder, however, how many are going through a realignment or closure that 80 percent or so of the jobs are affected because of it. That would be a good question to ask.

Any military force is only as effective as its training, realistic training. Take artillery battery, for example. They can go through the motions and say bang, but until they actually go down range and maneuver and shoot, they won't be very sharp as a fighting unit. Ft. Greely has that training area and more as you've heard today.

I encourage you to take a close and a fair look at the information you've been provided, compare it to the former information you were provided. I know that you will find retaining Ft. Greely and possibly increasing the strength at Ft. Greely is the only obvious conclusion that you may draw. Thank you again for your time.

(Applause.)

MR. SCHLICHTING: My name is Pat Schlichting. Thank you for meeting here at Delta Junction. With Washington, D.C. so far away and Juneau, our state capital, being so remote, it's a luxury to have the process come to us.

I'm interested in the BRAC process for obvious reasons. I live here in Delta. I work on Ft. Greely. My





wife works on Ft. Greely. Since the announcement February 28th, a hundred percent of the community has been impacted in some way. I'm hoping that all the facts will be carefully reviewed as I've been assured.

I've ran through all the scenarios of what might become -- what might happen at Ft. Greely and the Delta area. It's hard to imagine. It's hard to prepare. I realize that the military's purpose was not to create jobs but to serve the country in times of conflict and crisis.

This being said, if there is still a need for a military force, please consider the facts presented by the Community Coalition. And if it is necessary to downsize to the point of eliminating post activities, please consider in such a way that our area can utilize the facilities to the greatest extent.

Thank you for letting us speak.

(Applause.)

MR. LASSEK: Hello, my name is Tom Lassek. Am I the only nervous one here? Doesn't anybody else get nervous?

COMMISSIONER CORNELLA: I am.

MR. LASSEK: Speaking of the citizens, it is my understanding that the BRAC process identifies property and facilities no longer considered essential for the defense of our country to realign the bureaucracy making the best of existing government, property, personnel and to save money.





To that end, the realignment of Ft. Greely simply does not satisfy these basic requirements as I see it. When considering the state as a whole, it has to say what installation the United States Army, Alaska and three posts, Ft. Richardson, Ft. Wainwright and Ft. Greely.

It remains my belief that the realignment of Ft. Greely is simply a preplanned expeditious bureaucratic substitute in satisfying an unwelcome mandate. It simply does not reflect the true will of the people nor does it comply with the spirit and intent of the BRAC. Why?

I ask you simply to consider the logic of the situation, set aside your notes for a moment and simply consider what I have to say.

From this point, apparently 100 miles out, making a complete circle coming right back here, if everyone within that circle voted no to the reelection of someone that was important, those people would still be elected by a landslide. We're a rural community. We don't have representation where it counts. We're wide spread. We don't have an economic base. We don't have the votes. We don't have the money to spend. We don't have the money to hire special interest groups or lobby in Washington and elsewhere. Again, we're rural. We don't have the money.

In 1991, Ft. Richardson was recommended for closure by the Department of Defense. It was taken right off. In

1993, Ft. Richardson was again recommended for closure by the Department of Defense. Logic. Taken right off. This is 1995. Ft. Greely is being realigned, theoretically. Here we are.

I simply ask you to consider the logic of the situation and see if it complies philosophically with the intent of the BRAC, what it means.

(End bell rung.)

MR. LASSEK: I see no logic.

(Applause.)

MS. PRESTON: I'm Jerilyn Preston. You've heard all the facts and figures. I would just like to tell you a personal story; one of hundreds in this room.

There have been five generations of my family in this town. We came here about 43 years ago. My dad and my grandparents homesteaded. We had no electricity, no water, not even a road. It was just a trail. My dad retired after 28 years at Ft. Greely. I now have 21 years at Ft. Greely. I have a brother buried in this community. I have a grandmother buried in this community.

I think you also need to look at the community. It's not going to effect 82 percent. It's not going to effect 33 percent. It's going to effect a hundred percent.

Being the manager of a recreational facility, I see people every day -- it's an open post -- that have no





affiliation with Ft. Greely whatsoever use my facility.

If you do this, you will be affecting all of the people sitting in that audience. You will affect everyone in this room.

(Applause.)

COMMISSIONER CORNELIA: Thanks for your testimony and I would encourage anyone in the audience that would like to submit testimony, written testimony; it does not have to be formal, it can be handwritten and all it has to really say is how you feel. If you would do that, we would provide the address to Cleeta Barger. Maybe you have that address and you could provide it to anyone who might seek that.

To give you some idea of what happens after today, as was said earlier, this is one of the regional hearings that we conduct and, typically, the regional hearings is usually held far away from the community. Sometimes up to 400 miles away.

In the case of Alaska, it was given time for Adak and the Aleutians and for Ft. Greely and through the Governor's office and the other officials, all that time was given Ft. Greely and we're appreciative of that. We're appreciative that we could be here today and hear the testimony that's been given.

There will be a hearing in San Francisco, Friday. Alaska will again be given time at that hearing. The final





deliberations on this matter will not take place until the last two weeks of June and we will accept any input testimony. Any information you might arrive at in the future, we will accept that all the way up until those final deliberations.

With that, we have now concluded this hearing of the Defense Base Closure and Realignment Commission. I want to thank all of the witnesses who testified. You have brought up some very valuable information which I assure you and I have said that and I assure you again, will be given careful consideration by the Commission members as we reach our decisions.

I also want to thank all the elected officials and community members who have assisted us during our base visits and in preparation for this hearing.

Finally, I would like to say thank you to the citizens of the communities represented here today for the support of the members of our armed forces for so many years making us feel welcome and valued in your community.

My fellow commissioners and I know that we have a very difficult task ahead of us. Seeing the installations and hearing from the community enables us to gain the most information we possibly can before we have to make the decisions that effect so many all over the United States. The assistance we've received from the people of Alaska and





the men and women who serve here is greatly appreciated.

As a reminder, Alaska has an additional 20 minutes for testimony at the San Francisco Regional Hearing this Friday, April 28th.

We are adjourned. Thank you.

(Proceedings adjourned 2:30 p.m., April 24, 1995.)

REPORTER'S CERTIFICATE

I, VALERIE A. HANCE, RPR, hereby certify:

That I am a Registered Professional Reporter for Midnight Sun Court Reporters and Notary Public for the State of Alaska; that the foregoing proceedings were written by me in computerized machine shorthand and thereafter transcribed under my direction; that the transcript constitutes a full, true and correct record of said proceedings taken on the date and time indicated therein; Further, that I am a disinterested person to said action.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed my official seal this ____ day of _____, 1995.

VALERIE A. HANCE
Registered Professional Reporter

My Commission Expires: September 22, 1998

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DEFENSE BASE CLOSURE

AND REALIGNMENT

COMMISSION

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SAN FRANCISCO, CALIFORNIA, REGIONAL HEARING

FRIDAY, APRIL 28, 1995

1:00 P.M.

WESTIN HOTEL

1 Old Bayshore Highway

Millbrae, CA 94030

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Reported By: FRANCINE R. DAIS, C.S.R. #8855

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DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

FRIDAY, APRIL 28, 1995

CHAIRMAN ALAN DIXON

Commissioner Al Cornella

Commissioner Rebecca Cox

Commissioner Ben Montoya

Commissioner Wendi Steele



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CHAIRMAN DIXON: Good afternoon, ladies and gentlemen, and welcome to this Regional Hearing of the Defense Base Closure and Realignment Commission.

My name is Alan Dixon. I'm chairman of the commission charged with the task of evaluating the recommendations of the Secretary of Defense regarding the closure and realignment of military installations in the United States.

Also here with us today are my colleagues, Commissioner Al Cornella, shortly Commissioner Rebecca Cox will arrive, Commissioner Ben Montoya, and Commissioner Wendi Steele.

First, let me thank all the military and civilian personnel who have assisted us so capably during our visits to the many bases represented at this hearing.

We've spent many days looking at the installations that are on the Secretary's list and asking questions that will help us make our decisions. The cooperation we've received has been exemplary, and we thank you very much.

The main purpose of the base visits we've conducted is to allow us to see the installation firsthand and to address with military personnel the all-important question of the military value of the



base.

In addition to the base visits, the commission is conducting a total of 11 regional hearings of which today's is the 9th. The main purpose of the regional hearings is to give members of the communities affected by these closure recommendations a chance to express their views. We consider this interaction with the community to be one of the most important and valuable parts of our review of the Secretary's recommendations.

Let me assure you that all of our commissioners and staff are well aware of the huge implications of base closure on local communities. We are committed to openness in this process, and we are committed to fairness. All the material we gather, all the information we get from the Department of Defense, all of our correspondence is open to the public.

We're faced with an unpleasant and a painful task, which we intend to carry out as sensitively as we can. Again, the kind of assistance we've received here is very greatly appreciated.

Now, let me tell you how we will proceed here today, and in all of our regional hearings. The commission has assigned a block of time to each state



affected by the base closure list. The overall amount of time was determined by the number of installations on the list and the amount of job loss. The time limits will be enforced strictly.

We notified the appropriate elected officials of this procedure, and we left it up to them working with the local communities to determine how to fill the block of time.

This afternoon, it's our intention to listen to testimony from the great State of California for a total of 275 minutes.

And at the end of the California presentation, we've set aside a period of 30 minutes for public comment, at which members of the California public may speak. We've provided a sign-up sheet for this portion of the hearing and hope that anyone who wishes to speak has already signed up.

We would ask that those of you speaking at that time to please limit yourself to 2 minutes.

After the public comment, at what should be about 6:50 p.m. we will hear a 30-minute presentation from Guam, followed by a 20-minute presentation from the State of Alaska. Those presentations will conclude these hearings.

Let me also say that the Base Closure Law has

been amended since 1993 to require that anyone giving testimony before the commission must do so under oath. And so I'll be swearing in witnesses, and that will include individuals who speak in the public comment portion of the hearing.

With that, I believe we are ready to begin.

-- oOo --



CHAIRMAN DIXON: And I'm constrained to ask you fine folks to raise and -- rise and raise your right hand, please. Senators and Mr. Grissom, if you will please.

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?

SPEAKERS: I do.

CHAIRMAN DIXON: Thank you very much. And, Mr. Grissom, I believe my schedule shows that you are to go first. Mr. Lee Grissom, Director of Planning and Research for the Governor's Office.

MR. GRISSOM: Thank you, Mr. Chairman, Members of the Commission. Welcome to California. And thank you for coming to see firsthand the military bases under consideration for closure and realignment in this state. Governor Wilson is sorry that he couldn't join you today. Those of you that saw him in Long Beach yesterday will recall that his voice is still recovering from minor throat surgery. So he would not be able to present testimony.

But, Mr. Chairman, in particular he asked me to extend to you his greetings. He remembers you as a colleague, and a close colleague, during the years



1. CALIFORNIA


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in the U.S. Senate.

I'm honored to speak on behalf of California today.

Having served for 8 years on the Senate Armed Services Committee, Governor Wilson shares your deep commitment to a strong, but frugal, national defense. He supported the enabling legislation as a member of the United States Senate that set up the commission, and he continues to share its goals.

But we do have serious concerns about the cumulative effect that base closing is having upon both California's economy and upon America's national security. Michael Boscan, who's a professor at the University of Stanford just down the road, has written recently that except for reunified Germany, California is the one parcel west of the former Iron Curtain most affected by the end of the cold war.

That affect has been in a number of different ways. Certainly as the arsenal for America in wars both hot and cold, it was seen in the development of the aerospace and weapon systems.

In 1988 we had 378 thousand people involved in those 2 sectors of our economy. When 1994 ended, we were barely able to find 180 thousand that were still involved. Most of those losses occurred in the

1 southern parts of the state, and the total multiplier
2 is about 520 thousand jobs, most of which occurred
3 since 1990.
4 But what I want to -- now, I'm sure that you
5 receive that kind of testimony from many governors in
6 the states that you visit. But, believe me,
7 Californians know how difficulty the task is that's
8 before you.
9 Today I would like to convey to you that the
10 pain that has been inflicted upon California by the
11 first 4 rounds of base closing isn't just greater
12 than in any of the other states, it's of an entirely
13 different order of magnitude. To understand how bad
14 it is, consider the conventional wisdom that
15 California was spared in the latest round of
16 recommended base closures.
17 That's true. Job losses aren't nearly as
18 large as they were in previous rounds. But when you
19 total the jobs lost from this round of
20 recommendations, which includes both the bases newly
21 recommended for closure, plus recommended adjustments
22 to previous decisions, California loses more jobs
23 than any other state in the nation, even more than
24 Texas, which was widely assumed to be the hardest
25 hit. That makes this the fourth round of base



1 closings in which California has been the Number 1 in
2 the nation in job losses.
3 If base closings have had an economic riptide
4 on other states, it has created a synonymy in
5 California. 4 times our fair share.
6 In 1991 California had only 15 percent of the
7 nation's defense personnel. When cumulative jobs
8 losses from the first 4 rounds were totaled, if
9 current DOD recommendations are in fact accepted,
10 approximately 60 percent of all the military and
11 civilian personnel reductions in the nation will have
12 been absorbed by California.
13 An extensive analysis of the job loss provided
14 in the red covered books that we have distributed to
15 you shows an estimated cumulative job loss of about
16 215 thousand California jobs and 7 billion 250
17 million dollars in economic impact.
18 That's equivalent to wiping out more than half
19 the jobs in the City of San Francisco. It's not that
20 Californians aren't willing to do our part as we
21 restructure our military and move into a new era.
22 We've answered the call before, and I can assure you
23 that we will answer that call again.
24 We only ask that you understand how deep the
25 job loss is that we've already absorbed as you



1 consider this latest realignment.
2 I also want you to understand that the
3 economic impact of bases being closed in California
4 has been exacerbated by the delay and the expense of
5 converting bases to new uses once they're targeted
6 for closure. I'm sure you understand how eager we
7 are to get those closed bases back into productive
8 use.
9 That's why Governor Wilson established the
10 California Military Base Reuse Task Force, which was
11 chaired by Susan Golding, the Mayor of San Diego, to
12 identify obstacles and to recommend remedies to
13 conversion.
14 We have made progress, eliminating both
15 federal and state regulatory barriers to the rapid
16 conversion, and we have in fact implemented over
17 60 percent of that task force's far reaching
18 recommendations. Among these was the enactment last
19 year of a historic reform to the McKinney Homeless
20 Assistance Act as it applies to military bases.
21 Nonetheless, the base reuse process continues
22 to be overly contentious, to take too long, and to
23 jeopardize valuable reuse opportunities.
24 And the federal government continues to fall
25 short in its responsibility to clean up years of



1 toxic waste on military bases.
2 Until it meets that responsibility, the
3 governor believes that the federal government should
4 refrain from closing any additional bases in
5 California.
6 That said, for this commission, the economic
7 consequences of base closings are secondary to the
8 military consequences, and that's exactly as it
9 should be. So I'd like to spend a moment on the
10 military consequences of California's base closings.
11 Few dispute the growing importance of the
12 Pacific Rim to America's economic and security
13 interests.
14 By the year 2,000, Pacific trade is predicted
15 to be double the volume of Atlantic trade, and more
16 ominously, the world's 7 -- 7 largest armies all are
17 on the Pacific Rim. Yet closing 22 military
18 installations in California contributes to a
19 dangerous perception of U.S. disengagement from Asia.
20 Even U.S. allies are now questioning our nation's
21 ability to project needed force into the Pacific.
22 These disturbing trends can only encourage
23 growing Asian nations to accelerate the ongoing
24 Pacific arms race.
25 For 50 years, credible American military

1 presence in the region has been the guarantor of the
2 Pacific economic miracle, which has benefited every
3 consumer and worker in America. Now the rush to
4 downsize our military jeopardizes America's
5 leadership role in the Pacific.
6 I don't mean to question the Pentagon's
7 military judgment. Our concern is that the Pentagon
8 is being forced to make decisions that put security
9 considerations second to budget considerations.
10 They're being asked to meet dangerously low
11 budget targets set by the White House seeking the
12 path of least resistance in a deficit reduction. The
13 recent independent review of U.S. military readiness,
14 conducted by four distinguished, retired senior
15 officers at the request of Senator John McCain
16 reached disturbing conclusions about our nation's
17 ability to project military force.
18 It found that current force projections are
19 insufficient to meet the stated objective of fighting
20 and winning 2 nearly simultaneous regional conflicts.
21 And earlier this year, the general accounting
22 office found that the Pentagon's 5-year defense
23 program was underfunded by tens of billions of
24 dollars.
25 Now, I know that it's not your job to set



1 national defense policy or change the factors that
2 establish force structure, but certainly in reaching
3 your decisions you must acknowledge the shortcomings
4 exposed by this report. If they are validated by the
5 Defense Department's Roles and Missions studies due
6 next month, the question we will then be asking is
7 have we just closed the bases needed to support vital
8 military assets?
9 For example, consider the recommendation to
10 extensively realign Onizuka. The Air Force contends
11 that it has one more satellite control installation
12 than it needs to support future requirements. But
13 given the expansion of the space mission, it's
14 plausible to assume that the subsequent Roles and
15 Missions report will enhance this mission, and that
16 the Air Force will be given an expanded if not the
17 entire military space mission for all services.
18 If so, U.S. taxpayers will have to bear the
19 burden of replacing Onizuka at a far greater cost
20 than the purported savings from this recommended
21 closure. The Roles and Missions report will also
22 likely respond to the need for continued stability
23 and security in the Pacific.
24 With previous Navy and Air Force withdrawals
25 from the Pacific and the current recommendations to



1 close the military air base on Guam, the seaborne and
2 airborne forces in the Pacific will need basing on
3 the West Coast of North America.
4 This concern coupled with fewer foreign bases
5 strengthens the need for Pacific Coast installations,
6 especially here in California where the military
7 benefits from the synergy of a strong military
8 infrastructure. The Southwest Complex proposal for
9 consolidating laboratories and test and evaluation
10 facilities, for example, would benefit from such a
11 synergy, and would do so on an interservice basis,
12 something this commission has repeatedly -- has
13 repeatedly encouraged.
14 At the BRAC '93 hearings, strong arguments
15 were presented to retain the superb Navy
16 infrastructure at Alameda, based on concerns that the
17 cost of replacement of that facility and its
18 constrained operational capability.
19 Two years later, news of rising costs and
20 operational problems have in fact surfaced. I raise
21 this issue not to reopen the previous decision on
22 Alameda, but to encourage the commission to seriously
23 consider concerns that will be presented today on
24 behalf of Long Beach Naval Shipyard.
25 While Long Beach and Alameda are far different



1 facilities, the costs and operational capability
2 concerns are similar and argue persuasively that Long
3 Beach consistently -- consistently the most efficient
4 public shipyard in the nation should not be closed.
5 (Clapping.)
6 Regarding the decision to realign the Sierra
7 Army Depot, you'll hear strong evidence that this --
8 that its closure solves a nonexistent problem. I had
9 the opportunity on Tuesday with Commissioner Steele
10 to be at that facility and was there and witnessed
11 when she set off 14 different pits, each of which
12 contained 16 bombs, and each of those 16 bombs was
13 750 pounds. I'm not sure about you, Commissioner,
14 but the 4th of July will never be the same to me
15 again.
16 COMMISSIONER STEELE: I agree with you.
17 MR. GRISSOM: Because of an underfunded demil
18 program, as they call it, demilitarization program,
19 the need to return ammunition from Europe and the
20 Pacific, and the extensive ammunition already in
21 storage that's needed to sustain high rates of
22 expenditure in war time, it's likely that in fact
23 there is no excess ammunition storage space.
24 Finally, let me raise a concern about the
25 reports that McClellan Air Force Base may be

1 considered for closure despite the Pentagon's
2 recommendations.
3 The BRAC '93's directive to interservice the
4 depots was unsuccessful not, in our opinion, because
5 of the lack of merit, but because of the lack of
6 resolve. Nevertheless, the end result was the
7 recommendation to downsize the Air Force depots in
8 place.
9 This recommendation has raised many questions
10 and many concerns on the part of the commissioners,
11 and they're valid. It may in fact tempt you to
12 undertake your own review of the Air Force depots.
13 The governor would urge you to resist that
14 inclination and to hold firm to the original
15 recommendation for interservicing, with the
16 additional directive -- with the additional directive
17 to DOD that if interservicing can't be accomplished,
18 commercialization of depots should be considered, and
19 that the Pentagon be required to report back to
20 Congress on its progress by a certain date.
21 In closing, let me say simply that
22 Californians certainly understand the necessity to
23 restructure our military and to meet changing times.
24 But from bitter experience, we also know the dangers
25 to our nation when we slice too deeply and too



1 Senior Senator from California, Senator Dianne
2 Feinstein.
3 SENATOR FEINSTEIN: Thank you. Thank you very
4 much, Mr. Chairman.
5 (Clapping.)
6 Thank you. It's good to see you here. I
7 don't think the audience knows this, but I have
8 inherited Senator Dixon's offices in Room 331 Hart,
9 and I'm very pleased to see you here and the rest of
10 the commission for a very difficult task. No
11 question about it. I think it's very difficult to be
12 a hero and do this work.
13 And if I may, I'd like to distribute to you
14 some packages which perhaps you can follow along and
15 tell you what I would like to do. I would like to
16 make a few general comments, and then speak about
17 2 bases, namely Long Beach and Sierra.
18 I know my colleague Senator Boxer is going to
19 talk about Onizuka, and I'd like to speak just very
20 briefly before I begin about the process.
21 Mr. Chairman, as Mr. Grissom stated,
22 California has been pummeled by base closures in
23 round after round. Much of the earlier closures have
24 in my view proved wrong and shortsighted. The
25 closure of Alameda Naval Air Station, frankly, is a



1 quickly into the bone of our national security.
2 We've already seen 22 bases targeted for
3 closure in our state. Before you close any more, the
4 Governor would urge you to carefully consider the
5 strategic military consequences.
6 And, finally, please give California
7 communities already suffering from base closures the
8 opportunity to quickly convert -- to quickly convert
9 to alternative uses before any more bases are closed.
10 We thank you very much for taking the time to
11 visit California. I've enjoyed being with several of
12 you at several different sites throughout the state.
13 We know that your task is difficult. We know that it
14 is thankless. But we also know that you will conduct
15 it with compassion and with prudence.
16 Thank you very much, Mr. Chairman, and members
17 of the commission.
18 CHAIRMAN DIXON: Well, we thank you,
19 Mr. Grissom, and we're indebted to you for that fine
20 presentation, and I know you'll express my
21 appreciation to your distinguished Governor, an old
22 and warm friend.
23 MR. GRISSOM: Thank you.
24 CHAIRMAN DIXON: Thank you, Mr. Grissom.
25 We're delighted to have with us a distinguished



1 burr under my saddle. I believe it is neither cost
2 effective, nor do I believe its military value is
3 improved.
4 I've written a letter to the commission
5 earlier asking that you relook at that, and I have
6 incorporated some documentation in my report.
7 I'm aware that the last round MILCON was not
8 considered, and as you know, if you include the 190
9 million dollars of military construction that it
10 takes to complete a 60 percent completed Everett, you
11 will see that it is not cost effective to close
12 Alameda, and I've asked that the commission relook at
13 that.
14 I've also incorporated a statement on
15 McClellan and a letter that some of us, Senator Boxer
16 and I, as well as Senator Bennett, Senator Hatch, and
17 Senator DiConcini last year sent to Mr. Perry,
18 Dr. Perry on the subject of a Southwest Military
19 Complex. Mr. Grissom mentioned it in his remarks,
20 and it makes a great deal of sense. And I think the
21 day of interservicing certainly has come.
22 Mr. Chairman, base closures economically have
23 turned out to be of tremendous economic impact in
24 California.
25 22 major bases have been closed to date.

1 California has lost 88 thousand military and civilian
2 jobs. The 7 bases of this round will bring about an
3 additional 31 thousand direct and indirect jobs. If
4 you look at this map -- these are net personnel
5 losses -- you will see that California actually is
6 doing 59 percent of the net job loss in the United
7 States from military base closure. That's why I ask
8 today that no base be closed in California.
9 It I believe is responsible for our slowness
10 in recovery from the recession. I believe we have
11 not yet felt the true impact of closures, and I will
12 refer to that more in a moment.
13 I want to touch just for a moment on the
14 problems. To date there are major problems in the
15 closed bases with utility conveyances. There's major
16 problems on 2 bases with cherrypicking by the
17 military, particularly Mather and Marsh. There are
18 difference of appraisals whereby the military
19 appraisals are far above the community appraisals.
20 To date I know out of the 22 bases that have
21 been closed in California, only 3 which have solid
22 plans that are being successfully implemented.
23 That's the Sacramento Army Depot, Norton Air Force
24 Base, and Fort Ord.
25 And I think the issue of utility conveyances



1 which was supposed to have been straightened out has
2 not been. The issue of appraisals, you have to
3 consider this fact. The state is in deficit. Many
4 communities are in deficit. The federal government
5 is in deficit, and if the military appraisal is too
6 high, you're not going to be able effectively to
7 develop these bases.
8 I would like to comment, if I might, on base
9 closures costs. The BRAC '88 clean-up costs were
10 originally estimated at 126 million in 1990. By
11 1994, the cost had quadrupled to 598 million.
12 The cost to clean up bases from BRAC '91 were
13 originally estimated at 389 million. Now these costs
14 have risen to 1.3 billion.
15 Clean-up costs for BRAC '93 were originally
16 estimated at 230 million in 1990. By 1994, these
17 costs have risen more than 5-fold to 1.4 billion
18 dollars.
19 The cost to clean up and close California's
20 bases for the first 3 rounds alone is nearly 3 and a
21 half billion dollars. That's up from the 745 million
22 that was originally estimated and budgeted.
23 California bases alone could absorb all of the funds
24 appropriated for clean-up in all the BRAC accounts
25 from fiscal year 1990 to 1995.



1 And the total cost to clean up bases
2 nationwide during this base closure round is
3 estimated at nearly 1 billion, and these are just
4 initial estimates. If history is any indication,
5 these costs will increase 2, 3, 4, and perhaps 5
6 times.
7 Let me now speak about Long Beach Naval
8 Shipyard. To borrow a line from someone at the
9 community briefing yesterday in Long Beach, you know
10 it is spring if the base closure commissioners are
11 visiting Long Beach Naval Shipyard.
12 (Clapping.)
13 In 1993, the base closure commission addressed
14 the issue whether to close the yard, and the
15 commission recognized the vital role that Long Beach
16 plays in the support of the Pacific Fleet and kept it
17 open. Once again, it's being slated for closure.
18 Once again, I and others will state to you that Long
19 Beach should not be closed.
20 I wonder what's changed between 1993 and 1995
21 that now makes Long Beach expendable. It seems to
22 me very little has changed. In fact, the Navy did
23 not include the yard on its '93 list. It was added
24 by the commission, because the Navy considered the
25 base vital to its mission.



1 Let me cite some facts. 13 thousand jobs --
2 13 thousand, and 750 million in annual economic
3 activity will be lost if Long Beach closes. I might
4 tell you from the recession the 6 counties that
5 suffered the biggest job loss and where our economy
6 still struggles to come back in California are the 6
7 big Southern California counties. And Long Beach
8 Naval Shipyard plays a major economic role for the
9 Los Angeles/Long Beach area.
10 70 percent of the Pacific Fleet including
11 3 aircraft carriers will be home ported in San Diego.
12 Because of the repair work on these carriers could be
13 done at Long Beach, the proposed closure will create
14 increases in ship steaming time from San Diego to
15 Puget Sound. Puget Sound is 1133 nautical miles, and
16 Pearl is located 2600 nautical miles away, while Long
17 Beach is located a mere 81 nautical miles from where
18 the vast majority of the Pacific Fleet will soon be
19 stationed.
20 Additionally, if a ship is repaired at Puget
21 Sound, and the family of sailors remain in San Diego,
22 this closure creates major quality of life problems
23 for Navy personnel.
24 Here are 2 points I believe are critical.
25 One, the dry dock capability at Long Beach is vital

1 to support the Pacific Fleet. The Navy did not
2 include Long Beach on the closure list in '93 because
3 it considered the capacity of Dry Dock Number 1
4 essential. Again, I ask what is changed between '93
5 and '95?
6 Because of Dry Dock Number 1, Long Beach is
7 the only yard in the West Coast that's capable of
8 doing work on every class of ship in the fleet. Any
9 concept of mothballing Dry Dock Number 1 is not
10 feasible, as has been demonstrated at other yards.
11 Two, Long Beach is the most cost effective
12 shipyard of the 8 operated by the Navy so far. It is
13 only 1 of the 8 Navy shipyards that operates in the
14 black with annual retained earnings, and in just the
15 last 6 fiscal years it's been consistently under
16 budget, and 102 point 7 million dollars has been
17 returned to the Navy budget.
18 In fact, Long Beach is so effective that it
19 currently has 200 employees on loan to Pearl because
20 Pearl has been unable to handle its workload. Thus
21 by closing --
22 (Clapping.)
23 Thus by closing Long Beach, you would be
24 transferring work from a productive and cost
25 effective yard to yards that lose money for the Navy



1 and the taxpayer and consistently run behind
2 schedule.
3 Former chairman of the Joint Chiefs of Staff
4 Colin Powell may have provided the best defense of
5 Long Beach when he in 1991 said, and I quote,
6 "Closure of Long Beach Naval Shipyard would seriously
7 degrade the dry dock capability for all large ships
8 in the Southern California area. Alternatives in
9 Hawaii and Washington simply could not provide the
10 services found at Long Beach," end quote.
11 Mr. Chairman, if there are plans to
12 alternatively use that dry dock, I think the
13 community, the United States senators and the
14 governor should know about them. If there is
15 something hidden in this agenda, I think we should
16 know about it up front before these decisions are
17 made. Now, if I might --
18 (Clapping.)
19 -- quickly, and I recognize my time is running
20 out, and I'm going to just synthesize, and then
21 Senator Boxer I'm sure has many comments.
22 Let me just make a few brief comments on
23 Sierra's realignment, because I think it appears
24 minor on the surface.
25 Not only will 800 jobs be lost, and that's a



1 major problem for us, and Lassen County has an
2 unemployment rate of 14 percent. It will be
3 economically devastated as a result of this, but I
4 wonder about the military sense in closing it,
5 because Sierra currently performs more than
6 30 percent of the demolition of excess ammunition
7 stocks, the largest capacity in the Army system.
8 It's the sole manager for conventional ammunition
9 demolition. In '96 that figure is predicted to climb
10 over 40 percent.
11 Sierra is the most cost effective
12 demilitarization installation in the country. It has
13 the largest capacity for demolition. It's increased
14 -- the increased costs of disposal will have to be
15 borne by all of the services, diluting the intended
16 savings sought by realigning Sierra.
17 My staff learned on the base visit early this
18 week that there is a current ammunition backlog of
19 415 thousand tons, a dangerous backlog which will
20 take more than 10 years to eliminate.
21 If Sierra loses its ammunition demolition
22 mission, there will be further delays in the already
23 backlogged demolition arena, especially with excess
24 ammunition coming back from overseas locations. The
25 Navy will have nowhere to dispose of its poseidon



1 rocket motors, which is necessary for the United
2 States to comply with the START II Treaty. No other
3 depot is capable. Nor do I know of any alternative
4 for the disposal of the poseidon motors at this time
5 other than Sierra.
6 So Sierra's demilitarization mission earns a 2
7 and a half million dollar profit. It provides
8 critical services to the Air Force and Navy, and it
9 posts the lowest demilitarization costs in the entire
10 system. The direct hourly rate at Sierra for
11 demolition is 43 dollars and 53 cents per person. It
12 also has the lowest per hour per ton cost in the FY95
13 depot system for shipping, receiving, and ammunition
14 storage.
15 Mr. Chairman, I know my time has run out, and
16 I will close my remarks at this time with this
17 comment: Last year Senator Trent Lott and I put
18 forward a resolution to postpone the BRAC 95 round.
19 It lost. The BRAC 95 round is taking place.
20 I earnestly ask you to look at the fact that
21 no state has done the number of military base
22 closures that California has. No state has borne the
23 bulk of military base closures in the United States
24 as California has. I believe enough is enough.
25 California should be spared from this round of

1 base closures. I thank you for your attention
2 CHAIRMAN DIXON: Well, we want to thank the
3 distinguished senior senator.
4 I'm delighted to have an old friend, a
5 distinguished senator, my former neighbor when she
6 was a member of the House, and now a great member of
7 the United States Senate. We're pleased to have
8 Senator Boxer.
9 SENATOR BOXER: Thank you very much. It is
10 really good to be with you, Mr. Chairman, and I hope
11 you will be guided by wisdom, and I want to say to
12 all the people out here who came a very long distance
13 that I'm really glad that you are here. This is your
14 country, and this is your future, and you should be
15 involved, and that is very important. So welcome to
16 all of you as well.
17 I'm really delighted to be here with Senator
18 Feinstein and the representative of Governor Wilson.
19 I think this shows how important this issue is to our
20 state.
21 Mr. Chairman, in an effort to stay within my
22 time frame, and I will do so, I would ask unanimous
23 consent that my entire statement be placed in the
24 record, and I'm going to try to summarize that within
25 the time frame.



1 CHAIRMAN DIXON: Senator, it will be placed in
2 the record, as will the distinguished senior
3 senator's remarks, and it will not take from your
4 time with my interruption.
5 SENATOR BOXER: Thank you very much.
6 Mr. Chairman, I think you've heard it loud and clear.
7 California has been deeply hurt by base closures.
8 Senator Feinstein went over the job loss. It is huge
9 by any count. It is more than our fair share.
10 Clearly we are down to about 17 percent of the
11 defense dollar, and we are way in excess in terms of
12 personnel loss.
13 What you have before you is a picture of how
14 many bases have been closed already, Mr. Chairman and
15 Members of the Commission. Those in red are the ones
16 that have been closed. Those in black are the ones
17 before you in this round. It is extraordinary. It
18 is difficult. It is painful, and it is far too much
19 for our state.
20 I am here to fight for my state, but I want to
21 tell you that I think the facts are on our side, and
22 I want to go into that. I'm going to talk today
23 about Long Beach. I'm going to talk about Onizuka
24 and Sierra, and I'm going to mention a few other
25 bases as well.



1 You already know that our economy here is in a
2 precarious position, and, Mr. Chairman, I know that
3 that isn't the only thing you're going to look at.
4 You do have to look at cumulative economic impact.
5 We're here to say on that criteria alone not one more
6 base should be closed. I feel that very, very
7 strongly. On that criteria alone.
8 But on the criteria of national security
9 interests, I think you will hear from us, and you've
10 already heard from 2 out of the 3 of us, that there
11 are some serious questions about those bases that are
12 on your list, and I'm going to talk again about a few
13 of them.
14 You know about the loss of jobs and what it
15 means to Long Beach and Los Angeles. Senator
16 Feinstein has been quite eloquent on the point. She
17 also made a point that I want to underscore.
18 Long Beach is strategically located only
19 80 miles from the San Diego Megaport, home to nearly
20 70 percent of the Pacific Surface Fleet. If Long
21 Beach is closed, the nearest public shipyard would be
22 Bremerton, Washington, 3 days steaming time from San
23 Diego.
24 I spent years on the House Armed Services
25 Committee, Mr. Chairman, and I know you've spent



1 proud years yourself on the committee and the senate.
2 I think common sense will tell you that this makes no
3 sense, that repair facilities should be near major
4 fleet concentrations.
5 Now, Long Beach already has lost 10 thousand
6 jobs as a result of the closure of the naval station
7 in '91. To add another 10 thousand jobs, and some
8 say it's even more than that, would be devastating to
9 this community.
10 Mr. Chairman, I want to underscore for you one
11 more point that Senator Feinstein made, and I'm
12 repeating it because I think it is critical. I was
13 in that room when the vote came down on Long Beach
14 just 2 short years ago. I stood there, and I
15 listened, and my breath was being held. And there
16 was a message that came forth from that commission at
17 that time, and what was the message?
18 UNKNOWN MALE: Save Long Beach.
19 SENATOR BOXER: Shape up your act, they said
20 to Long Beach, turn it around, make that facility
21 work. And, Mr. Chairman, that's exactly what
22 happened.
23 This Long Beach Naval Shipyard is the most
24 profitable shipyard. It is the only profitable
25 shipyard in the entire country. Does it make any

1 sense --
2 (Clapping.)
3 I mean, the question that you have to ask
4 yourself as chairman of this commission is what kind
5 of message does that send forward not only to these
6 workers, the people who turned it around, who have
7 become so efficient, turning a profit for the Navy,
8 but to the whole country, to our kids. When we say
9 to them, "You know, if you get your act together, and
10 you shape up, you'll be rewarded."
11 I think it would be a tragedy to close Long
12 Beach, just a tragedy on many, many counts. We need
13 it, and they did what they were supposed to do. They
14 rolled up their sleeves, and they should be rewarded,
15 not punished.
16 Today you're going to hear from them. They're
17 going to come up with some more very creative and
18 alternatives ideas. I hope you will take those ideas
19 to heart.
20 Turning to Onizuka Air Force Base, I feel very
21 strongly about this as well. I visited Long Beach.
22 I visited Onizuka. I met with the people there, and
23 I do believe I understand what they do, although a
24 lot of it is very highly classified. But I have to
25 tell you, again, it doesn't seem to add up to close



1 this and consolidate these facilities at Falcon Air
2 Force Base in Colorado.
3 In my view, satellite control is one of the
4 few areas where limited, redundant capabilities are
5 in our national security interests. If the
6 department's recommendations are enacted and only one
7 site is used for satellite control, a single failure
8 could leave us unable to control scores of orbiting
9 military satellites.
10 Imagine that type of situation, one computer
11 error, one natural disaster, and, Mr. Chairman, one
12 terrorist attack could separate us from our
13 satellites for hours or even days.
14 Again, it's common sense to keep Onizuka open,
15 and it is essential to also consider the incredible
16 expertise surrounding Onizuka.
17 I met with the people, the private contractors
18 who work there. What the military will have to do if
19 this is closed and transferred over to Colorado is
20 begin a very costly training program for our military
21 in that state. We have the skills here. Why would
22 we undertake that kind of expense? I think it would
23 be a huge mistake.
24 I won't go into economic impact except to tell
25 you it will be great in this area. You can see what



1 kind of hit we have taken in the north as well as in
2 the south. This is going to add thousands and
3 thousands of unemployed.
4 Now, last, in detail I want to discuss the
5 proposed realignment of the Sierra Army Depot. This
6 is a mistake. I think that Senator Feinstein has
7 made the case with some very important technical
8 arguments, but I have to say that the Army studied
9 this and rated it Tier 3, the lowest rating.
10 I hope you will look, and I know you will look
11 at the source document, the tiering study, when
12 evaluating the recommendation to realign this depot.
13 In rating the depot as a Tier 3 facility, the Army
14 minimized or ignored the fact that the base is
15 traversed by 2 major railroads that link it directly
16 to nearby seaports.
17 Additionally, Sierra is the only depot with a
18 C-5 capable landing strip, which is essential to
19 mobilizing ammunition stocks.
20 We know the economic impact in this rural
21 Lassen County community. This is the biggest
22 employer, and we know it will be absolutely
23 devastated. Unemployment is already 11 point 5
24 percent there. And we think that it would go to 20
25 percent if this closing took place. So we think we



1 have a case on economic impact and on national
2 security interests.
3 Mr. Chairman, I've kept within my 10 minutes.
4 I just want to alert you to the fact that you're
5 going to hear from some of the best and the brightest
6 from our state, including Congressman Sam Farr,
7 representatives of the Monterey community, who will
8 testify about Fort Hunter Liggett.
9 Councilman Harry Mathis will lead a discussion
10 about the DOD's recommendation to disestablish the
11 San Diego Naval Health Research Center. Very
12 important issues will be raised there.
13 And Congressman Vic Fazio, who has worked so
14 hard to save McClellan Air Force Base, and I want to
15 say here, please, please, we have had President
16 Clinton at McClellan no less than 4 times. This is
17 another case of an Air Force Base that is really
18 working toward the future. We should leave it off
19 the list.
20 So I hope you will take all of our
21 California's testimony very, very, seriously. As a
22 matter of fact, I know that you will, Mr. Chairman.
23 I wish all of the commissioners Godspeed. I hope you
24 will be wise, and I hope you will realize that we in
25 California have done far more than our fair share.

1 We are only asking for fairness. Thank you very
2 much.
3 CHAIRMAN DIXON: Well, we thank you, Senator.
4 (Clapping.)
5 I want to thank you, Mr. Grissom. Thank you
6 so much, Senator Feinstein, Senator Boxer. Excellent
7 presentations. We're indebted to you. Thank you
8 very much.
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2 2. LONG BEACH NAVAL SHIPYARD
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1 CHAIRMAN DIXON: Ladies and gentlemen, we
2 thank you all for being here. Now as I understand
3 it, you will allocate your own time. You have 70
4 minutes to be divided between those in your group,
5 and a timer is in front of you on your table over
6 there, and we're delighted to have all of you here,
7 and under the existing law I must request that you
8 all to stand and raise your right hand, everybody
9 that's going to testify. Thank you very much.
10 Do you solemnly swear or affirm that the
11 testimony you are about to give to the Defense Base
12 Closure and Realignment Commission shall be the
13 truth, the whole truth, and nothing but the truth?
14 SPEAKERS: I do.
15 CHAIRMAN DIXON: Thank you very, very much.
16 You may proceed.
17 MAYOR O'NEILL: Good afternoon,
18 Mr. Commissioner and Distinguished Members of the
19 Commission.
20 CHAIRMAN DIXON: Delighted to see you.
21 MAYOR O'NEILL: I'm Beverly O'Neill, and
22 I'm --
23 (Clapping.)
24 Thank you. I'm going to carry you around with
25 me.



1 And I'm proud to be the mayor of the City of
2 Long Beach. I'm sorry to meet with you under these
3 circumstances, but I hope that those commissioners
4 who had an opportunity to tour our shipyard yesterday
5 have a better understanding and appreciation of why
6 we are so proud of its capabilities and achievements.
7 We thank you for the opportunity of being here
8 and presenting our case for the continuance of the
9 naval shipyard.
10 We are not here to whine and ring our hands.
11 We are not here just to complain about the projected
12 loss to our economy of 757 million and the loss of
13 over 10 thousand jobs.
14 We are here to let you know we are only 1 of 2
15 shipyards capable of handling the Navy's biggest
16 vessels. We were only -- the only shipyard located
17 near 70 percent of the Pacific Fleet. The next
18 closest shipyard is at Bremerton, Washington, about 3
19 sailing days away.
20 We are on the only submarine sonar dome
21 manufacturing facility in the nation.
22 We are the Navy's most efficient shipyard, and
23 the only shipyard to show an annual profit.
24 We are the only shipyard with a deep harbor
25 and a direct access to the open ocean.

1 We are here to state that the closure of the
2 Long Beach shipyard would have the least impact on
3 the excess capacity of all the remaining yards. We
4 are a shipyard with 60 percent minority work force.
5 We are the only shipyard with the largest dry docking
6 facilities that would take over 700 million to
7 replicate.
8 We were the only Naval shipyard positions for
9 military and strategic value so that all ships are
10 not in one location.
11 And we are a shipyard within 81 nautical miles
12 of San Diego, which means that our home port
13 boundaries are closer by two-thirds than the miles
14 between Portsmouth and Norfolk. Today we will be
15 outlining a step by step process to defend the
16 shipyard, and we've had some eloquent statements
17 already by our senators.
18 We feel confident after studying all the data
19 that has been made available that we can present
20 arguments to you on a technical basis and offer
21 compelling justification for revisiting the
22 recommendation to close the Long Beach Naval
23 Shipyard.
24 In addition to presenting you with the
25 material which we strongly feel refutes the Navy's



1 recommendation to close, we will also be recommending
2 alternative scenarios that we feel the BRAC
3 commission should examine.
4 The Defense Department in its recommendation
5 to the BRAC commission stated that the closure of the
6 shipyard could result in a maximum reduction of
7 13,261 jobs in a 5-county Southern California
8 metropolitan area. This represents just three-tenths
9 of one percent of the total area employment in
10 5 counties. But by blending the number of job losses
11 in the primary metropolitan statistical area which
12 covers 5 counties, the DOD has greatly mitigated the
13 actual economic impact that would occur in the Long
14 Beach area or the County of Los Angeles.
15 I think that economic impact has to be put
16 into a proper perspective, and I'd like to just say a
17 few words about what has happened before now.
18 In 1991 the closure of the Long Beach Naval
19 station and the hospital cost over 16,000 Navy
20 personnel and an additional 1,000 civilian jobs. The
21 total direct and indirect economic losses from that
22 decision exceed one billion dollars.
23 If the recommendation to close the shipyard is
24 allowed to stand, we will lose an additional 6,600
25 civilian jobs, either associated directly with the



1 shipyard or with shipyard based tenant commands. And
2 these jobs generate another 3,500 secondary jobs
3 within the immediate area surrounding Long Beach, not
4 in communities located in other counties 60 to 100
5 miles from the shipyard. The total economic impact
6 of the shipyard are estimated to be over 750 million
7 dollars.
8 Now, the DOD may feel that 27 thousand jobs
9 and almost 2 billion dollars in combined economic
10 impact are not significant to one area, but we do.
11 The good people in Long Beach who elected me mayor
12 last year expect me to address the issues that affect
13 them, and this issue affects them very much. It does
14 not affect communities 2 hours away. I was astounded
15 to learn that if all the civilian job losses from the
16 previous BRAC rounds were added to those proposed for
17 1995, the City of Long Beach would not only lead all
18 cities in California and the nation, but would also
19 lead 46 states as well, trailing only Virginia,
20 Pennsylvania, and Texas in addition to California.
21 This is ridiculous.
22 The cumulative effect on one area either in
23 the city or even one county was not taken into
24 consideration. I don't need to recount to you all of
25 Southern California's disasters in recent years. And



1 we certainly understand the need to downsize the
2 military infrastructure in our country to meet the
3 realities of the 21st century, but why -- why must
4 the city of Long Beach carry the burden? 440
5 thousand citizens of Long Beach would also like to
6 know that answer.
7 There are a number of military and technical
8 reasons for the shipyard to continue serving the
9 Navy, as it has done so so uncommonly well for so
10 many years, but I'll let the experts here discuss
11 those issues with you.
12 But before I finish, I must mention one very
13 vital element of the shipyard. And that is Dry Dock
14 Number 1. Four of you saw it yesterday, and you were
15 told how important it has been and continues to be to
16 the operations of the Pacific Fleet. And as you
17 heard, to duplicate it would cost over 700 million.
18 You heard that it is the largest dry dock south of
19 Puget Sound, and that it would dry-dock every class
20 of ship within the Pacific Fleet. But if the
21 recommendation stands to close the shipyard, the dry
22 dock also closes.
23 I appreciate your indulgence in my
24 presentation. We have many speakers that will offer
25 very technical and compelling reasons why we were

here today, but before I do, I would like to take just one minute to recognize the shipyard workers and their families who have traveled 500 miles since work yesterday to be with us on this day. Would you just please stand.

(Clapping.)

Thank you very much. And now at this time, I would like to introduce the president of the Board of Harbor Commissioners, Carmen Perez.

CHAIRMAN DIXON: Thank you, Beverly O'Neill, and we're delighted to have Ms. Perez here.

(Clapping.)

MS. PEREZ: Thank you, Madame Mayor. Good afternoon, ladies and gentlemen. As the mayor indicated, I am president of the Long Beach Board of Harbor Commissioners.

The Port of Long Beach, long viewed as one of the most modern and efficient ports of the world, has recently become the Number 1 container port in the United States. Believe me, we in Long Beach are all very proud of this accomplishment, and we look forward to the ports continued success in the future.

However, the reason that I'm here today is not to tell you about what a great port we have. Rather, I'm here to personally assure you, ladies and



gentlemen, that contrary to what you may have heard, the Port of Long Beach supports the city's efforts 100 percent.

(Clapping.)

We support the city's effort to maintain the Long Beach Naval Shipyard. The Port of Long Beach does not under any circumstances, ladies and gentlemen, lust after the shipyard as some have suggested. May I reiterate, the Port of Long Beach simply does not want to see the shipyard close, period.

(Clapping.)

As a matter of fact, several years ago, in cooperation with the Navy, the port conducted a study to determine the feasibility of consolidating shipyard support facilities now in the former naval station site to more convenient shipyard sites.

The port then offered to pay the 100 million dollars cost for achieving that consolidation, 100 million dollars worth of completely new and modern facility at no cost to the federal government. No one has ever explained to me why the Navy never responded to that offer.

May I also add that if the shipyard has any commercial, port-related appeal, it is due in large



part because the shipyard is located in a deep water port with immediate access to the open sea. And that feature, along with many others, ladies and gentlemen, should be the reason the base closure commission finds the shipyard too critical in military value to consider its closure.

The Long Beach Naval Shipyard is a resource that should not be dismissed without a great deal of careful consideration, particularly given what we know about the efficiency of this facility and the future work flow demands of the Navy between now and the year 2,000.

The Long Beach Naval Shipyard is good for our community. The Long Beach Naval Shipyard is good for the nation.

Thank you for your attention, ladies and gentlemen, and I hope you will look long and hard at the Navy's ill-conceived recommendations to close the Long Beach Naval Shipyard.

(Clapping.)

At this time it is my pleasure and honor to introduce a good friend and outstanding representative of our community, Congressman Steve Horn of the 38th Congressional District. Thank you.

CONGRESSMAN HORN: Thank you very much,



Carmen.

CHAIRMAN DIXON: Delighted to have the distinguished congressman here. Glad to have you here, Congressman.

CONGRESSMAN HORN: Mr. Chairman and Commissioners -- first, Mr. Chairman, let me say to your colleagues, I am most grateful to them for taking the time to visit Long Beach. I think it was very useful. They've met a number of my colleagues in congress, and I stand here today representing the 14 members from 4 counties that have worked actively since January 1993 on helping this shipyard advance and trying to deal with the supercilious arguments in some cases that have sought to close it.

I want to submit, and my staff will do that to your staff, for the record the comments of Congresswoman Jane Harmon who deeply regrets she could not be here today, but who was with the commissioners part of yesterday.

I have a very simple message to bring to you today. First, the process which led to the recommendations to close Long Beach was deeply flawed. The Navy's BRAC process was specifically designed to protect nuclear capacity while without justification contradicting what the Navy said in

1931 and 1993 that the Navy regarded Long Beach and its large dry dock as critical to the defense needs of the nation.

Second, there are better alternatives to the closure of Long Beach that make more sense and improve on the goals of saving money, reducing excess capacity, yet preserving the critical irreplaceable infrastructure, Dry Dock 1 among them. These alternatives were ignored for no good reason. We're not here just to protest the recommendation to close the Long Beach Naval shipyard. We're here to say that the Navy could have done better and made a recommendation that would fit the real needs of the Navy in the difficult years ahead. The next 3 speakers will present the details on this message. The quick overview is the supposedly analytical process was one really contrived to support a predetermined end.

First, the Navy generated a military value ranking for the shipyards that directly refutes what was established in 1991 and 1993 when Long Beach was ranked a very strong third in military value of all then existing shipyards. One gets a little bit suspicious when Long Beach suddenly slides downward in the military value rankings from the past years.



The Navy claims that it used certified data, but in many instances the data are simply wrong. Answers were changed, such as our capacity utilization figures. In places, the matrix questions were raised. As you heard yesterday, one question rewards a shipyard for having spent more than 200 million dollars in capital improvements, thus penalizing a smaller and the most modern shipyard such as Long Beach. That is nonsensical.

Second, this contrived set of military value ranking was put into a configuration model where the assumptions of that model were guaranteed a certain result.

Third, after the model was run, the Navy rejected one of the suggested closures when it did not like the answer. Namely, close Portsmouth. The Navy claims Portsmouth has a unique ability to repair attack submarines, even while that supposedly unique capability is being duplicated elsewhere in both the public and the private shipyards. In brief, the Navy is not telling you the truth regarding Portsmouth.

Fourth, the Navy's alleged cost savings for closing Long Beach are false. The supposed savings if the work were performed in the private sector are substantially illusionary. Moreover, the Navy has



been using the annual cost savings made by Long Beach to cover up the losses at other public shipyards.

Should Long Beach close, the man-day rates at the remaining public shipyards will rise considerably. The fact is this: The Navy wanted to protect its nuclear capable shipyards from the beginning, despite the admitted and recognized excess nuclear capacity, and thus the Navy designed its military value weightings and its configuration model to generate an outcome that satisfied such an objective.

When the Navy could not quite achieve that end, it declined to recommend for closure a shipyard of lower military value than Long Beach, ignoring the fact that the closure of Portsmouth would generate greater cost savings to the Navy and the taxpayers than the closing of Long Beach. Portsmouth performs a type of work, nuclear, of which the Navy admits it has the most excess.

Ironically, the Navy suggested closing its two smallest facilities, Long Beach and Guam, both of which are nonnuclear. These two facilities have the least repair capacity when the purported goal was to close as much excess capacity as possible.

I must mention the general accounting office



report regarding the Department of Defense process on BRAC. I realize the GAO has stated, quote, "The Navy's process and recommendations were sound," unquote. However, it is not an analysis. Read Chapter 6, and you will see what I mean. There is no critical element in it. It is merely a descriptive overview of the Navy's process. This report represents superficial work, and it shows.

The GAO did not ask:

What changed in the construction of the military value matrix to alter Long Beach's consistent ranking as the Number 3 naval shipyard?

Why did the need for Dry Dock Number 1 disappear when the number of large dock ships in the Navy's fleet is not declining?

Finally, why did the Navy so blatantly ignore the recommendations of the Joint Cross-Service Group?

None of these issues were addressed by the general accounting office.

The next important point is to demonstrate that the Navy conveniently overlooked about Long Beach issues that present compelling reasons why Long Beach is still needed, why it should be kept open, and why we believe the Navy substantially deviated from the requirements of the law in formulating its

1 closure recommendations. Let me run through them.
2 First, the tampering with the military value
3 reweighting and thus reranking done by the Navy.
4 Second, the Navy's clear need for Dry Dock
5 Number 1.
6 Third, the Navy's method of looking at
7 capacity on a nationwide basis rather than on a
8 regional Pacific Fleet-Atlantic Fleet basis. The
9 Navy ignores the operational realities that almost
10 70 percent of the Pacific Fleet is located in San
11 Diego.
12 Meanwhile, Long Beach's dry docks show heavy
13 utilization into the year 2,000.
14 Fourth, the capacity measures used by the Navy
15 also overstate the need for nuclear capable yards.
16 The work package of a nuclear vessel, as we will
17 discuss later, is 80 percent conventional. And thus
18 a nonnuclear capable shipyard could do the vast
19 majority of these work packages.
20 Fifth, the Navy did not include the
21 possibility of emergencies in its capacity analysis.
22 The Navy has left no margin for error on dry dock
23 utilization in the case of hostilities.
24 Sixth, where would the work schedule for Long
25 Beach go? The San Diego private yards do not have



1 the capacity or the capability to do the full range
2 of repairs on the full range of ships that are in the
3 Pacific Fleet. And, thus, those private yards will
4 not produce the anticipated cost savings. In fact,
5 without Long Beach as a yardstick, the Navy will be
6 gouged by change orders from less equipped private
7 yards.
8 Seventh, and finally, the Navy team ignored
9 the recommendations of the Joint Cross-Service Group,
10 whose first recommendation was to close Pearl Harbor
11 and Portsmouth. Clearly, the commission needs to be
12 placed before it for closure both Pearl Harbor and
13 Portsmouth for consideration certainly in relation to
14 Long Beach.
15 One of the major issues that needs a thorough
16 examination by the commission is the problem of where
17 the base closure process is in relation to the
18 evolving concepts of depot repair. Namely, the
19 Regional Maintenance Center Concept.
20 The BRAC process with its statutory deadlines
21 results in a BRAC process being behind the curb of
22 depot maintenance concepts. These issues were either
23 not analyzed or not properly considered by the Navy.
24 Long Beach should be included in the regional
25 maintenance concept. Pearl Harbor should be



1 realigned. This proposal saves money, cuts capacity,
2 preserves Dry Dock Number 1, retains the unique
3 capabilities of the Long Beach Naval Shipyard.
4 I now want to turn the presentation over to
5 Vice Admiral Peter Hekman, who retired in 1991 after
6 commanding the Naval Sea Systems Command, where he
7 supervised the operation and maintenance of all naval
8 shipyards as well as the contracting with the private
9 sector yards concerning ship repair and new
10 construction. He's a recognized expert on the
11 operation and maintenance of nuclear power plants as
12 well as on private and public shipyards and their
13 capabilities. Admiral Hekman.
14 CHAIRMAN DIXON: Thank you very much,
15 Congressman.
16 (Clapping.)
17 Thank you for those useful remarks,
18 Congressman. We're delighted to have Admiral Hekman
19 here.
20 VICE ADMIRAL HEKMAN: Thank you, Mr. Chairman.
21 Is this on?
22 CONGRESSMAN HORN: Is it working?
23 VICE ADMIRAL HEKMAN: Can you hear it?
24 CHAIRMAN DIXON: Yes.
25 VICE ADMIRAL HEKMAN: Thank you, Mr. Chairman.



1 I appreciate the opportunity to appear before you and
2 the members of the commission today. My associate
3 Dr. Johnson and I intend to discuss the 4 areas
4 shown. I will discuss areas 1 and 3. He will
5 discuss areas 2 and 4. Dr. Johnson and I are
6 colleagues, and Dr. Johnson also worked almost
7 3 decades in the Naval Sea Systems Command and was in
8 charge of the facility's arena when he retired.
9 In -- we certainly need to downsize, but we
10 need to do it sensibly. When England was slashing
11 its fleet and dock yards and closing its stock yards
12 prior to the Falkland's war, then Prime Minister
13 Margaret Thatcher stood up in the parliament and made
14 a statement, and I've never forgotten it. She said,
15 "I wish to remind all that the first responsibility
16 of government is defense of the realm. Any country
17 which pounds its swords into plow shares will
18 invariably end up plowing its fields for those who
19 kept their swords."
20 (Clapping.)
21 Now, that occurred -- that speech occurred
22 just 6 months before the Falkland Island's war. Now,
23 certainly Argentina got the message.
24 The -- as I said we have to downsize, but the
25 Navy made a major change in direction in 1995 as

1 compared to 1991, in which I participated, and in
2 1993. The 1991 and 1993 rounds were conducted under
3 the philosophy that shipyard closure had to be based
4 first on strategic and military value, and then if
5 not needed under that criteria, then capacity could
6 enter the process.
7 In 1991 and 1993, the Navy consistently
8 insisted that we keep a minimum of 6 carrier capable
9 dry docks, and we did. Long Beach was considered in
10 that process, and third in military value only I say
11 behind the 2 major yards of Puget Sound and at
12 Norfolk.
13 The Navy further stated that Long Beach was
14 vital to the support of the Navy's major fleet
15 concentrations in San Diego. The Joint Chiefs of
16 Staff agreed with the Navy's position and rationale
17 in this matter. General Colin Powell's statement is
18 well known and has been cited earlier.
19 In taking this position, the position of
20 keeping the docks open, the Navy was conforming to
21 the law as set forth in Title 10, U.S. Code, Article
22 2464, which is shown here, the section of the code
23 which I was personally responsible for 3 years to
24 maintain, as commander of the Navy Sea Systems
25 Command.



1 There was little doubt in my mind in the
2 bottom 3 lines about maintenance of facilities for
3 utilization in war and mobilization in emergencies
4 was primary. To my knowledge, that law has not been
5 changed.
6 So what has changed I think may be even a
7 better question, and Senator Feinstein also mentioned
8 it, why has a change occurred in this direction?
9 It's obvious the Navy has abandoned the military
10 value as the prime criteria for shipyard closure
11 considerations in exchange apparently for a
12 peace-time capacity consideration.
13 It is also apparent from the Navy's recent
14 actions aside from BRAC that the Navy prefers the
15 building of expensive new maintenance and base
16 support facilities, for example, in San Diego, rather
17 than using existing facilities that are more than
18 adequate in Long Beach.
19 Furthermore, the Navy's 1995 proposal appears
20 to ignore the Title 10 U.S. Code, as I said. The
21 Navy recommendations changed the military value line
22 as has been mentioned.
23 And you can see that line up there for 1993
24 and 1995. The 1991 line-up had a couple of other
25 yards in it, but basically wasn't any different as



1 far as Long Beach was concerned.
2 Now, nothing has really changed between 1993
3 and 1995, at least in my opinion, that would change
4 the Long Beach military value, and I've seen nothing
5 in the numbers that would change my mind. With the
6 reduction in submarine force by nearly one-half from
7 the 87 and planned 100 to less than 50. And in the
8 view -- in view of Portsmouth and Pearl Harbor's
9 limited capabilities and the high costs, and I'm
10 eminently familiar with the quote, I am somewhat
11 surprised by the Navy's analysis, although I have not
12 had the time to go through all the numbers
13 personally.
14 The Navy's recommendation to close Long Beach
15 and the 2 carrier capable dry docks in Philadelphia
16 leaves only 3 carrier and large amphibious ship
17 capable dry docks available in the entire continental
18 United States, and that includes the civilian dock at
19 Newport News.
20 The Navy stated rationale is based upon recent
21 size of the Navy changes, but the Navy analysis is
22 apparently based upon gross numbers, because the
23 number of very large ships, the carriers and the
24 major amphibious ships, remains constant, as you can
25 see in this graph. The lower line is the Pacific



1 Fleet. The upper is the all Navy line for these very
2 large ships, actually goes up over time.
3 These are the very ships that require the Long
4 Beach dry dock. The number of submarines is falling
5 rapidly, as I said, and the SSN-688 class maintenance
6 cycle has been extended to 120 months from the
7 original 60, then 80, and now 120.
8 Yet the Navy is recommending retention of all
9 nuclear capability. Selectively, the Navy considers
10 the private sector in its capacity analysis. It
11 avoids consideration of the private sector for
12 submarine and nuclear repair capability. Yet it
13 considers such capacity when counting dry docks and
14 when counting surface ship repair capacity, and also
15 in home porting decisions such as exists in the San
16 Diego example.
17 The Navy contends that private capacity is
18 outside the BRAC rules. Mr. Nimfakos I believe
19 testified to that, although he did not quantify it.
20 Yet the Newport News carrier dock was certainly
21 counted.
22 What was not counted is the fact that Newport
23 News could accept 3 in my opinion possibly up to
24 4 submarine nuclear refueling overhauls
25 simultaneously and at equal or lower costs that the

1 Navy yards. Portsmouth can do one at a time. Yet
2 Portsmouth is considered by the Navy to be vital for
3 this function.
4 The change in military values between 1993 and
5 1995 make Portsmouth and Long Beach about the same,
6 and it I believe is not supported by a rational view
7 of the facts or the data.
8 The Navy's revision of the 1993 military
9 values is clearly based on considerations other than
10 objective evaluation and analysis, and I believe
11 represents a substantial deviation from the BRAC
12 criteria and also from adherence to Title 10.
13 It moreover ignores real program ship
14 maintenance requirements, and it ignores the Pacific
15 Fleet commander's own input on the absolute necessity
16 to retain the Long Beach dry docking capabilities.
17 I have a letter that I quote from, a letter by
18 that commander, and I'll give you just a moment to
19 read it. I point out that that was very recent.
20 The Navy assumed Puget Sound -- I'm sorry.
21 Would you go back. Thank you.
22 The Navy assumed Puget Sound could accept all
23 carrier and large amphibious ship dry dockings as
24 well as the submarine work it's doing now. The Navy
25 assumed that the private sector capacity could accept



1 all San Diego area nonnuclear work. The Navy assumed
2 that a 270 million dollar military construction
3 requirement for North Island facilitization would be
4 approved by the Congress. And there are other
5 assumptions that I have found. In the interests of
6 time, I won't go through them all.
7 Problems have already risen with the Navy's
8 assumptions, however, at the Navy scheduling
9 conference which went on this week, for example. And
10 on the graph you can see what is being discussed and
11 what some of the decisions are. Please note that all
12 6 of the items cited here, the major ship overhauls,
13 until this week were scheduled for Long Beach. They
14 all require the dock.
15 KITTY HAWK (CVN-63) to Puget Sound in '97.
16 There are significant work load issues as well as the
17 delay of the ship and probably the delay of its
18 deployment.
19 CONSTELLATION (CV-64) scheduled to Pearl
20 Harbor in '98. It will not fit in any dock in Pearl
21 Harbor. It simply will not fit. They can put other
22 ships in that large dock, just barely, but
23 CONSTELLATION is 18 feet wider, has larger sponsons,
24 and it simply will not go in when you block the ship.
25 So there have to be changes made in that solution.



1 The amphibious carriers, the LHAs and LHDs,
2 which are very large ships as well, the LHD5
3 PELLALLOO, no solution. LHD2 ESSEX, no solution.
4 LHA1 to Puget, it will go in the dock in the period
5 that they have scheduled, however, the work load
6 issue is a major problem. Those are just 5 examples.
7 The Puget Sound dock will essentially be
8 totally committed and not available for emergency
9 work. For years, the Navy authorities have
10 recognized docking problems that would exist if Long
11 Beach were to be closed. I commissioned the study
12 looking at the machinists at AFDV8 when I was
13 commander of Naval Sea Systems Command. The studies
14 show without doubt that that dry dock cannot accept
15 the large amphibious ships. That was the purpose of
16 study.
17 The study also showed the ones that we did
18 that we needed the Long Beach dock both for work and
19 for strategic value. The Navy has assumed the Pearl
20 Harbor dry dock, Dry Dock 4 could handle carriers.
21 However, it could not handle CONSTELLATION at all.
22 There is no room in the dock. When you put another
23 carrier in the dock, the overhang -- you would have
24 to remove all the cranes from the crane tracks before
25 you put the ship in. And you would be so close on



1 the bow and stern that you would not be able to work
2 inside the dock with any cranes, and you could not
3 remove the shafting from the ships, and you could not
4 remove or properly use the propellers. It's that
5 close.
6 The dock is not certified for such work. A
7 great deal of dredging would be required from the
8 main channel into the area of the dry dock. It is
9 simply not a solution without a great deal of
10 trouble. The military construction package that I
11 generated several years ago for the improvement for
12 that dock for nuclear carriers was priced out at
13 250 million dollars, and it was not approved.
14 The contingency docking in the Atlantic is
15 unsatisfactory as well with the abandonment of
16 Philadelphia docks. The Navy says their decision --
17 in their decision says Portsmouth is necessary. I
18 don't believe that's true. The facts will show that.
19 That we must do nuclear work in nuclear
20 facilities, that's not true either. We have been
21 doing nuclear work in nonnuclear facilities ever
22 since we've had nuclear ships. We simply send
23 nuclear qualified people to do that part of the work
24 package that deals with the reactor plant.
25 The Navy says that quality of life requires,

1 and I use their word, that San Diego ships not be
2 sent to Long Beach for availabilities. That's a
3 policy of the Pacific Fleet. It is inconsistent with
4 any other Navy policy. It is not enforced in any
5 other area, and in my opinion is a -- is a
6 questionable policy when it comes to utilizing your
7 intrinsic availability of your infrastructure.
8 The Navy decision, then, in my opinion fails
9 on military value criteria, and it fails in capacity
10 criteria.
11 I read a statement recently in Forbes, 27
12 March edition by former Secretary of Defense Caspar
13 Weinberger, and I quote it here, "Political watchers
14 were immediately struck by the fact that while Long
15 Beach, which has long been regarded as one of the
16 most cost effective and efficient naval shipyards of
17 the country is to be closed, the Portsmouth New
18 Hampshire shipyard, which has always finished last on
19 every list of cost effectiveness is to remain open,"
20 end quote.
21 In some personal correspondence between Former
22 Secretary Weinberger and myself, dated as late as
23 April 20th, he expressed his regret that he could not
24 speak out in defense of his article, because he's on
25 travel. He's in Japan today. But he did write to



1 me, and I quote, that he is delighted that the Navy's
2 decision will be reviewed, and this is a direct
3 quote, "So we can find out what it is that has
4 changed the Navy's mind so completely. Even more
5 important, perhaps the commissioners can be persuaded
6 to keep Long Beach open," end quote.
7 Thank you, sir.
8 (Clapping.)
9 I will now be followed by Dr. Johnson.
10 CHAIRMAN DIXON: Thank you very much, Admiral
11 Hekman. We're delighted to have you, Dr. Johnson.
12 DR. JOHNSON: Thank you very much,
13 Mr. Chairman. Is this on?
14 CHAIRMAN DIXON: It is, sir. Speaking
15 directly into it helps a great deal.
16 DR. JOHNSON: I'm going to discuss the subject
17 of excess nuclear capacity versus uncertainty. I'd
18 like to quote from the Navy's report, page I-4. "The
19 major driver in the determination of future shipyard
20 requirements is that the size and nature of the
21 future fleet is particularly indefinite. This is
22 true with the attack submarine fleet comprised
23 principally of SSN-688 class submarines. The
24 national and political pressures are increasingly
25 impacting the introduction of a replacement



1 submarine.
2 So the decision whether to defuel or to refuel
3 the SSN-688 fleet, particularly in view of the
4 relative youth of this class, is commensurately
5 imprecise.
6 Further, only one yard, Portsmouth, currently
7 supports all SSN-688 requirements. Accordingly, the
8 BCEG determined that the naval shipyard Portsmouth
9 should be removed from consideration for closure
10 because of its unique role as the center of
11 excellence for the SSN-688 class submarine.
12 Well, first of all, I'd like to mention that
13 Portsmouth is not unique. The Navy plans to perform
14 refueling overhauls of SSN-688s at Norfolk Naval
15 Shipyard and Pearl Harbor Naval Shipyard. And in
16 fact, the first one was performed at Mare Island
17 Naval Shipyard.
18 The Navy plans refueling trident submarines at
19 Puget Sound Naval Shipyard. The Electric Boat
20 Division of General Dynamics is the planning yard for
21 the SSN-688s and Newport News and Electric Boat could
22 also perform these refueling overhauls if necessary.
23 What about this uncertainty? It can be
24 removed. The SSN new construction rate during the
25 Future Years' Defense Plan is at one-half per year.



1 The SSN-23 in '96 and the new attack SSN in '98 and
2 double zero.
3 Beyond the Future Years' Defense Plan, the
4 Navy hopes to build at the rate of 2 per year. The
5 work to replace 2 per year can be calculated. If we
6 assume that 2 SSN-688 refueling overhauls need to be
7 done per year, we can figure out the work load
8 associated.
9 First of all, their scrapping would be
10 eliminated. Therefore, their refueling would not be
11 performed, and their cutoff would not be performed.
12 The 960 thousand man hours represents that work for
13 2 submarines.
14 The work added to do a refueling overhaul is
15 somewhat variable depending on the overhaul package,
16 but on average 2 submarine's refueling overhaul
17 packages would be about 6 point 4 million man hours.
18 Therefore, the net required increase in capacity
19 would be 5 point 44 million man hours.
20 These are the BCEG numbers converted from
21 direct labor -- thousands of direct labor man years
22 to millions of man hours for consistency with the
23 previous charge. The total nuclear capacity numbers
24 from the BCEG converted are 20 point 8 million man
25 hours of predicted work load, 33 point 28 maximum

1 potential capacity, leaving an excess to nuclear
2 capacity of 12 point 48 million.
3 If we subtract 2 refueling overhauls from that
4 excess capacity, assuming we had to add to the work
5 load of 5 point 44 million from the last view graph,
6 we see an excess nuclear capacity of about 7 million
7 man hours. And, incidentally, nuclear capacity is
8 much more expensive to maintain than nonnuclear
9 capacity.
10 I compare this excess nuclear capacity with
11 the total nuclear capacity of the Pearl Harbor and
12 the Portsmouth Naval Shipyards based on the fiscal
13 year '99 maximum potential capacity BCEG numbers,
14 which are as shown 6 point 6 million and 7 point 4
15 million.
16 The bottom line is that either yard's nuclear
17 capacity could be eliminated, and the Navy could
18 execute the BCEG plan work load plus 2 additional
19 SSN-688 refueling overhauls.
20 Let's now look at what has happened since the
21 data submissions. There was a fleet planning
22 conference last fall, and there's one going on this
23 week. Norfolk Naval Shipyard was already light as
24 they entered the fall in fiscal -- in years 1998 and
25 1999. We understand that the CV-66 and the CGN-40 at



1 Norfolk are now being delayed. Delaying the CGN-40,
2 of course, creates more excess nuclear capacity.
3 At Long Beach, the CV-63 and CV-64 would have
4 to be moved, associated with closing of the yard, and
5 Admiral Hekman has already discussed that, but that
6 will at least cause dry dock scheduling conflicts at
7 Puget Sound, which will result in work load
8 bottlenecks at a very minimum.
9 And the LHA's appear to be unsolved, at least
10 on the West Coast. Maybe they could haul them around
11 to the East Coast and do them at Norfolk.
12 The Navy is proposing additional nuclear
13 capacity at San Diego and Mayforth. Furthermore, the
14 Navy avoids consideration of Electric Boat and
15 Newport News nuclear capacity.
16 The 688 operating cycle was extended to 120
17 months between docking selective restricted
18 availabilities last December. That is December of
19 '94. The impact that is having is that Portsmouth is
20 losing 2 in '96, gains 1 in '97, Pearl Harbor is
21 losing 2 in '96 and 2 more in '97.
22 Furthermore, Portsmouth has no SSN-668 fueling
23 overhauls scheduled for '97 and '98 in our
24 understanding. The Navy is apparently planning to
25 move work scheduled to the private sector, both



1 nuclear and nonnuclear to Portsmouth Naval Shipyard
2 to compensate for this.
3 Portsmouth has not done surface ship work in
4 decades. It does not possess the skills and
5 processes. Surface ship work would be either
6 expensive and/or poor quality.
7 Portsmouth's Dry Dock Number 2 is tied up with
8 submarine work. The smallest Navy surface battalion
9 is the FFG-7, Class Friggett.
10 Dry Dock Number 1 at Portsmouth is not long
11 enough for an FFG-7. Dry Dock Number 3 at Portsmouth
12 is long enough for an FFG-7, but all the FFG-7s will
13 be out of commission about the year 2005.
14 It is unclear what surface ship work
15 Portsmouth will do over the long haul that would
16 merit the investment in new skills and processings in
17 the short term.
18 Hence, excess nuclear capacity has increased
19 since date of submission.
20 To summarize, there is excess nuclear capacity
21 equal to the total nuclear capacity at either Pearl
22 Harbor Naval Shipyard or Portsmouth Naval Shipyard.
23 This is the same conclusion that the Joint
24 Cross-Service working group came to.
25 The Spring Fleet Planning Conference is



1 reducing the work load further. Norfolk is
2 apparently getting excess nuclear capacity as a
3 result of these changes from the conference. Puget
4 has large dry dock conflicts.
5 I conclude that the Navy's BRAC conclusions
6 run counter to its own data and analysis, and that
7 the commission should add Pearl Harbor and Portsmouth
8 to the list, reanalyze Pearl Harbor, Portsmouth, and
9 Long Beach, and reconsider the Navy's
10 recommendations.
11 Thank you.
12 (Clapping.)
13 MR. GURZI: Members of the Commission and
14 staff, my name is Bill Gurzi. I'm here as Chairman
15 of the Southern California Committee to Save our
16 Shipyard.
17 Before I begin my presentation, I just want to
18 offer the apologies of Harbor Commission President
19 Carmen Perez. She had a flight to catch and was not
20 able to stay for the rest of the hearing. She offers
21 her apologies.
22 The Save our Shipyard Committee has monitored
23 the base closure activities since long before the
24 first BRAC round in 1988. Since 1990, we have even
25 monitored the communications of the private sector,

1 and their paper trail leads us to one inescapable
2 conclusion, and that is that the only beneficiaries
3 from the closure of Long Beach Naval Shipyard would
4 be the private sector in San Diego, not the Navy, not
5 the Department of Defense.
6 So before any proper decision can be reached
7 on the fate of Long Beach, the private sectors
8 capability within the home port will have to be very
9 carefully evaluated.
10 After all, as history has shown very
11 painfully, once a shipyard is closed, it is closed
12 forever. So did the Navy properly quantify private
13 sector capabilities before recommending closure?
14 According to testimony which your BCEG member Charles
15 Nemfakos, their capability was looked at, but never
16 quantified.
17 Before we let Mr. Nemfakos off the list -- off
18 the hook too quickly, I'd like to defer to paperwork
19 which he submitted to the previous BRAC commission in
20 1993. On this very same subject, he stated,
21 "Principal dependency, not transient dependency or
22 occasional dependency, but principal dependency on
23 the private sector to accomplish work load and to
24 respond to unplanned emergent and urgent repair puts
25 fleet readiness at risk."



1 Would the fleet be at risk if Long Beach Naval
2 Shipyard closes? Well, it only takes one look at
3 this chart to understand how inadequate the private
4 sector's dry docking capabilities are compared to
5 Long Beach, and in particular Long Beach's Dry Dock
6 Number 1.
7 Of these 8 ship classifications, which
8 represent the largest hulls in the Pacific Fleet, 6
9 cannot be dry docked in San Diego, but all 8 can be
10 easily accommodated at Long Beach Naval Shipyard's
11 Dry Dock Number 1.
12 (Clapping.)
13 The Navy and the private sector in San Diego
14 rely upon Long Beach for dry-docking of big ships.
15 We know that. But Long Beach's Dry Dock Number 1 is
16 also designated as the West Coast emergency dry dock
17 for all 100 surface ships of the Pacific Fleet, and
18 our Numbers 2 and 3 dry docks can handle the majority
19 of these ships as well. Our work force is Strike 3.
20 There's is not. And it's available to the Navy
21 around the clock. Long Beach Naval Shipyard is the
22 only West Coast resource for these very important
23 services: Sonar dome installation and maintenance,
24 gyrocompass testing, and rotor post repair.
25 Since 1990, the Port of San Diego Ship Repair



1 Association has charged publicly that unless Long
2 Beach closes, they will be forced -- their member
3 yards will be forced out of business, but over the
4 last 5 years that claim has been defied.
5 Now, 5 years later, Long Beach Naval Shipyard
6 has reduced its work force by over 1,000 men and
7 women, while employment at San Diego's private sector
8 yards has actually increased 7 percent since January
9 of 1994.
10 The committee has reviewed the reports and
11 position statements offered over the past BRAC rounds
12 by the Board of San Diego Ship Repair Association.
13 And their claims have changed very little since 1991.
14 Ironically, they claim today, and accurately I would
15 add, that the man-day rate at Long Beach Naval
16 Shipyard is about twice that of their yards. The
17 man-day rate is the cost of one man or woman working
18 one 8-hour shift.
19 They state, and we will not argue, that the
20 cost of a man day at Long Beach is nearly twice what
21 it is at a San Diego yard.
22 And they also state, again accurately, that
23 our employees, about 300 of which are sitting in this
24 room, earn nearly half again as much hourly as their
25 employees do. We won't argue that. They have a



1 lower man-day rate. They have a lower pay scale.
2 But what they fail to answer is the question
3 how do they explain the fact that on identical ships
4 and identical ship repair packages repair costs in
5 the private sector at San Diego come out as much or
6 even more than they do at Long Beach Naval Shipyard.
7 This chart represents one -- one overhaul --
8 one set of overhaul packages for one classification
9 of ships. These are guided missile cruisers. These
10 are the only classification of ships that I could get
11 data from the Navy without a subpoena. Otherwise I'd
12 have more classifications to show you.
13 These are identical work packages. They were
14 performed both in Long Beach and in San Diego. Note
15 that the average cost per ship at the very bottom
16 line, which you probably can't see. The average --
17 and, Mike, you may want to slide that up, because
18 those bottom numbers are very important.
19 The average cost per ship at San Diego is
20 about equal, a little bit higher than the average at
21 Long Beach Naval Shipyard. But note, too, that when
22 Long Beach implemented its now copied program of cost
23 cutting starting in 1988, the next year, 1989, the
24 cost of that overhaul actually declined.
25 Yet from 1989, the right column, to 1992, all

1 the way at the bottom, in the private sector the
2 final cost steadily rose.
3 Now, again this table represents only one ship
4 classification, but it goes to support the general
5 accounting offices claim back in 1990 that findings
6 of -- that early claims of cost savings in the
7 private sector cannot be substantiated.
8 Yet, the Navy took the private sector's
9 man-day rate and used that to arrive at their
10 unfortunately bogus claim of 1 point 9 billion
11 dollars in savings over 20 years by closing Long
12 Beach Naval Shipyard and transferring those people's
13 work loads down to San Diego.
14 In further irony, San Diego claims they can
15 provide all the capability that the Navy needs. But
16 as that first chart on dry docking clearly showed,
17 17 percent or the Pacific Fleet, or nearly 52 percent
18 of the biggest ships in the Pacific absolutely cannot
19 be dry docked in San Diego. But they'll fit like a
20 very small hand in a very big glove at Long Beach's
21 Dry Dock Number 1.
22 (Clapping.)
23 And as to their equally bold claim that they
24 can provide considerably more military value to the
25 Navy than does Long Beach Naval Shipyard, well, so



1 far no private sector data has been submitted to the
2 DOD for certification.
3 As we speak, ladies and gentlemen, Long Beach
4 Naval Shipyard personnel are in San Diego. They are
5 in Pearl Harbor. They are at Norfolk, and those of
6 you that were at Long Beach yesterday know that a
7 Tiger Team is now being dispatched to Philadelphia to
8 work on ships that are currently undergoing repairs
9 there.
10 There is no substitute for excellence, and San
11 Diego's private sector is no substitute individually
12 or collectively for the men and women and their
13 skills at Long Beach Naval Shipyard.
14 (Clapping.)
15 The great tragedy scripted by the Navy's
16 recommendation to close Long Beach is that without
17 this last remaining conventional shipyard, there will
18 be no strike-free work force to unconditionally
19 support the Pacific Fleet.
20 There will be no performance benchmark to
21 check the private sectors recurring cost overruns.
22 And as you heard yesterday if you were in Long Beach,
23 by Shirley Morhesa representing the Federal Manager's
24 Association, the GAO themselves stated that those
25 cost overruns are a problem.



1 The private sector and not the Navy will
2 determine repair scheduling and repair priorities.
3 Further, private sector business failures,
4 unfortunately like those at Todd Shipyards and Tecoma
5 Boat, will reduce repair capability below tolerable
6 levels on this coast.
7 A uniquely skilled work force already in place
8 today at Long Beach will be lost forever. And then
9 who will the Navy send to San Diego to supplement
10 their limited capabilities.
11 (Clapping.)
12 On the East Coast -- on the East Coast,
13 private sector capabilities actually complement the
14 public sector. But here on the West Coast, it's a
15 totally different picture.
16 Surrendering control of the San Diego fleet to
17 the San Diego private shipyards would be an
18 irresponsible and unfortunately irreversible act by
19 the Navy.
20 Thank you.
21 CHAIRMAN DIXON: Thank you very much,
22 Mr. Gurzi.
23 VICE ADMIRAL HEKMAN: For most of this century
24 Long Beach has served as a major home port for Navy
25 ships. And I'm going to cut through this in the



1 interest of time, but right now one of the major
2 issues in the Navy centers around nuclear carrier
3 home porting, and carrier and very large ship
4 maintenance and docking. We mentioned some of that
5 before.
6 The Navy Pacific solution is to home port 3
7 nuclear carriers in San Diego commencing with the
8 first in October of 1988. And the Navy contends that
9 that's a less costly option than placing the ships in
10 Long Beach.
11 The Navy also says that Long Beach could not
12 be facilitated until the year 2003. Finally, the
13 Navy contends that the Long Beach facility is
14 necessary even before the North Island facility is
15 necessary, even if Long Beach were to be used for a
16 home port.
17 There's been a great deal of study on this
18 subject back in 1985 when the Naval Facilities
19 Engineering Command under then Aryo Montoya's office
20 here on the West Coast looked at a report by the firm
21 of Lee and Row of Pasadena, California. It's a very
22 comprehensive report, updated as late as December
23 1994.
24 And it said home porting of nuclear carriers
25 at Long Beach is feasible and with little work at a

1 cost of between 7 to 25 million dollars. It assumes
2 the naval station is open. There's a more recent
3 March 1995 study by the commander of the Naval Air
4 Force Pacific Fleet, and the GAO review of the same.
5 That sort of prices out the Long Beach option
6 at about 700 million dollars and about 500 million in
7 total for the San Diego option. I guess somewhere
8 there's a middle ground between these 2.
9 In my professional reading of both, I come
10 much closer to the Lee and Row report that was
11 commissioned earlier.
12 The Navy's report has a lot of things that it
13 doesn't consider. For example, ship recurring
14 maintenance costs, comparison of local assets outside
15 the facilities. It assumes regular maintenance and
16 repair can be accomplished in San Diego by building a
17 270 million dollar complex by local private
18 contractors by about 900 per diem nuclear workers
19 from Puget Sound, although they did not do a cost
20 comparison on that with Long Beach.
21 It assumes many costly shipyard improvements
22 that have to made, which is not what the Lee and Row
23 report says, nor do I believe that to be true.
24 It assumes that the North Island facilities
25 would be required anyway in order to offload aircraft



1 and for transient berthing.
2 It bases its study on 3 carriers in home port
3 at the same time, which is highly unlikely, but then
4 it also analyzes all options zeroed down to 3 or up
5 to 3, and comes up with the same basic conclusion,
6 that it is always better to go with San Diego.
7 The general accounting office conducted a
8 review of this study. It's only a partial review.
9 It's continuing, but they have issued an interim
10 report, which is dated the 21st of April of this
11 year. And the review contains some significant
12 findings.
13 And I don't have time to give you a complete
14 discussion of what the GAO report does say, the
15 interim report. I'll cover a few of the items in
16 order to demonstrate that the GAO views with
17 skepticism many of the Navy's assumptions, and
18 certainly with a great deal of scepticism a
19 significant amount of the data. A few of the
20 comments are here.
21 The Navy says you got to build 1708 new
22 housing units, for example, at a cost of 258 million
23 dollars. The GAO says none are needed. The Navy
24 says that there are only 6 thousand civilian units
25 that meet Navy specs for purchase or rent. The GAO



1 says that within a three-quarter hour commute during
2 rush traffic here, there are 27 thousand civilian
3 units that are both affordable and meet the highest
4 of Navy standards.
5 That rental purchase costs in San Diego are
6 far less than they are here at Long Beach. The GAO
7 takes the counter position and points out that that
8 is not true by a significant 30 percent differential.
9 The GAO points out the Navy did not mention
10 the 6 thousand unit shortage in San Diego or the
11 two-year waiting time to get in.
12 The GAO questioned the reasonableness of Navy
13 base support estimates. They said 167 million in San
14 Diego, and 224 million in Long Beach. The GAO only
15 pulled a few things out, like saying 86 million too
16 high for parking, admin, dental, dining, and VOQ, 5
17 items, which the GAO said shouldn't exceed 4 million.
18 The GAO also believes that the Navy's
19 estimates for dredging in Long Beach are
20 significantly overstated, and perhaps by as much as
21 67 million dollars.
22 GAO questioned the estimates for upgrading the
23 shipyard versus the cost of building the new
24 maintenance facilities in San Diego, and then showed
25 some examples that weren't covered, but the basic



1 question is yet unanswered.
2 GAO discussion of the Navy's position leads
3 the reader to the conclusion that it's primarily
4 based on a desire to operate out of North Island, and
5 I can understand that. It's a nice place. I've been
6 home ported there as well, but I've also been home
7 ported in Long Beach, and I found it equally as nice
8 a home to live.
9 San Diego, they claim has all of the things
10 shown, which is true. The GAO challenged the
11 adjacent airfield. San Diego said that the report
12 said they needed to offload aircraft there. The GAO
13 found through a Navy review that that occurred about
14 once every 3 years, and that they don't have that
15 urgency at other ports.
16 And a number of other issues that were brought
17 up. The bottom line really being CVN's carriers are
18 maintenance intensive. I was a chief engineer for
19 nuclear carrier for 4 years, and I can certainly
20 attest to the fact that it was home 52 days in that
21 time.
22 It's more advantageous, at least in my mind,
23 to bring ships to the facility than it is to go out
24 and try to build a facility and then bring ships to
25 the one that you build. You certainly ought to use

1 what you've got.
2 (Clapping.)
3 So I propose that in addition to the shipyard
4 issue, the home porting issue, the advantages of the
5 home port be kept in mind by the commission as they
6 go through their very difficult task of analyzing
7 this particular area.
8 There are enormous advantages in keeping the
9 Long Beach Shipyard open and in using it as a home
10 port, and they're just quickly summarized here.
11 I just think that a reevaluation is essential.
12 And now again I'll be followed by Dr. Johnson, who
13 will talk about some possible realignment
14 possibilities for this coast other than the proposal
15 of the Navy.
16 DR. JOHNSON: Thank you. I will be very
17 brief. We believe that restructuring is necessary
18 because of the plummeting work of the Navy depot work
19 load in the ship area, that command and excess
20 overhead at Pearl Harbor and Long Beach should be
21 eliminated, and that consideration should be given to
22 home porting carriers at Long Beach, and also that
23 Long Beach be considered part of the San Diego home
24 port.
25 I will only discuss specifically structuring



1 options. I have no strong preference among them.
2 Nor do I see major cost differences between them.
3 The Navy should make the final choice on the context
4 of an overall ship depot maintenance strategy.
5 I have some concerns with their cost estimates
6 of savings I'd like to submit for the record.
7 There are 2 basic alternatives, and in the
8 first alternative there are 2 options. You could
9 place Pearl Harbor and Long Beach under the technical
10 and management control of the Puget Sound Naval
11 Shipyard. Within that, the 2 options are to make
12 them ship repair facilities.
13 The second option would be to make them
14 detachments of Puget Sound.
15 The first option is SRS, the repair
16 facilities. They would report to the fleet
17 maintenance officer, Pacific. He would in turn
18 delegate management and technical authority to the
19 commanding officer at Puget Sound Naval Shipyard.
20 Right now, the fleet maintenance officer Pacific is
21 already the commanding officer of Puget's homeless
22 sole customer.
23 The second option would be as detachments.
24 This would allow the commander officer at Puget to
25 optimize the use of all 3 sets of facilities to



1 satisfy the Pacific Fleet requirements. This would
2 be completely consistent with the proposed business
3 operating center concept that the Navy is
4 investigating for the shipyards.
5 This Option 2 would be the most
6 straightforward chain of command, but in practice it
7 in fact is not very much different from Option 1.
8 Alternative 2 would be to assign Pearl Harbor
9 Naval Shipyard and Long Beach Naval Shipyard to the
10 regional maintenance centers at Pearl Harbor and San
11 Diego. As part of the regional maintenance centers,
12 they would report again to the fleet maintenance
13 officer Pacific.
14 That is why I'm saying that it's all very
15 similar. The Navy needs to figure out if the -- what
16 would be the optimal strategy as far as an overall
17 maintenance strategy.
18 In addition, I believe you should consider
19 home porting 2 or 3 CVs, CVNs at Long Beach.
20 Continuing to maintain a home port infrastructure at
21 Long Beach is much less expensive than building
22 maintenance facilities at San Diego. This is a
23 sensible quality of life improvement for the sailors.
24 Thank you very much.
25 (Clapping.)



1 VICE ADMIRAL HEKMAN: Thank you very much,
2 Dr. Johnson. I failed to say about Dr. Johnson that
3 in his distinguished civilian service in the Navy, he
4 won the meritorious civilian service award twice, and
5 the superior civilian service award twice.
6 CHAIRMAN DIXON: Excellent.
7 CONGRESSMAN HORN: Let me just briefly wrap it
8 up. You've seen a number of us repeat the simple
9 truth that the study of the Navy is deeply flawed.
10 It was contrived to generate a predetermined set of
11 answers. You've heard from 2 experts, Admiral Hekman
12 and Dr. Johnson, who know the Navy from the inside as
13 well as can observe things objectively without, who
14 understand the differences between the capabilities
15 of private and public yards.
16 What we see in all of this is not only that
17 they violate the basic law that guides this
18 commission, the commission who is so ably
19 administered, they have deviated from the possesses
20 set down in the law. And beyond that, they deviated
21 from basic common sense, and I can't believe they
22 don't know it.
23 There is greater excess nuclear capacity than
24 there is nonnuclear. Everyone knows that. The Navy
25 set out to do something about it. And in their sort

1 of magical way, like naval assignments of people
2 skilled in logistics to be a cook, which was true in
3 the second world war, they have decided to cancel the
4 nonnuclear yards to get at nuclear capacity. I'd
5 find that rather ironic if it wasn't so pitiful.
6 But we have suggested to you a win-win
7 situation, which Dr. Johnson and Admiral Hekman have
8 just elaborated, and that is realigning both Pearl
9 Harbor and Long Beach including the Long Beach Naval
10 Shipyard in the Regional Maintenance Center Concept,
11 and that keeps the industrial capabilities of Long
12 Beach and its quality work force available to the
13 Navy.
14 In terms of the realignment decision, it's
15 going to obviously save dollars. In terms of where
16 the nuclear carriers should go, several top experts
17 in the Navy have told me that you can do it at Long
18 Beach through what the study said about 7 to 25
19 million, that no dredging charges are made to the
20 federal government at Long Beach. They are in San
21 Diego.
22 They are talking about somewhere between 500
23 million and 750 million, and a number of people that
24 have looked at the San Diego situation says that will
25 easily go to 1 billion.



1 The fact of life is we should think not only
2 about the defense budget being effectively used, but
3 we should think about the American taxpayer's dollars
4 being picked.
5 The Long Beach Naval Shipyard is a critical
6 asset. It's at the southern part of the major
7 intermodal project in the nation, which is the
8 20-mile Alameda corridor that is merging 3 railroad
9 lines so they can go dockside at the Port of L.A.,
10 the Port of Long Beach, the major port complex in
11 America.
12 And that will also help delivering inventory
13 in a timely cost effective way to the naval shipyard,
14 and moving supplies and objects to be repaired in the
15 depot maintenance concept easily in and out of that
16 shipyard.
17 I want to thank each of the commissioners for
18 being here today. Welcome to California. We're
19 sorry it's under such sad, tension ridden
20 circumstances. We hope you'll come back and enjoy
21 both Northern and Southern California, and we
22 appreciate your patience and attentiveness.
23 CHAIRMAN DIXON: Thank you, sir.
24 (Clapping.)
25 Ladies and gentlemen, we're going to have one



1 question from Commissioner Cox. Then we're going to
2 take a break until 3:05, when we'll hear from the
3 folks talking about the Sierra Army Depot.
4 Commissioner Cox?
5 COMMISSIONER COX: I think, Admiral Hekman,
6 you would be the appropriate person, but anyone.
7 When we went through this in 1993, they outlined some
8 of the very same difficulties you all raised with
9 replacing the dry dock capacity at Long Beach. At
10 the time there was some thought that we would be able
11 to use a portable dry dock or floating dry dock I
12 believe out of Subic Bay. You mentioned a little bit
13 yesterday, but I wonder if you could give us a quick
14 answer on your thoughts on whether that's an option?
15 VICE ADMIRAL HEKMAN: I did a study in 1990
16 when I was commander of the Naval Sea Systems Command
17 of the dock in Subic Bay. It's called the machinist,
18 or it's now in mothballs in Hawaii. That dock was
19 looked at by the Navy at that time by myself for the
20 large amphibious ships.
21 The study was it showed that the dock could
22 not take these ships. Then we looked at could we
23 improve the dock in order to take the ships. With a
24 significant amount of money, probably in the
25 neighborhood of 75 to 100 million dollars, we would



1 -- we would have to put over 8 thousand tons of
2 additional material into the dock to give it the
3 strength that it needed. It being designed at 25
4 thousand tons, and the ship in its very lightest
5 condition is 25 thousand 700 tons.
6 With that 700-ton difference, there was a high
7 risk capability with adding 8 thousand tons of
8 material to strengthen the dock to bring it to the
9 specifications. It no longer had the lift capacity
10 in order to lift the ship. So we abandoned that.
11 That was recently looked at again, and a study
12 came out in San Diego which said that it was possible
13 to do. But that study used a commercial design lift
14 capacity of 31 thousand tons.
15 So in order to settle the argument, a recent
16 look was made by a company in Massachusetts that
17 certifies the Navy docks. I forget the name.
18 Crandall Dry Dock Engineering Company. It's a very
19 reputable firm, been doing it for almost a century.
20 Their bottom line was that, yes, if you didn't use
21 military specifications, it was possible to do. But
22 with military specifications, it was definitely not
23 possible to do, and their recommendation was to
24 excess the dock and sell it to the commercial sector
25 where there is a market.

COMMISSIONER COX: Thank you.

CHAIRMAN DIXON: Thank you, Admiral Hekman. We will be back in session promptly at 3:05.

(Recess was taken.)

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3. SIERRA ARMY DEPOT


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CHAIRMAN DIXON: Would you fine folks please stand 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?

SPEAKERS: I do.

CHAIRMAN DIXON: I understand that each of you has been assigned a certain number of minutes, and we'll proceed on that basis. You have your timer over there.

MR. LENSING: Thank you.

CHAIRMAN DIXON: Thank you, Mr. Lensing, we're delighted to have you, Chairman of the Committee to Retain Sierra Army Depot, Mr. Jack Lensing.

MR. LENSING: Good afternoon. My name is Jack Lensing, Chairman of the Committee to Retain Sierra Army Depot, and past president of the Lassen County Chamber of Commerce. I'm pleased to have Lyle Lough, Lassen County Supervisor, and James Jeskey, Mayor of the city of Susanville, speaking with me this morning.

The materials we have provided and this presentation will point out the capabilities that



Sierra possesses which were not adequately assessed in the Army's deliberations.

CHAIRMAN DIXON: Stop the clock. Close the doors. Get the people outside. Start the clock.

MR. LENSING: Thank you, Mr. Chairman. The materials we have provided and the presentation will point out the capabilities Sierra possesses, which were not adequately assessed in the Army's deliberation.

Also, we'll address why the projected one-time costs are estimated to be too low and estimated manpower and recurring savings are too high.

These 2 elements alone combine to make Sierra's realignment a bad business decision.

CHAIRMAN DIXON: Mr. Lensing, stop. What's going on out here? Get that out of here. Now, Mr. Lensing, I'm going to have order for you or we're going to have a fight.

MR. LENSING: I would certainly appreciate you as an ally.

CHAIRMAN DIXON: You're going to have to come with me. You're a lot bigger guy.

MR. LENSING: We'll do it.

CHAIRMAN DIXON: Now, have you -- we have not interrupted his time. Are you comfortable, or would

1 you like to start over?
2 MR. LENSING: Whatever's the --
3 CHAIRMAN DIXON: Your pleasure, Mr. Lensing.
4 MR. LENSING: We'll just continue on if you
5 don't mind. Most of this is written testimony.
6 CHAIRMAN DIXON: Thank you, Mr. Lensing.
7 MR. LENSING: And I'd like to reinforce it.
8 CHAIRMAN DIXON: I apologize to you, sir.
9 MR. LENSING: Thank you. There are many more
10 failings to the Army's BRAC 95 process and
11 methodologies. It is these areas we'll spend most of
12 our time highlighting. We hope that by the end of
13 the presentation you'll agree that Sierra's location,
14 efficiencies, and capabilities, make it the perfect
15 fit for America's Army and the nation.
16 As we studied the process that put Sierra on
17 the block, we came to realize the Army failed to
18 credit Sierra properly for its many strengths, some
19 unique or shared by only a couple of installations.
20 At the same time, the Army failed to ensure
21 its work was completed using accurate data and
22 following logical constructs throughout their
23 analyses. We'll address these 2 areas in detail.
24 Putting the bottom line up front, we believe
25 Sierra should not be downsized. In fact, we think



1 its many attributes demand an expansion of both the
2 operation project stocks and the ammunition storage
3 missions. By the time the Army adds back the
4 personnel necessary to support the operation project
5 stocks mission, the potential to leverage an accepted
6 business principle -- the economy of scale -- should
7 provide sufficient incentive to increase, not reduce
8 the mission.
9 These are some of the specific strengths
10 Sierra has to offer: warfighting commanders, joint
11 planners and taxpayers alike. I'd like you to note
12 the Army's guidance shown at the top of the slide.
13 The essence of affordably projecting America's
14 military power is represented on the slide. Lowest
15 costs, best location, an on-site airfield capable of
16 handling the largest of our Air Force's aircraft,
17 and a demil capability that will do 31 percent of all
18 the Department of Defense's work this year. Add the
19 two main lines for the major east-west railroads, an
20 unlimited ability to expand the operation, and an
21 ideal climate to store the rapidly growing munitions
22 stockpile of all services, and it's clear Sierra is a
23 world-class power projection platform.
24 Therefore, it should be carefully protected in
25 the national interest, not thrown away by



1 questionable, short-term expediencies.
2 We're not going to dwell on each of the
3 strengths, but do want to underscore the magnitude of
4 differences between Sierra and other depots in 2
5 areas: cost and demil capability.
6 As you can see, Sierra is over 10 dollars per
7 hour cheaper than its closest competitor. Also with
8 the savings of 10 dollars per ton, the taxpayer will
9 save a tidy amount, over half a million, on Sierra's
10 fiscal year '95 demil program. When an installation
11 costing so much less than the average is removed from
12 the system, the only way the expenses can go is up.
13 Moreover, look at the enormous capacity for
14 demil that Sierra has, 35 times greater than the next
15 most capable. Let me repeat that. 35 times greater.
16 We've included two charts in your materials
17 showing what this really means. The amount of
18 material which can be demiled in one day at Sierra
19 will take from 35 to 1400 days to complete at other
20 installations. These two charts should highlight the
21 need for keeping this capability.
22 Finally, Sierra has been a key contributor to
23 the Navy's ability to meet international treaty
24 obligations. We do not know of any other facility
25 that can meet their needs.



1 Now, turning to the next major area, problems
2 with the Army's process for ammo storage facilities.
3 The Army's process was specifically criticized in the
4 GAO report for the accuracy of some data used in the
5 military value analysis for ammo storage
6 installations. In their review, they validated
7 existence of some data inaccuracies. We believe
8 these problems are significant factors for Sierra.
9 Additionally, we believe there are other major
10 weaknesses not identified by the GAO. The errors
11 range from those associated with incorrect
12 classification of installations, the failure to
13 resolve questions raised by conflicting studies, the
14 use of bad data, garbage in-garbage out COBRA
15 analysis, and basing the military value analysis on a
16 seriously flawed, subordinate study.
17 The first problem is that the Army used a
18 mission area, munitions storage, to characterize the
19 function of the entire installation and its work
20 force. Obviously, this stemmed from a lack of
21 appreciation for what actually takes place at Sierra
22 and led the analysts to make bad assumptions.
23 These assumptions, as reflected in the COBRA
24 analysis, led the Army's leadership to believe the
25 costs are lower and the savings higher than possible.

1 We'll address the magnitude of these errors later.
2 Before we leave this slide, it's important to
3 note the OPS stock mission is one which has been
4 increasing. Currently, Sierra maintains 5 of the 16
5 OPS stock items in the Army inventory.
6 As the Army's center of technical excellence
7 for OPS stocks, it's reasonable to expect much of the
8 material moved as a result of BRAC transitions would
9 come this way.
10 Also, as our Army transitions to a conus based
11 force and returns with its equipment, the requirement
12 will grow. This indicates Sierra will continue to be
13 a vital piece of the Army well into the future. We
14 think it's more effective to spread the costs of
15 keeping the gates open across a larger, not a
16 smaller, operation.
17 One of the studies referenced in the Army's
18 documentation is called the Wholesale Ammunition
19 Stockpile Program or WASP. It was completed with
20 participation from each of the services and took a
21 comprehensive look at the current and future
22 stockpile management funding dilemma. It's focus,
23 concern that, quote, "degradation in stockpile
24 safety, readiness, and quality was occurring based
25 upon the reduced level at which essential stockpile



1 readiness functions were being accomplished," end
2 quote.
3 As you can see, both the WASP and the Army's
4 BRAC staff addressed similar issues.
5 However, we're at a loss to understand how
6 these two analyses can come to such diametrically
7 opposed conclusions. Based on Savanna's regional
8 hearings, we understand your staff is wrestling with
9 the storage capacity question, so we're not going to
10 delve into this further at this time.
11 Now, here are some points which scream for
12 attention. The data used in 6 of 17 areas was wrong,
13 simply, irrefutably incorrect in 35 percent of the
14 cases. In fact, the situation was so bad that the
15 GAO raised it in both their report and testimony to
16 you. The quotation is from their report, but we feel
17 sure you have a better appreciation for this area
18 than words can convey.
19 We've included a matrix which identifies the
20 errors for Sierra. It also shows how, if the correct
21 data is used, Sierra's ranking moves from Number 7 up
22 to Number 3.
23 Of special note is that the Army contributed
24 to the problem by departing from their procedures in
25 previous BRAC rounds. Unlike BRAC '91 and '93, the



1 Department of the Army made no efforts to reconcile
2 differences between what they chose to use and the
3 data submitted by the installation.
4 Had they done so, there would either have been
5 neither -- no bad data used or no opportunities for
6 communities to raise the question. Because they did
7 not, we are, and believe the GAO's report supports
8 the assertion.
9 The first attribute measured in the Army's
10 analysis was about 57 thousand square feet in area.
11 This resulted when Sierra incorrectly used the
12 category definitions provided. The fact remains,
13 however, that the numbers used in the Army's analysis
14 was wrong. It would seem the process of data
15 collection, certification, and validation should have
16 caught this mistake.
17 Perhaps if the Department of the Army had
18 taken some efforts to reconcile apparent errors with
19 the installation, bad data would not be found in
20 sufficient amount to warrant the GAO's comments.
21 In this case, the difference between the
22 figures represented a significant tonnage of munition
23 storage capacity.
24 This charts reflects the difference between
25 including the Reno, Nevada, area and the economic



1 area of Sierra for BRAC 95. Obviously, adding the
2 Reno area has a dramatic effect of Sierra resource
3 pool for assessing available work force. We believe
4 that based on using the determination of economic
5 areas, guidance from DOD policy memorandum 3, that
6 the Reno area should have been included in Sierra's
7 economic area. It was during BRAC '93.
8 In fairness, we have to acknowledge the
9 efforts DOD made to ensure consistency of data
10 measurement across installations.
11 However, although consistency can be a virtue,
12 too rigid an approach distorts, not clarifies, the
13 analysis.
14 One final example of data errors. Sierra
15 reported 2 numbers for the cost of using a landfill.
16 The higher applies to an off-site base, and the lower
17 to the on-site location. They also indicated they
18 used the on-site at 37 dollars. However, the Army
19 analysis used the 110 dollar figure, which led to an
20 indication of possible out-year problems, which is
21 incorrect.
22 Again, reconciliation would have prevented
23 this.
24 There are other additional errors in this
25 attribute area. Instead of walking through each one,

1 we've provided a chart showing some of the
2 differences between what Sierra reported and the
3 Department of Army BRAC staff used. In all cases --
4 CHAIRMAN DIXON: Mr. Lensing, are you going to
5 conclude, sir, shortly? Thank you.
6 MR. LENSING: In all cases, Sierra has
7 validated their original input. In some cases, the
8 value is even higher than originally submitted.
9 One final point before leaving the issue of
10 BRAC data accuracy. There may be even more errors
11 than what we've noted. The reason I say this is the
12 difficulty we've had in obtaining the certified data
13 used in the analysis.
14 In fact, we understood that even the depot
15 staff has fully not received a copy of the data
16 actually used by the Army in the analysis.
17 We had expected the Department of the Army to
18 be much more responsive to requests for information
19 about the process. After all, it's supposed to be an
20 open one. It doesn't appear the Army shares that
21 view.
22 CHAIRMAN DIXON: Thank you, Mr. Lensing.
23 We'll have to hear from Mayor Jim Jesky now. Thank
24 you very much. Mayor Jim Jesky.
25 MAYOR JESKY: Thank you. Here we see the



1 impact of bad data on the input of the COBRA model.
2 First, the costs. The Army failed to acknowledge the
3 expense of moving ammunition that won't be destroyed.
4 This is the good stuff. It will cost between 38 and
5 91 million dollars, depending on where it's moved.
6 Also, there are dollars associated with
7 demiling of Sierra Army Depot current inventory.
8 Even if completed at Sierra, with the attendant cost
9 savings, it's still 19 million. These are two of the
10 larger areas overlooked.
11 The personnel savings are particularly
12 troubling, because the Army's recommendation fails to
13 leave enough people in place to do the job necessary.
14 A detailed look at how this occurred is in your
15 materials.
16 In a nutshell, the Army has shorted the depot
17 about 280 people. This error will reduce the steady
18 state savings about approximately 34 percent per
19 year. That's 5 point million, give or take, and is a
20 substantial piece of even Bill Gates' personal income
21 taxes.
22 Errors in the data are not unique to Sierra
23 Army Depot. This chart shows the munitions storage
24 capacity credited to 5 locations in both BRAC '93 and
25 '95. It would seem to us that this kind of asset



1 would be relatively fixed. We really don't
2 understand how this kind of capacity could change so
3 much.
4 Sierra had the smallest change, with an
5 increase of about 7 point 8 percent. The next lowest
6 was at 30 percent, while Tooele grew an amazing 114
7 percent between the 2 BRACs. This kind of gross
8 inconsistency should certainly warrant the
9 commission's scrutiny prior to accepting the Army's
10 recommendation.
11 We also identify problems with the Army's BRAC
12 process. For example, the Army's report states
13 ammunition storage facilities support the operational
14 requirement of power projections. The BRAC analysis
15 failed to use any meaningful measures of merit to
16 assess the ability to project power.
17 First, they only evaluated distances to
18 airfields, ports, railheads, and interstate highways.
19 They did not measure the ability to prepare, load, or
20 deliver munitions to any of these transportation
21 nodes.
22 We'll skip the next bullet and address the
23 issue of outload capacity later.
24 Second, they ignored the cost differences
25 between installations. They penalized cost effective



1 depots and rewarded the more expensive ones.
2 Finally, no weight was given to the efficiency
3 of moving the munitions. Certainly, Sierra Army
4 Depot's 2 main rail lines can feed material to the
5 western ports faster than other installations without
6 such direct access.
7 Also, their onsite airfield allows tremendous
8 responsibility, responsiveness for time critical
9 items.
10 Another criticism of the Army's BRAC process
11 is that the munition storage function was based on a
12 subordinate product called the Tier Depo Analysis.
13 It also has large problems. The decision to insert
14 its results in the BRAC process introduced fatal
15 errors into the Army's analysis.
16 For example, only 4 of the tiering studies
17 measures were even addressed in the BRAC matrix. As
18 previously mentioned, those 4 measures of merit were
19 looked at about as superficially as possible.
20 More importantly, the data used in the tiering
21 study does not appear to have been certified in
22 accordance with the law, DOD policy, or the Army's
23 process. If this is correct, and we believe it is,
24 the Army based its BRAC recommendations on
25 noncertified data in violation of Public Law 101-510,

1 as amended.
2 Finally, and almost as importantly, the data
3 used was not correct.
4 This is representation of the Army's process
5 for ammo storage installations as shown in their
6 report. We're not going to belabor this point. We
7 want to emphasize the role of the military value
8 assessment as quoted at the top of the slide. In the
9 Army's process, quote, "The MVA provides the basis
10 for identifying BRAC study candidates," unquote.
11 This did not happen with the ammo storage facilities.
12 Although 2 installations not addressed by the
13 tiering study were included as BRAC study candidates,
14 they were subsequently eliminated from closure
15 realignment consideration based on their chemical
16 munitions demil capabilities. Essentially,
17 installations with capable -- with chemical demil
18 capabilities were categorically excluded.
19 The next slide shows how the integration of
20 the tiering study results and the BRAC analysis fails
21 to comply with the Army process.
22 Since the operational blueprint for this
23 category specifically directs the elimination of Tier
24 3 installations, no other Tier 1 or 2 facilities were
25 ever at risk. As previously stated, the tiering



1 study, not the installation assessment, nor the
2 military value analysis, determined which
3 installations were Tier 1, 2, or 3.
4 Therefore the operational blueprint demanded
5 the BRAC study candidates include all installations
6 classified by the tiering study as Tier 3 and ignore
7 the remainder. In short, the purpose of the Army's
8 BRAC '95 process, as it related to munitions storage
9 installations, was to eliminate facilities already
10 set up for closure or realignment by another study.
11 The Tier 3 installations never had a chance.
12 They went directly from being identified by one bad
13 analysis to being selected for closure or realignment
14 by another.
15 And, again, we'd like to point out that the
16 certified data the Army collected for BRAC was an
17 input to the installation assessment process. When
18 the Tier 3 installations bypassed the process, the
19 certification chain was broken.
20 Oh, yes, and the data was inaccurate.
21 MR. LOUGH: I'll be taking it up from here.
22 CHAIRMAN DIXON: Thank you, Mr. Jesky, and
23 we're delighted to have you Mr. Lough.
24 MR. LOUGH: Thank you. Regarding this next
25 slide, a few other errors in the tier analysis



1 resulted from no or too little credit being given for
2 significant functions. The demil capacity areas
3 should have been obvious to the Army staff since it's
4 well known that Sierra has the most capability in the
5 Army.
6 However, the worst thing about the tier
7 analysis is that even when the leadership
8 acknowledged that the data used was wrong, they made
9 light of it. They seemed more concerned about
10 protecting their process than having used inaccurate
11 data to base their decisions on.
12 However much General Holmes wished his data
13 was accurate, correct, and valid, it wasn't. The
14 example of demil capacity points that out fairly
15 directly. So if the demil values were incorrect, how
16 much more of the data was in error. Shouldn't the
17 discovery of a mistake in data assumed to be so pure
18 have triggered some sort of review? We think so, but
19 it didn't.
20 Instead the Army stood on a pat statement to
21 the effect that there was no need for audit. It was
22 this flawed data that drove the tier placements, and
23 that's what drove the BRAC recommendations.
24 A few minutes ago we mentioned outload
25 capability. This is synonymous with power



1 projection, an element as defined in the tier depot
2 analysis. Power projection was the most important
3 attribute in the tier study, but the Army emphasized
4 the wrong elements..
5 We believe the presence of very expensive
6 infrastructure shown on the slide as physical
7 constraints is much more important than the number of
8 forklifts or trucks on a station. Equipment, people,
9 and vehicles can be obtained or redistributed with a
10 little leadership initiative.
11 It's pretty hard to build a major rail line,
12 and air fields are very expensive. Yet, this is what
13 the Army did. They weighted the activities, those
14 things dependent on people, equipment, and other such
15 stuff heavily, while they gave little weight to the
16 lack of these physical constraints.
17 Now, just a couple of quick comments about the
18 economic impact the Army's recommendation will have
19 on our County. Over 22 percent of our jobs would be
20 affected. It will effectively double unemployment,
21 and it will put about 5 years worth of housing stock
22 on the market in a relatively short time.
23 Devastating is the only word we could find to capture
24 the effect.
25 Moreover, while the DOD and administration

1 have good intentions for helping communities reuse
2 those facilities, there's not much prospect for reuse
3 on Sierra. It's an extremely remote installation,
4 which is just the kind of place we used to want to
5 keep our ammunition.
6 We don't see any realistic chance in the
7 foreseeable future at least for having a viable reuse
8 for the installation if the Army's recommendation
9 stands.
10 And we have included more detailed information
11 in your binders.
12 To wrap this up, we believe the real strengths
13 of Sierra are largely things which cannot be
14 replicated in any other place.
15 First, Sierra is extraordinarily well-served
16 by transportation systems, and there are no better
17 climatic conditions for munitions storage.
18 Second, Sierra is solid environmentally. They
19 are about to receive a 10-year permitting by CAL EPA
20 to operate their OBOD facility. There should be no
21 question of the viability of Sierra's
22 demilitarization program.
23 The testing on environmental effects of open
24 burn/open detonation demil being done at Dugway
25 Proving Grounds is further positive proof.



1 And third, the remoteness of Sierra and the
2 county's mile-wide public safety zone further
3 protects it from encroachment.
4 When you add the fourth largest storage,
5 lowest costs, and highest demil capacity, we believe
6 you have a world class power projection platform.
7 However, the retention of such a valuable
8 national asset has been put at risk by conflicting
9 studies, bad data, flawed analysis, and results
10 oriented exercises. As taxpayers, we can't afford to
11 sacrifice the advantages of Sierra on the alter of
12 such poor staff work.
13 As we said at the beginning, the Sierra Army
14 Depot matches the Army guidance to retain affordable,
15 world-class power projection platforms. We
16 understand the need to close inefficient and
17 out-moded installations. But closure of such an
18 efficient profit center to maintain more costly
19 alternatives is not only arguable, it defies common
20 sense.
21 Sierra Army Depot truly is the perfect fit for
22 America's Army and the nation. We urge you to
23 reverse the Army's recommendation for realignment
24 and, if the opportunity presents itself, expand the
25 munitions mission or add new missions.



1 Now, I'd like to thank you for the opportunity
2 to present our views. I know that you'll review this
3 material carefully, and we appreciate the difficult
4 task before you.
5 Finally, I'd like to say one other thing.
6 Jack didn't mention it, but none of us are
7 professional speakers or retired military. We are
8 businessmen, though, and we know a bad decision when
9 we see one. I've reached my last page, and it's
10 blank, which is how my mind just went.
11 CHAIRMAN DIXON: I thank you, Mr. Lough. A
12 very good presentation
13 MR. LENSING: At this time with the Chairman's
14 permission, we'd like to turn the floor over to Mike
15 DiGiordano, Field Rep for Congressman Herger.
16 CHAIRMAN DIXON: We're delighted to have him
17 here representing the distinguished congressman.
18 MR. DIGIORDANO: Thank you, Chairman Dixon,
19 for the opportunity to testify on behalf of Sierra
20 Army Depot. I'm here today to offer a written
21 statement from the Honorable Wally Herger, who
22 represents California's 2nd Congressional District,
23 which includes Lassen County and Sierra Army Depot.
24 Congressman Herger had the pleasure of touring
25 Sierra Army Depot Tuesday with Commissioner Steele,



1 and expresses his gratitude for her diligence and
2 professionalism. Her first-hand knowledge and
3 insight will be valuable as you examine the case for
4 Sierra Army Depot.
5 The Congressman's statement, which is at Tab B
6 in your package, specifically addresses military
7 value, cost versus savings, and the economic impact
8 of a major realignment at the Sierra Army Depot. I
9 would respectfully request that this statement be
10 entered into the official record as part of the
11 testimony for this regional hearings.
12 CHAIRMAN DIXON: And it will be admitted into
13 the record. The entire document will be admitted.
14 MR. DIGIORDANO: I would like to take a few
15 moments of your time to reiterate our concern
16 regarding the data used as criteria for rating or
17 ranking bases during the Army's evaluation process.
18 Since the tiering study process first began,
19 there have been problems with the accuracy of the
20 information used. As we question findings, more
21 evidence came to light which cast shadows on already
22 suspicious figures. The more we challenged the
23 process, the more disturbed we became that black and
24 white numbers, complicated formulas, and a subjective
25 or indefinitive weighting system are glossing over

1 the facts which makes the Sierra Army Depot the ideal
2 location for an ammunition stockpile.
3 We are still troubled with the projected
4 shortfall of ammunition storage capability. This
5 closure and realignment process will further reduce
6 that capacity by some 5 million square feet.
7 We are also apprehensive about the loss of the
8 best and most cost effective demilitarization
9 function within the Department of the Army. Loss of
10 Sierra Army Depot's demil mission will have a
11 significant impact on certain types of munitions and
12 rocket motor demolition required by the Reduction and
13 Limitation of Strategic Arms talks, commonly referred
14 to as START I and START II treaties.
15 Furthermore, there is concern that extra costs
16 associated with transportation, shipping, demil and
17 storage are not being considered in the return on
18 investment formula. Between added personnel and the
19 cost increase required to have other installations
20 handle Sierra Army Depot's mission, there appears to
21 be a substantial cost outlay and no cost savings.
22 The military value of Sierra Army Depot is
23 strategic, and the documentation presented supports
24 that conclusion. With the most ideal location, the
25 most efficient labor costs, the finest transportation



1 capabilities, the greatest demilitarization capacity,
2 and the fourth largest storage volume overall, it is
3 a model for military preparedness and excellence.
4 Your support in bringing this information to
5 the forefront is greatly appreciated.
6 Thank you.
7 CHAIRMAN DIXON: We thank you very much,
8 Mr. DiGiordano.
9 MR. LENSING: The last speaker we have,
10 Mr. Chairman, is Jay Brandenburger, representing a
11 number of the workers at Sierra Army Depot and
12 rounding out the community approach.
13 CHAIRMAN DIXON: We're delighted to have
14 Mr. Brandenburger.
15 MR. BRANDENBURGER: Good afternoon. My name
16 is Jay Brandenburger. I'm a union steward and a work
17 leader at Sierra.
18 According to the WASP review, there is no ammo
19 storage left in the system. We will be forced to
20 store more and more ammo outside. It's going to cost
21 us 100 million dollars to move our ammo to other
22 depots. So why are we moving our stocks further
23 inland to more costly depots only to ship it further
24 to port? This makes no sense and borders on waste,
25 fraud, and abuse.



1 I thought the BRAC was supposed to save money,
2 not spend more. Sierra has the best demil operation
3 in the country. Our open burn/open detonation is the
4 biggest and the best. Also, the Army has over 400
5 thousand tons of ammo that needs to be demiled.
6 It may -- it looks like somebody tried real
7 hard to manipulate the numbers. Demil is our
8 strongest mission at Sierra. Over 60 percent of our
9 ammo workload. BRAC doesn't give us any credit for
10 this or for having the best rates.
11 The numbers between the 2 studies aren't even
12 consistent. How can you measure the same things and
13 get different results?
14 Our special weapons mission is going away, and
15 we're losing 350 military personnel. If BRAC '95
16 wants some real savings, why don't they claim these
17 savings. They should stick to the special weapons
18 reductions and leave the critical ammunition alone.
19 All this decision does is take out the best
20 and the cheapest demil operation in the Army, and for
21 what? Nothing will be saved and the effect on the
22 local economy will be disastrous.
23 There is no way to reuse value to our ammo
24 area. I thought the object of BRAC was to save the
25 taxpayer money.



1 The bottom line is that the Department of
2 Defense doesn't have all the facts on Sierra Army
3 Depot. The sad thing is that if we have to live with
4 this decision, it will have a negative impact on our
5 national defense as it will reduce our overall
6 capabilities. I urge you to get all the real facts
7 and vote to keep the ammo mission at Sierra Army
8 Depot.
9 Thank you.
10 CHAIRMAN DIXON: Thank you, Mr. Brandenburger.
11 I want to thank you all on behalf of the commission
12 for that fine presentation for Sierra Army Depot.
13 We're indebted to you. Thank you very much.
14 (Clapping.)
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4. NAVAL PERSONNEL RESEARCH & DEVELOPMENT, NAVAL HEALTH RESEARCH CENTER, AND NAVAL IN SERVICE ENGINEERING (NISE), SAN DIEGO
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CHAIRMAN DIXON: We're going to hear from San Diego now. The distinguished Councilman from San Diego, Mr. Harry Mathis. Is he here?

Mr. Mathis, I understand that you will be the only person testifying; is that true, sir?

COUNCILMAN MATHIS: Yes, sir, that is correct.

CHAIRPERSON DIXON: I'm obligated, sir, to ask you to raise your right hand. Do you solemnly swear or affirm that the testimony you are about to give before the Defense Base Closure and Realignment Commission shall be the truth, the whole truth, and nothing but the truth?

COUNCILMAN MATHIS: I do.

CHAIRMAN DIXON: We're indebted to you in coming here today, Councilman Mathis. We understand you are also a retired captain for the US Navy.

COUNCILMAN MATHIS: Yes, sir, that's correct. Good afternoon, Mr. Chairman, and Members of the Commission. I'm Harry Mathis, I have the honor to represent the First Council District in the city of San Diego, and I thank you and the commission for the opportunity to be here today to address you on issues important to the city of San Diego.

CHAIRMAN DIXON: Captain Mathis, if you'll wait just a moment. You have a little extra minute.



There's a little stirring. Could we have quiet in the room, please, for the distinguished Councilman from San Diego. Councilman Mathis, please, we have not taken from your time, go right ahead now.

COUNCILMAN MATHIS: Thank you, sir. As you mentioned, I am a retired Navy captain. I served on active duty for 28 years, so I have somewhat of a perspective from the military side, which I can relate to much of the testimony that you've heard today.

My career did include service in the Pentagon as well as command of a nuclear submarine at two shore bases, the submarine base of Pearl Harbor and the Naval Training Center at Orlando, Florida.

As we begin our discussions concerning base closures in San Diego, we are not unmindful that the San Diego region will benefit from the Department of Defense's 1995 base closure and realignment recommendations. We appreciate that. We're proud of our price to the Navy and pleased that the Navy has selected San Diego for the West Coast Naval Megaport. We realize that we're very fortunate, but we also recognize that we have a community that's very Navy supportive, and over the many years has had very close ties with the Navy across a complete spectrum



of their workload capabilities.

We welcome the new missions and neighbors to our community and pledge our continuing support to facilitate their move to San Diego.

While the principal focus of BRAC tends to be on base closings, the realignment of activities can be extremely important as well. They deserve your close attention.

Cumulative -- cumulatively they can have a significant effect on the long range efficiency and effectiveness of the services, which is all the more critical to downsize.

Short-term savings and ill-advised moves could cost us dearly in the future, and I know you all recognize that.

My remarks will begin by addressing two important naval activities which have been identified in the BRAC '95 process as candidates for relocation from the San Diego area. The Naval Health Research Center or NHRC, and the Navy Personnel Research and Development Center or NPRDC. When we get into this acronyms and alphabet soup, it may help if you just remember that when you hear an H, it's for health, and P for personnel.

In both these case the recommendation is to

1 move the activity, not eliminate it. In other words,
2 the need for its function is not challenged, and
3 there are presumably savings and efficiencies to be
4 gained by the move.
5 There are no significant potential savings in
6 eliminating long-term overhead costs, unless
7 something is cozy, and that's not the case here.
8 Here we have a situation where activities are
9 vacating existing spaces and requiring expenditures
10 to move and provide replacement space. We think that
11 if you're going to move a function, not eliminate it,
12 the significant costs associated with the move must
13 be more than offset by future cost savings, and at
14 the very least sustain if not improving the mission
15 capability.
16 The mission in both these cases is also
17 affected by certain critical intangibles, including
18 product quality.
19 In addition, personnel considerations are
20 unavoidable. Because of the potential loss of
21 significant numbers of highly skilled specialists who
22 may simply decide not to relocate from San Diego, and
23 I can tell you parenthetically that there are
24 probably reasons that someone might not want to move
25 from San Diego to Memphis, but I will tell you that



1 Memphis is a nice place, but coming from San Diego, I
2 pick San Diego as a better place to live. Sorry,
3 but.
4 With respect to the Naval Health Research
5 Center or NHRC, the Department of Defense
6 recommendation is to move this activity to Memphis,
7 Tennessee and place it under BUPERS.
8 Now, in our mind that represents a substantial
9 deviation from the military value criteria. This
10 center was established from San Diego specifically
11 because of its proximity to the fleet. To perform
12 its mission it must have ready access to the men and
13 women who comprise our naval forces.
14 To move it to an inland administrative site,
15 which constitutes a headquarters element, ignores the
16 nature of the work performed by this organization and
17 the source material for its work.
18 This is not a process unit which takes inputs
19 from elsewhere and evaluates them. Rather, this unit
20 develops the information upon which it relies for
21 assessments, evaluations and recommendations. Let me
22 explain.
23 NHRC's mission is to support fleet readiness
24 through research, development, testing, and
25 evaluation on the biomedical and psychological



1 aspects of Navy and Marine Corps personnel health and
2 performance. NHRC's mission clearly identifies it as
3 a medical field operation, which can only carry out
4 its function in close conjunction with its customers.
5 The fleet and marine corps personnel in their
6 environmental -- in their operational environment.
7 Let me emphasize that. We're talking about in
8 their operational environment. To move NHRC to
9 Memphis and become an appendage of a purely
10 administrative command like BUPERS, to which
11 incidentally it does not report, remote from sailors
12 and marines is illogical and raises serious questions
13 with respect to any projected savings. The NHRC
14 mission is not expungeable. It can't be performed
15 just anywhere. The NHRC should be retained in San
16 Diego to enable it to carry out its mission.
17 Ironically, the Navy recommendation to BRAC
18 comes at the time when a mission is under way by the
19 Department of Defense to consolidate military medical
20 R and D activities under the Armed Forces Medical
21 Research and Development Agency.
22 Under this plan, which is presented up there,
23 I hope you can see that all right, the recommendation
24 really was to disestablish NHRC as a Navy command and
25 reestablish it under a joint agency as Armed Forces



1 Medical Research Unit 3 to retain customer linked
2 medical R and D capabilities in San Diego.
3 This new joint agency is an ODS Joint Service
4 consolidation of which this commission has relatively
5 few examples. The Navy recommendation before you
6 goes into the exact wrong direction in our opinion.
7 Our review of the BCEG minutes reflects that the BCEG
8 did not consider this Joint Services, consolidation,
9 a consideration which certainly we believe would have
10 influenced their recommendation.
11 The military medical significance of San Diego
12 as the largest Navy and Marine Corps concentration is
13 further underscored in the Department of Defense
14 consolidation proposal, which recommends that San
15 Diego become the headquarters for the Armed Forces
16 Military Medical Operations Division. These concepts
17 are clearly at odds with the Navy recommendation now
18 before you to move this medical activity to Memphis
19 and place it under BUPERS, an unrelated activity. In
20 the Armed Forces consolidation recommendation, the
21 Department of Defense agreed that the medical mission
22 of NHRC is indeed customer linked and should be
23 retained in the field.
24 We think it's clear that these functions
25 require whole relocation with the fleet. Otherwise,

1 any savings would be more than offset by travel costs
2 from an institutionally isolated site far from where
3 sailors and marines perform theirs duties.
4 The removal of medical professionals from the
5 military medical customer to a remote personnel
6 command can only have an adverse effect on the cost
7 and quality of mission performance of this small but
8 important organization. It's no accident that this
9 medical unit is currently in San Diego. There is no
10 site better suited than San Diego, with virtually
11 every element of Navy and Marine Corps warfare
12 capability present.
13 In addition to the operational setting which
14 San Diego provides, there is also an extensive
15 synergistic effect afforded by the presence of first
16 rate institutions of higher learning, leading medical
17 research facilities, and a world-renowned biomedical
18 industry in San Diego.
19 In fact, our NHRC doctors are integrated into
20 the faculties of 2 of San Diego's universities. The
21 opportunities resulting from the richness of the
22 academic and medical research environment of San
23 Diego greatly enhances the effectives of NHRC and the
24 accomplishments of its Navy. The significance of
25 this enhancement is not reflected in the COBRA



1 program.
2 Let's focus briefly on some of their work, and
3 you can see it on this slide. They have been looking
4 at pre- and post-Gulf War blood samples and research.
5 If we look at the nature and diagnosis of the Gulf
6 War syndrome, it's very critical. Vital element in
7 the research associated with sexually transmitted
8 disease defenses aboard ship, hypothermia, soft
9 tissue injuries were mentioned, and other military
10 unique or prevalent injuries and illnesses.
11 They work with the operational forces and
12 train -- they work with operational forces where they
13 work and train in collaboration with world-class
14 local community institutions.
15 Perhaps the most incomprehensible aspect of
16 this proposal is that there is an estimate if you
17 look at the COBRA projections of over a 20-year net
18 present value of savings of 11 point 4 million
19 dollars. That's about 600 thousand dollars a year
20 over 20 years.
21 We think that when you get down to that point,
22 that you're really -- it could swing either way and
23 could result in more costs rather than more savings.
24 The NHRC is relied upon by the entire
25 Department of Defense because of the high quality and



1 resourcefulness of its work, which is a direct result
2 of its proximity to its test subjects.
3 That work is geographically sensitive, and
4 this recommendation to move it is geographically
5 wrong.
6 We recommend that you support the Joint
7 Service consolidation decision.
8 I'll now turn to the Navy Personnel Research
9 and Development Center or NPRDC.
10 The proposal before you is to close the San
11 Diego facility and relocate the personnel research
12 function to the Bureau of Naval Personnel in Memphis,
13 and the training function to the Naval Air Warfare
14 Center in Orlando, Florida.
15 We question the advisability of splitting this
16 activity, which has worked well as a coordinated unit
17 for more than 20 years. In plain language, the NPRDC
18 evaluates how we attract the best recruits, train
19 them effectively, mold them into a cohesive unit,
20 retain them on active duty, and develop their skills
21 to capitalize our investment.
22 The effective integration of women and
23 minorities is but one area in which this organization
24 has worked. Merely bringing diverse sailors and
25 marines together in the military services isn't good



1 enough. We need them to perform as a cohesive,
2 coordinated, combat ready fighting force. Such a
3 force is not created by accident, and the NPRDC is a
4 research and development element in the Navy to
5 evaluate our selection and training criteria,
6 determine their effectiveness, and recommend the
7 techniques, training and leadership changes which
8 will ensure that we obtain the highest military
9 benefits from our most important resource, the men
10 and women of the Navy.
11 In 1973 the Navy made a thoughtful and
12 rational decision to create a single research center
13 in San Diego to significantly improve the conduct of
14 R and D on equal related issues of manpower,
15 personnel, and training.
16 It shows San Diego as an unparalleled applied
17 research center, bringing its researchers to a single
18 site within commuting distance of virtually every
19 type of fleet unit in the shore facility.
20 Additionally, San Diego provided a rich site
21 for academic support and broad related R and D
22 endeavors and resources. This decision was made in a
23 setting in which mission considerations and cost
24 could be considered without the duress which exists
25 today. For more than 20 years the wisdom in that

1 decision has been amply validated.
2 In choosing San Diego, the Navy ensured that
3 NPRDC could focus on long-term R and D efforts, and
4 that San Diego provided them the necessary autonomy
5 to perform objective research unimpeded by the
6 diversions of headquarters short-term priorities.
7 And this is an important point.
8 We note that NPRDC operates like an
9 independent business within the Navy. It's funded by
10 each research project, and receives no operating
11 budget funds. Thus, it's the customer designing the
12 research services who pays the freight.
13 The funds received are a function of NPRDC's
14 ability to perform high quality research and produce
15 useful high impact products at reasonable cost.
16 One must question, then, how the costly move
17 of this activity thousands of miles away from its
18 very customer and research source could contribute
19 favorably to the cost and quality of the services it
20 provides.
21 This is especially relevant under a
22 questionable proposal which will take a minimum of 4
23 years to pay back, but in fact will make the services
24 of NPRDC more costly and less desirable.
25 This is a common sense consideration which



1 must not be abandoned by strict reliance on the COBRA
2 data, which is only as good as its input.
3 I urge you to direct your staff to examine the
4 data that calls for NHRC and NPRDC and the COBRA
5 input supplied by the Navy.
6 For example, and as you can see up here in
7 comparing the costs, the first column is the cost
8 based on projections for fiscal year '96 for this
9 activity in San Diego.
10 The second column there as you can see is
11 basically the cost in Tennessee and Florida for the
12 same activity. You got to ask yourself what is the
13 credibility of indicating the cost savings on the
14 right-hand column when the cost of running the whole
15 operation basically is less than the cost of the
16 telephone bill from San Diego, if I'm reading that
17 correctly.
18 No one is questioning the need for NPRDC and
19 its products. As a former Navy captain and
20 commanding officer, and I was at Orlando and had the
21 Recruit Training Center under me as well as the
22 Schools Command, let me assure you that the relevance
23 of NPRDC is greater at times like these. Because as
24 we downsize the force, we need to have a more
25 affordable, more capable personnel force than ever



1 before to fill in the gaps.
2 This is a unique and high quality team. 80
3 percent of the personnel research staff hold advanced
4 degrees with an average tenure of over 15 years.
5 Their substantial experience in the field of immense
6 value to manpower and personnel training, in our view
7 is unmatched.
8 With a modest annual budget of 27 million,
9 their programs have had substantial impact, affecting
10 470 thousand active duty personnel and 25 billion
11 dollars a year in personnel and training costs.
12 Should the decision be made to move, the
13 organizational effectiveness would be both decimated
14 and devastated by the loss of those deciding not to
15 relocate, and we have informal information that
16 indicates that should relocation be approved,
17 substantial numbers of these research folks will in
18 fact decide to stay in San Diego.
19 In citing the cases both NHRC and NPRDC, I
20 pointed out that the potential savings involved and
21 the justifications used by the service have a hollow
22 ring, and I think it's created pretty much by the
23 pressure of the BRAC process.
24 There are some impacts on the local community.
25 I avoided referencing those because I think they're



1 far less relevant than the military value. These
2 activities provide their vital services in the most
3 cost effective way.
4 The evidence demonstrates that these
5 activities should remain in the field where they
6 belong, in close proximity to their customers in
7 order to retain the clarity and relevance of their
8 work.
9 Today more than ever decisions must be made in
10 the public interest which serve a cost effective
11 quality of the results, not a cosmetic reorganization
12 with imaginary questionable cost benefits.
13 In our mind there is no reasonable
14 justification for these moves when the results cannot
15 be depended on for either a cost saving or mission
16 enhancement basis.
17 I want to again emphasize that the relocation
18 of these two activities are not like base closings.
19 Indeed, the projected long-term savings of the
20 proposed relocation do not hold up with significant
21 factors. And, again, it's because they actually have
22 space. They're moving from that space. New space
23 has to be created for them. And so there really
24 isn't any significant overhead cost savings involved
25 here.

1 I urge the commission to recognize these
2 fundamentals and retain these activities at San Diego
3 where they can continue to do their best work in the
4 most cost effective manner.
5 Mr. Chairman, I heard some testimony this
6 morning that dealt with San Diego, and I think I
7 would be remiss if I didn't comment on some of
8 the things that you heard, because we're very proud
9 of San Diego's capability, certainly in the private
10 shipyard area.
11 We think that we do have a significant
12 shipyard capability. I looked at some of the figures
13 that were presented, which would indicate for
14 instance that these shipyards are overpriced, and I
15 would ask you to examine those figures closely,
16 because the numbers may say one thing, but the actual
17 circumstances behind the number I think you'll see
18 will say something entirely different.
19 Those numbers were based on an assumption, for
20 instance, that the package was the same from ship to
21 ship. I note from my own experience that that's not
22 the case. Over a 5-year period, you never have the
23 same package. There are always reasons why some
24 costs are higher than others depending on the work
25 that has to be done on the ship. Sometimes it has to



1 do with unfinished work from the building activity.
2 Some of these new ships come in, they need actually
3 to be finished, because they come out of the yard
4 with significant work that has yet to be done.
5 So I would ask you to look at those closely
6 and recognize that that was incomplete. I know that
7 when you draw your conclusions as to the capability
8 of San Diego shipyards, you will recognize and view
9 that according to a careful appraisal of figures that
10 I think give you a very balanced view.
11 Carrier home porting was mentioned, and that's
12 a very critical issue to San Diego. I think it's
13 very important to recognize it, and I'm going to kind
14 of personalize this a little from my own perspective,
15 and try to put you in the picture of the quality of
16 life issue, and I can sure you that the commuting
17 back and forth between the Los Angeles area and San
18 Diego is a significant quality of life issue. In
19 terms of the mileage, it's probably the most
20 stressful miles you can drive anywhere in this
21 country, and I think that when you're driving in the
22 morning peak and evening peak as a commuter from the
23 San Diego area to a ship, that you have to take that
24 into account.
25 The other thing that I'd like to say is that I



1 want to make sure everybody understands that we in no
2 way are here to impugn the capability of the Long
3 Beach Naval Shipyard. That is for you to decide
4 based on the evidence. We're very sympathetic to
5 their situation.
6 All we want to do is make sure the facts as
7 stated about the city of San Diego and the facilities
8 there are correctly stated, and we stand by them, and
9 we know that when you look at the facts, you'll make
10 the right decision relative to San Diego.
11 So, again, I want to thank you for your
12 patience. We are very proud of our relationship with
13 the Navy, and we're very proud to be a megaport.
14 We recognize that as base closures have
15 occurred, San Diego can be seen as somewhat as the
16 beneficiary of many of those consolidations, but
17 that's for a good reason. Good business sense makes
18 it very clear that as you consolidate facilities, the
19 overall cost of the naval operation is well served
20 when you consolidate the facilities in a megaport
21 like San Diego, and we think really that's going to
22 serve the Navy future very well. And we know that
23 you have a good understanding of that, so thank you
24 very much, Mr. Chairman, for the opportunity to talk
25 to you today.



1 CHAIRMAN DIXON: Well, Councilman Mathis, we
2 thank you, and we thank you for your even-handedness.
3 We appreciate that very much. Are there any
4 questions from my colleagues? Admiral Montoya?
5 ADMIRAL MONTOYA: I have one, Mr. Chairman.
6 It's been a long time since I was all over San Diego
7 some years ago, and I remember --
8 COUNCILMAN MATHIS: Nice to see you again,
9 Admiral.
10 ADMIRAL MONTOYA: Good to see you, too. I'm
11 not sure which of the facilities, but you were a
12 substandard facilities when Captain Jack Renard was a
13 skipper of -- I don't remember which one he had. I
14 think he had the Personnel Research and Development
15 Center at one time. What is the condition of the
16 facilities in which these commands are in now? They
17 were wooden structures on pretty poor foundations as
18 I remember.
19 COUNCILMAN MATHIS: Let me --
20 ADMIRAL MONTOYA: 12 years ago.
21 COUNCILMAN MATHIS: Let me talk to one of my
22 technical advisers here, and I'll give you a straight
23 answer.
24 I'm informed that they're in the same
25 location, but those facilities have been upgraded,

and they are now not considered substandard.

ADMIRAL MONTOYA: There's no military construction foreseen at the current location then as far as you know, Councilman?

COUNCILMAN MATHIS: Not that I'm aware of, sir.

ADMIRAL MONTOYA: Thank you.

CHAIRMAN DIXON: Are there any further questions of the distinguished councilman? We thank you very much, Councilman Mathis, and we thank your colleagues. We appreciate it.

COUNCILMAN MATHIS: Thank you, sir.

CHAIRMAN DIXON: We are next going to hear from the folks from Fort Hunter Liggett. We're going to take a 5-minute break while they assemble up here. So you can take your time coming up here, folks.

(Recess was taken.)

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5. FORT HUNTER LIGGETT


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CHAIRMAN DIXON: Congressman Farr, we show Fort Hunter Liggett is assigned 25 minutes, and then it would appear that you folks have made your own assignments of time. Is that the way you want to proceed?

CONGRESSMAN FARR: Yes, sir.

CHAIRMAN DIXON: Then we're delighted to have you, Congressman Sam Farr on behalf of Fort Hunter Liggett.

CONGRESSMAN FARR: Thank you very much, Chairman Dixon. I want to note for the record that Dr. --

CHAIRMAN DIXON: Oh, pardon me. Stop the clock. I'm sorry. I apologize, Congressman. I am required to ask you all to stand and raise your right hand under the law. I forget this about once a day.

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

SPEAKERS: I do.

CHAIRMAN BOXER: I apologize, Congressman, for that interruption. Congressman Farr.

CONGRESSMAN FARR: Mr. Chairman, I hope you didn't pose that with our one minutes on the floor of



the house.

I would like to note for the record that Dr. Seglie will not be on the time. I will allocate his time to Dr. Marion Bryson.

I'm Congressman Sam Farr, and I want to thank you, Mr. Chairman, for being here and allowing us this quick report on behalf of Fort Hunter Liggett. And I'd like also like to thank the commission for allowing Commissioner Wendi Steele to visit us, and I have to admit that her questions were right on target.

This is my third BRAC appearance for Monterey County since 1991. In brief, I'm going to try to do 2 things quickly.

First of all I want to make an observation; and second, is I want to introduce to you a panel of people in the know.

First, my observation is that the recommendation that you have been given is fundamentally flawed in the analysis that led to the Army's recommendation to transfer the testing and experimentation command to Fort Bliss, Texas.

Fort Hunter Liggett has the best, realistic terrain for training and testing in the United States. It's 162 thousand acres plus, in an isolated

1 area. The data call seems to have based the analysis
2 of the training area on the training area, not on the
3 data of testing and experimentation functions.
4 Testing and evaluation depends on 3 things.
5 It's essential. They're a unit. They depend on
6 terrain. We have real life terrain there, on
7 technology, and on equipment. You can move all of
8 the equipment at some cost. You can move some of the
9 technicians at cost, but you cannot move the terrain,
10 the loss of value.
11 Our panel of distinguished experts, and first
12 I want to introduce to you our highly decorated green
13 beret and infantry combat veteran, who served as
14 Garrison commander at Fort Hunter Liggett, as well as
15 operation officer, as well as executive officer of
16 the Army's experimentation battalion. Colonel R.D.
17 Red Walkley.
18 COLONEL WALKLEY: Thank you, sir. Ladies and
19 gentlemen, the -- the real value of Fort Hunter
20 Liggett is terrain, and one of the major things that
21 I want to bring up real quick like here is that the
22 terrain at Fort Hunter Liggett is used primarily for
23 training because it is a major training area.
24 Now, the use of terrain in training and
25 training of people are the only 2 things that are



1 really important, because training allows the leaders
2 to go out and learn how to do the things they have to
3 do when they go to combat, and it allows the soldiers
4 to go out and train on those things. It reduces
5 their probability of involuntarily donating blood at
6 a later time.
7 The terrain value of Fort Hunter Liggett is so
8 great because you can actually simulate almost any
9 part of the world you want to in some degree by using
10 this area. And as such, it seems that that same
11 terrain would be where you would want to test your
12 equipment that you're going to give them soldiers to
13 take with them to go fight.
14 And that's -- that's kind of where we want to
15 start this out. We want to really point out that
16 terrain, and we want to move that into the things
17 that soldiers need to survive on the battlefield
18 ought to be tested in the same terrain that they
19 train in.
20 And I'll be followed by Dr. Marion Bryson, who
21 spent 18, 19 years at Fort Hunter Liggett as the
22 number 1 VA civilian in testing.
23 CHAIRMAN DIXON: Thank you, Colonel Walkley.
24 We're delighted to have Dr. Bryson.
25 CONGRESSMAN FARR: Let me just introduce



1 Dr. Bryson, the top civilian for the past 23 years in
2 the Department of Army's operational and test fields,
3 and he's the former director of Test Com. He's now
4 retired, and he is here today as a real expert on
5 this issue of testing and evaluation.
6 CHAIRMAN DIXON: Well, we're delighted to have
7 you, Dr. Bryson.
8 DR. BRYSON: Thank you. Congressman Farr,
9 ladies and gentlemen of the commission, it's a
10 pleasure to be here with you and to talk a little bit
11 about something that's been near and dear to my heart
12 for many, many years. I went to Sea Deck, which is
13 now TEC, in 1972 and have been associated with it
14 ever since my retirement last year.
15 First of all, I would like to tell you a
16 little bit about operational testing and its
17 difference from developmental testing.
18 The major purpose of operational testing is to
19 create the environment in which the piece of
20 equipment will be used, and that it be used by the
21 people who will use it when it's in infantry. We
22 don't care how fast it will go or how hard it will
23 shoot. We want to know if it's effective and
24 suitable when the soldier takes it into combat.
25 So a very key issue in operational testing is



1 creating that environment in which it will be
2 operated. Now, obviously we can't do combat in the
3 experiment. We can't shoot real bullets. So we have
4 an instrumentation suite which we use to simulate
5 those parts of combat which cannot be done in real
6 life. Now, TEC was developed starting in 1956, and
7 over the next 40 years has evolved into what it is
8 today. For its first 20 years, it was primarily an
9 experimentation center whose function was to do
10 combat developments.
11 And then in the early 1970s, Congress decided
12 that all services should do operational testing on
13 all major weapon systems before they came in to
14 inventory.
15 Starting then, TEC evolved into a field
16 laboratory for developing the environment in which we
17 need to test these combat systems. We got into full
18 bloom about 1980, and with our instrumentation, our
19 civilians, and our terrain, we have melded this into
20 a very effective operational test activity.
21 Now here are a few of the elements of the
22 environment that are important to us, and I'm going
23 to discuss each of these in a little more detail as
24 we go on to the next level.
25 First of all, we need to look at TEC as a

1 system. It's different from a company or a battalion
2 or a division of troops. It's a system put together
3 with people, instrumentation, and terrain, as
4 Congressmen Farr indicated. Now it has to the day
5 become an execution element of the OP TEC or
6 Operational Test and Evaluation Command headquartered
7 in Alexandra, Virginia.
8 It is the one place that the Army owns that
9 they can go and do the kind of operational testing
10 that is necessary and create the kind of environment
11 in which we need to do this testing. The people have
12 been there for many, many years,
13 We rely primarily upon a scientific contract
14 that went into force in the mid 1960s, and with some
15 changes in the management, but few changes in the
16 engineers and scientists who developed the
17 instrumentation, worked the instrumentation and
18 maintained the instrumentation.
19 Our engineers have been on the forefront of
20 technology in our ability to devise pieces of
21 equipment which will make combat look like combat and
22 make the soldier feel like he is in the combat
23 environment.
24 We can do this very nicely at Fort Hunter
25 Liggett. We put these all together with the people,



1 the instrumentation and the terrain, and you have a
2 nice package there which the Army and frequently the
3 Marine Corps from Southern California uses to do
4 their operational testing.
5 Now, as part of the instrumentation, we need
6 to communicate. The computer, which is the heart of
7 the instrumentation, which does the things for us
8 that the soldier can't do in combat, but it is
9 invisible to him, such as shoot bullets and reuse the
10 non eye-safe lasers to represent bullets, and the
11 computer takes care of all of this. That's all
12 communicated from the field to the computer and back
13 on our instrumentation system at 918 megahertz.
14 At Fort Bliss/White Sands uses for drone
15 control and for safety 915 megahertz. The two
16 frequencies overlap. Our instrumentation is either
17 useless at Fort Bliss or we will have to share time
18 with White Sands, and we can't both be on the air at
19 the same time. The value of that instrumentation is
20 great.
21 We have also through a new technique called
22 Perspective View Generation, digitized the terrain at
23 Fort Hunter Liggett to the nearest one meter and put
24 that in storage in the computer.
25 Now, why do we want to do that? If we have an



1 umpire back in computer central controlling the
2 operations for safety purposes, for recording data
3 purposes, he needs to know what's going on in the
4 field. The computer -- and he can control what the
5 computer shows him -- will show him on the screen the
6 exact piece of terrain of his choice, and generally
7 he chooses that piece of terrain where the battle's
8 going on. The computer keeps track of where
9 everybody is simultaneously, and then also
10 superimposes on this same screen the location of the
11 tanks and the guns and the airplanes that are in that
12 battlefield. And he can then almost as if there were
13 a camera in the sky observe the play of that field in
14 real time.
15 It's very important that we have this very
16 high resolution digitization. This doesn't exist at
17 Fort Bliss.
18 Fort Hunter Liggett is isolated in the nation.
19 We don't have much of a civilian community around.
20 The closest town of any size is King City, and it's
21 25 miles away. So we pretty much control the
22 environment there. We can make that environment as
23 combat like as we want. We control it. It's ours.
24 We are surrounded on 3 sides by national
25 forests, and the national forest allows us to fly low



1 over there, allows us to attack from the sea, across
2 the mountain, into Fort Hunter Liggett. We can use
3 it however we want as long as we don't disturb the
4 ecology.
5 Fort Hunter has no major roads running through
6 it. If we want to do a classified experiment, we
7 just close the post, keep people out, and do the
8 classified experiment. If we want to do an
9 experiment that's dangerous, such as the non eye-safe
10 laser, we close the post and do the experiment. It's
11 up to us. You couldn't do that at Fort Bliss because
12 you've got a major highway going from El Paso to --
13 running up through Fort Bliss.
14 Fort Hunter Liggett contains this unique
15 variety of terrain. We have mountains. We have
16 valleys, wooded and open valleys. We have streams,
17 rivers, lakes. Whatever you want to create, that
18 environment is there, and we move to that part of the
19 post that we need in order to get the environment
20 that we'd like.
21 The Laser Safe Bowl is a very important aspect
22 to Hunter Liggett. That is a playing area about 15
23 kilometers by 6 kilometers that has mountains
24 completely surrounding it, and when we need to test
25 weapon systems with non eye-safe laser testing as

1 part of the system, we can do so, and the laser
2 energy will not escape from the playing area.
3 Most of our current new weapon systems have at
4 least laser ranging devices. We have very little
5 artificial light there, as one would have from the
6 surrounding communities such as El Paso. So all in
7 all, I think Fort Hunter Liggett, with its people and
8 with its instrumentation is a vital asset to the U.S.
9 Army. Red.
10 COLONEL WALKLEY: I'm going to very briefly
11 and very quickly hit some issues on the COBRA model.
12 The number 1 issue there is with respect to the
13 changing of instrumentation, if we can in fact not
14 use the 918 megahertz. I previously had reported to
15 a member of the commission that would be a 2 to
16 4 million dollar issue. I have since received that
17 in writing from the commander of TEC it's a 5 to an
18 8 million dollar issue.
19 The estimates of strength. The COBRA model
20 takes 444 personnel spaces. There would actually be
21 212 spaces in 1997. That's a normal Army downsizing
22 issue. That has nothing to do with BRAC. In
23 addition, if they're at 85 percent strength in 1997,
24 you're talking 170 people.
25 The housing at Fort Hunter Liggett is played



1 at 6 point 9 percent available housing for married
2 personnel in the COBRA. It's actually closer to
3 40 percent, and if at the time of '97 when we're down
4 to 170 people, it will be 100 percent of the married
5 people being allowed to live on post. Whereas at
6 Fort Bliss, it's 43 point 8 percent now, and still
7 will be at that time, which means 100 percent of the
8 people moving in will be living off post. That's a
9 million dollar swing on the COBRA's estimate.
10 RPMA and the base ops, the RPMA is 2 point 169
11 million in the COBRA. That is 100 percent erased, as
12 there will be no RPMA requirement at Liggett. The
13 base operation is 200 -- 2 point 8 million is taken
14 away from their 8 million dollar budget.
15 Those numbers indicate that there's going to
16 be a big reduction. There has been testimony
17 provided to a member of this commission that in fact
18 Hunter is not going to do anything. It's going to
19 have to add some people to continue to operate
20 because this unit -- well, it does some of the base
21 operations support.
22 We believe that there is a significant cost
23 omitted from the COBRA model with respect to the
24 instrumentation and laboratories. They occupy quite
25 a few thousand square feet. It is a government-owned



1 contractor operation, and so the equipment, and
2 fabrication equipment, and all the technical
3 equipment will have to be moved to Fort Bliss.
4 We also believe that there has been no
5 consideration in the COBRA law with respect to where
6 this is going to go at Bliss or if it's going to cost
7 any money to put it there, because there is no MILCON
8 consideration with this particular one.
9 And the last one there alludes to the 14 tanks
10 and 10 bradleys at Fort Hunter Liggett. They've got
11 to get to Bliss somewhere. And when they get there,
12 they can't drive them to the training area, because
13 they have to put them on heavy equipment
14 transporters. So there's some HETs that have got to
15 be picked up from somewheres too.
16 Finally, this was already alluded by
17 Dr. Bryson, and this is the contract operation at
18 Fort Hunter Liggett. COBRA says there's 252 people
19 there. There's actually 172, but the fact is there
20 is no -- no money analysis whatsoever in the COBRA
21 with respect to this element. It's a contract which
22 evidently drops, and then comes back.
23 CHAIRPERSON DIXON: Thank you, Colonel. We're
24 delighted to have Supervisor Edith Johnsen with us.
25 SUPERVISOR JOHNSEN: Thank you very much.



1 It's good to be here. I come as concerned as
2 Congressman Farr, because my district happens to be
3 the district that has Fort Ord in it. So we've had
4 some closures already, and we know what this is like,
5 and there are some communities that are affected.
6 There actually are 2 counties and the communities
7 that have been mentioned before. You've heard them
8 mentioned. They're small, but it hits them hard,
9 because they're mom and pop stores. And let me tell
10 you, from experience, that makes a difference.
11 But they're willing to support the mission at
12 Fort Hunter Liggett. The unemployment rate -- I have
13 to bring that up as the county supervisor -- it's 12
14 percent, and that's from one end to the other end of
15 the county. That's almost double -- it's actually
16 almost triple the nationwide unemployment rate, and
17 you have got to have that in your mind when you think
18 about what's happening here.
19 In addition, we have a cumulative effect. And
20 the cumulative effect comes from the fact that there
21 have been other BRAC closures, actual closures. The
22 military payroll loss is a huge one, and it will
23 continue as you move through this particular BRAC
24 conveyance and process.
25 600 million dollars. And on top of that,

1 cumulative economic impacts that have to do with some
2 of our disasters. We didn't ask for them. They
3 happened. We've had an earthquake. We had a flood
4 in January and a flood in March for a cumulative
5 estimated effect of 500 million dollars.
6 The thing that I want to leave with you more
7 than anything else is that this is not a cost
8 effective move to move the TEC center. It is a high
9 risk for the county, for the people who live there
10 and for the county, and a low to no gain for the
11 military. Please remember that equation as you think
12 about what you're doing and reconfigure the figures
13 as you look at them.
14 Thank you very much.
15 CHAIRMAN DIXON: Thank you very much,
16 Ms. Johnsen.
17 CONGRESSMAN FARR: In closing, Mr. Chairman, I
18 would just request that the commission revisit its
19 recommendation by analyzing Fort Hunter Liggett's
20 value as a testing center and coordinate that
21 analysis with the DOD's director of operational test
22 evaluation. Mr. Phillip Coal, who was in my office
23 telling me that moving this function of Fort Hunter
24 Liggett to Fort Bliss is a show stopper.
25 This revised recommendation was done for



1 Dugway Proving Grounds in Utah, and I think you'll
2 see that you're not really closing or downsizing Fort
3 Hunter Liggett. You're just moving a client out of
4 there. It will gain no savings and have some
5 real-time big loss. Appreciate your time.
6 CHAIRMAN DIXON: Well, Congressman, we
7 appreciate your time, Congressman Farr, and all of
8 your colleagues, and we thank you for that great
9 presentation on behalf of Fort Hunter Liggett. Are
10 there any questions from any of my colleagues? Thank
11 you very much, Congressman.
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2 6. McCLELLAN AFB
3 Congressman Vic Fazio 164
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1 CHAIRMAN DIXON: I wonder now, Congressman
2 Fazio, you're a little early, and we're a little bit
3 ahead of time, but we're delighted to accommodate you
4 if you care to go on now.
5 CONGRESSMAN FAZIO: Sure. We're ready.
6 CHAIRMAN DIXON: Well, we're pleased to have
7 you here. Congressman Vic Fazio on behalf of
8 McClellan Air Force Base, and he's allotted 5 minutes
9 and, I believe, Vic, you are the only one that's
10 going to testify, Congressman?
11 CONGRESSMAN FAZIO: That's right.
12 CHAIRMAN DIXON: Then you'll be the only one
13 I'll swear in, if you don't mind. Would you raise
14 your right hand, please, if I can find this thing.
15 Do you solemnly swear or affirm that the
16 testimony you are about to give before the Defense
17 Base Closure and Realignment Commission shall be the
18 truth, the whole truth, and nothing but the truth?
19 CONGRESSMAN FAZIO: I do.
20 CHAIRMAN DIXON: We're delighted to have you,
21 Congressman Fazio, on behalf of McClellan.
22 CONGRESSMAN FAZIO: Well, thank you,
23 Mr. Chairman. And I want to thank all of the
24 commissioners for allowing us to have a few minutes
25 with you today. It's my honor to appear before you

on behalf of the Sacramento region to support Defense Secretary William Perry's recommendation regarding McClellan Air Force Base.

And as you've indicated, our time is limited, so I'll be the only person to speak today. But I want you to know that I represent the entire bipartisan regional congressional delegation.

Certainly Congressmen John Doolittle, Wally Herger, Bob Matsui, and Richard Pombo, are in strong support of what I have to say. In addition, Assemblywoman Barbara Alby is here representing the entire regional state legislative delegation, and the City and County of Sacramento is represented by County Supervisor Roger Dickinson. The Sacramento Metropolitan Chamber of Commerce is represented with us as well, and countless other community leaders and citizens all believe that McClellan Air Force Base is not only a good neighbor, but a vital element of our national security.

McLellan Air Force Base is a national asset that should not only be preserved, but fully utilized. The Department of Defense recommendation recognizes the high-tech capabilities and the technical centers of excellence that McClellan has developed over the years.



The recommendation adds workload and missions to McClellan to capitalize on the bases's unique capabilities, particularly in the areas of instruments and displays, composite materials, hydraulics and pneudraulics, and ground communications and electronics, just to name a few.

Secretary Perry's recommendation and the analysis of the Joint Cross-Service Group, the JCSG, which I'm sure you're familiar with, and the Air Force support our contention that McClellan is the high-tech depot within the entire Department of Defense.

Both the JCSG and the Air Force developed models for computing the functional values of depots by specific commodities, the JCSG analysis, which emphasized cross-service and core capabilities, ranked McClellan first among the Air Logistics Centers, with a composite score that was much higher than the other centers.

The Air Force developed its own analysis with different weights and measures. Under the Air Force model, McClellan was initially ranked second for functional value and, after some revisions to the criteria, McClellan ranked a close third. It should be understood however, that the Air Force process did



not consider cross-service capabilities and gave no credit for the substantial core Army workload supported by McClellan.

Had that core workload been included in the analysis, McClellan would have ranked much higher among the Air Logistic Centers.

It's also important to note that while McClellan's basic wage rates are higher than the other ALCs due to its proximity to the Bay Area, the base's efficiency, effectiveness, and innovative nature have kept McClellan's costs highly competitive.

In labor efficiency and output per man-day, McClellan has consistently ranked in the top 2. Its profit/loss margin has historically been the best of all 5 ALCs, and McClellan's composite rates are the second lowest in the command for 1995.

Clearly, Secretary Perry's decision to send more work to McClellan is the right decision, and one that should be upheld by the commission. And if the commission wants to go beyond the Secretary's recommendation, then the best way to eliminate redundancy and achieve true efficiencies in depot maintenance DOD-wide is through cross-servicing.

The Sacramento community has been a pioneer in



this area. In 1991, when DOD recommended the closure of the Sacramento Army Depot, despite the fact that it followed on the heels of the closure of Mather Air Force Base in the previous round, we understood that decision.

However, we also suggested that they were smarter to take advantage of the similarities between the Army Depot and McClellan, and to preserve the highly skilled work force by moving that workload 10 miles across town rather than thousands of miles across the country.

The 1991 BRAC commission agreed and created a competition for the Army Depot workload. McClellan won 75 percent of that work.

Today, we can say with great pride that this approach has been an unqualified success. McClellan's performance has been outstanding on the Firefinder Radar and Electro-Optics/Night Vision workloads in particular, winning praise from the Army, its customers, and demonstrating that cross-servicing works in real, war-time situations.

This success has made McClellan the Air Force leader in cross-servicing. Our base produces far more core workload for other services than the ALCs.

But Sacramento's forward looking approach does

not end at cross-servicing. McClellan is also a magnet for private industry and non-DOD customers. Among a number of initiatives, McClellan has established joint ventures with the Big Three automakers to develop more efficient and cleaner metal casting processes, with the University of California Medical School in Davis to test and develop better and safer cancer therapy treatments; and with the California Department of Transportation to produce composite wraps to reinforce bridge supports that prevented washouts during California's recent floods.

So, as you can tell, we view McClellan as much more than just another Air Force base. We believe Secretary Perry got it right in his closure recommendations by sending more workload and more missions to McClellan.

The efficiencies and cost savings achieved by these consolidations are significant. We encourage the commission to honor those recommendations in order to utilize the incredible national asset called McClellan Air Force Base.

I want to thank all of you for being here. I particularly would request that you allow other comments from other members of the community present



and absent to be included in the record at this point.

We know you have a tough job ahead of you. It's a thankless one. We applaud your commitment to public service and wish to work with you in any possible way to help further explain our particular asset as you make your final decision.

CHAIRMAN DIXON: I want to thank you, Congressman, for that excellent presentation. We're indebted to all of you for being here. Any statements you care to leave with us will be reproduced in the record.

CONGRESSMAN FAZIO: Thank you very much.

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7. SOUTHWEST TEST COMPLEX

Mr. Jack Connell 172



CHAIRMAN DIXON: Is Mr. Jack Connell here on behalf of the Southwest Test Complex? Mr. Connell, would you like to proceed? It's a couple of minutes early, but we'd be delighted to accommodate you, and then we'll have a break after your presentation?

MR. CONNELL: Being it's Friday afternoon, we will proceed.

CHAIRMAN DIXON: Mr. Jack Connell, Executive Director, Indian Wells Valley 2000, Partnership for Progress, for the Southwest Test Complex. 5 minutes, Mr. Connell. We're delighted to have you, sir.

MR. CONNELL: Thank you very much, Mr. Chairman. Earlier today --

CHAIRMAN DIXON: Mr. Connell, that's twice in a row.

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

MR. CONNELL: I swear.

CHAIRMAN DIXON: Thank you, sir. Mr. Connell.

MR CONNELL: Mr. Chairman, earlier this afternoon Senator Feinstein and Mr. Grissom conferred and recommended that you consider during your deliberations something called the Southwest Complex.

1 My purpose here in the next 5 minutes is to
2 define that for you and make a few comments
3 concerning joint cross-servicing and RDT and E.
4 We believe the Southwest Complex is the
5 optimal site for cross-service consolidation of
6 research, development, test, and evaluation of
7 aviation systems and weapons.
8 The Southwest Complex is centered on the
9 aircraft and weapons development capabilities
10 resident at Edwards and China Lake. These two
11 installations provide, within 45 miles of each other,
12 the essential facilities for research and development
13 of the vast majority of military aviation systems.
14 Edwards and China Lake, along with the
15 facilities at Point Mugu and Fort Irwin, also provide
16 the core capability to test and evaluate these same
17 systems in a joint service environment emphasizing
18 sea, air, and ground force interoperability.
19 Edwards, China Lake, Point Mugu, and Fort Irwin
20 can also be augmented by the extensive test and
21 training ranges at White Sands, Nellis, Twentynine
22 Palms, the Utah Test and Training Range, and the
23 Fallon and Yuma ranges.
24 These installations have all the laboratories,
25 test facilities, ranges, sea, land, and air space,



1 and a scientific work force necessary to support the
2 RDT and E of the aircraft and weapons used by all
3 3 services.
4 The majority of these facilities are already
5 electronically linked, have procedures in place for
6 the cooperative scheduling and utilization of air
7 space and ranges, and have experience in the exchange
8 of technical work and scientific and engineering
9 teams and resolving cross-service problems.
10 The idea of consolidation into the Southwest
11 Complex is not new. In 1982, the Air Force Flight
12 Test Center developed an integration plan for what
13 was then termed the Greater Southwest Range Complex.
14 In 1991, the commander of the Naval Air
15 Warfare Center, Weapons Division, proposed
16 cross-service consolidation at Edwards and China Lake
17 under PROJECT BOLD STROKE and a year later reiterated
18 it under PROJECT BOLD ACTION.
19 In 1993, an Air Force -- Air Staff white paper
20 entitled "Cooperate and Complement" advocated
21 consolidation also at Edwards and China Lake.
22 And also in 1993, General Colin Powell in his
23 Roles and Missions study noted that the facilities,
24 land, sea, and airspace in the Southwestern United
25 States, have the potential to, and I'm quoting here



1 from the report, "create an unmatched world-class
2 infrastructure to meet training and test evaluation
3 needs well into the next century," and also quoting,
4 "provide the opportunity to divest ourselves of
5 unnecessary infrastructure, duplicative jobs, ranges,
6 and installations."
7 For the past year, the Laboratory and Test
8 Evaluation Joint Cross-Service Groups have been
9 analyzing cross-service requirements. Their
10 recommendations were briefly discussed at your
11 hearing on Monday of last week.
12 The services failed to act on these
13 recommendations. However, the Southwest Complex
14 could effectively implement 3 of the 4 laboratory
15 recommendations, and consolidation there would be
16 consistent with the alternatives listed for all
17 3 major T and E categories. Next slide.
18 We recommend implementing the Laboratory and T
19 and E Joint Cross-Service Group recommendations in
20 the Southwest Complex. It has a strong conceptual
21 foundation in Air Force, Navy, and JCS studies and
22 reports, extending for over a decade.
23 It will work.
24 The cost savings can be very, very
25 significant, depending upon the degree of



1 consolidation that is finally implemented. It
2 provides the ideal environment in which to conduct
3 RDT and E, more clear flying weather than any other
4 location, ranges unencumbered and unencroached by
5 development, and protected from future development by
6 the Desert Protection Act.
7 It will promote technical synergism by
8 developing aircraft and weapons in two essentially
9 contiguous locations, each with a track record of
10 mutual cooperation.
11 And, lastly, but of great importance, it is a
12 complex that has the capacity for future expansion
13 should that ever be required.
14 I would like to comment on one last thing that
15 may be very, very obvious, and that is it is now
16 readily apparent that the services are unwilling to
17 consolidate -- cross-service consolidate RDT and E in
18 any meaningful fashion. The DOD apparently is
19 unwilling to provide the leadership necessary in that
20 area.
21 And I believe that if we are not going to
22 carry this excess infrastructure and cost into the
23 21st century, it will be dependent upon action by
24 this commission.
25 Thank you very much, Mr. Chairman.

CHAIRMAN DIXON: Well, we thank you very much for that very excellent contribution, Mr. Connell.

Now we're going to have a break. Ladies and gentlemen, we will have a break until 4:55. That will be a 15-minute break, and at 4:55 promptly we will start with the presentation by Congresswoman Anna Eshoo on behalf of Onizuka and Moffett.

(Recess was taken.)

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8. ONIZUKA and MOFFETT


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CHAIRMAN DIXON: Well, we thank you all for being here. The commissioners are on their way back in. Perhaps in the meantime I could ask all of you who are going to testify to stand and raise your right hands.

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

SPEAKERS: I do.

CHAIRMAN DIXON: Thank you very much. Now, as I understand it, there are 70 minutes, and my notes indicate that you ladies and gentlemen will handle the allotment of the time in your own group. Is that correct? And we're honored by having Congresswoman Anna Eshoo as the first person to testify this afternoon. Congresswoman, we're delighted to have you.

MS. PARKER: Actually, Chair Dixon, I'm Robin Parker from Sunnyvale.

CHAIRMAN DIXON: Excuse me. Well, I apologize. You've changed the program on me. This is Mrs. Robin Parker, the Councilmember.

MS. PARKER: Thank you. Mr. Chair, BRAC commissioners and BRAC staff, I'm here to help



moderate the panel today. I'd like to start with the introduction of our panelists.

We have the Honorable Anna Eshoo, Member of Congress. We have Honorable Barbara Waldman, the Mayor of Sunnyvale; Honorable Patricia Figueroa, the Mayor of Mountain View. And then to my left, Dr. Tapan Munroe, Chief Economist for Pacific Gas and Electric. We have Mr. John Kitching, President of the Sunnyvale Chamber of Congress. We have Mr. John McMahon, Former Deputy Director of the CIA, but I'd also like to acknowledge that Mr. McMahon is also a member of our community through his previous affiliation with Lockheed Martin. But he's here today in his capacity as former CIA Deputy Director. We also have Colonel Paul Monroe, Office of the Adjutant General, California National Guard; and Ms. Katherine Strehl, Manager of Public Affairs for Lockheed Martin.

We'd first just like to express our appreciation to our congressional leaders and their staff for their support.

I'd also like to acknowledge and enter for the record letters from Congressman Norm Mineta, who indicates a strong support for our recommendations and apologizes for not being here today. Also, I'd

1 like to acknowledge and enter for the record letters
2 from our State Senator Al Alquist and our State
3 Assemblyman John Vascano, and I believe you all have
4 copies of those.
5 We'd like to begin with Mr. John Kitching,
6 Pesident of the Sunnyvale Chamber of Commerce.
7 CHAIRMAN DIXON: Mr. Kitching.
8 MR. KITCHING: Thank you. Is this on
9 automatically?
10 CHAIRMAN DIXON: I believe if you talk right
11 into it, it will work fine.
12 MR. KITCHING: Very good. Thank you. And
13 welcome to the Bay Area, which we do consider the
14 Moffett Field Complex, Onizuka, and Ames the center
15 of the aerospace industry base. I'm sure you've
16 heard that from other communities, but we can truly
17 say that we are.
18 The Moffett Field Complex is truly the center
19 of America's Aerospace Industrial Base. It is not a
20 stand alone facility, but a synergistic group of key
21 national assets.
22 Moffett Field was established 6 decades ago as
23 the West Coast site for the U.S. Navy's dirigible
24 Macon. As such, Moffett Field has played a key role
25 in the growth and development of Naval Aviation.



1 However, the current Moffett Complex houses a net of
2 inter-departments and irreplaceable public and
3 private facilities that represent a vital and unique
4 national asset.
5 The assets of the Complex contain an
6 irreplaceable brain trust that serves as the nucleus
7 for scientific research and development in the
8 aerospace and defense industries. The Moffett Field
9 Complex contains state of the art, one of a kind
10 facilities that cannot be replicated elsewhere in the
11 country without costly and time-consuming
12 investments.
13 As you look at the Moffett Field Complex, you
14 can see the NASA Ames Research Center, Moffett
15 Federal Airfield, the Onizuka Air Station, and the
16 Station Annex, which makes up the Moffett Field
17 Complex.
18 Surrounded on 3 sides of the Moffett Field
19 Complex is the heavy state of aerospace and defense
20 electronics, as well as other high-tech organizations
21 that feed into the Moffett Field Complex.
22 The key components, as I mentioned, include
23 Moffett Field, Onizuka, NASA, and the industries
24 around.
25 The cornerstone of the complex is really the



1 Federal Airfield, which encompasses approximately
2 1500 acres with 3 point 5 million square feet of
3 facilities. The airfield is critical to the complex
4 and serves its tenants with two runways capable of
5 handling the largest of military transport aircraft.
6 The airfield is tightly controlled, which is a
7 requirement of the Complex tenants, and it has an
8 all-weather capability. The key aviation tenant on
9 the airfield is the 129th Rescue Group of the
10 California Air National Guard. In addition to
11 providing key search and rescue capabilities, the
12 129th also provides critical manpower for the
13 airfield's crash, fire, and rescue services, as well
14 as air traffic control operations at Moffett Field
15 Complex.
16 I also feel that it's important to note that
17 in the 1993 BRAC Commission, the 1993 BRAC Commission
18 directed that the Moffett Federal Airfield should be
19 a receiver for Reserve units affected by other
20 closures and realignments within California. Moffett
21 Federal Airfield is the result of the community
22 initiatives responding to previous BRAC Commission
23 actions and recommendations.
24 The community is creating an economic success
25 out of the 1991 closure, and the 129th Rescue Group



1 is the anchor for this Federal Airfield, which is now
2 consolidating flying and non-flying missions, reserve
3 units and civilian agencies with government and the
4 private sector.
5 The next key component is the Onizuka Air
6 Station, which occupies 23 acres of land on the
7 complex, and is a key element of the Air Force Space
8 Command's Satellite Command and Control Network. The
9 750th Space Group operates 1 of 2 satellite command
10 and control nodes for the Department of Defense.
11 Also housed at Onizuka is Detachment 2 of the
12 Space and Missiles Systems Center, which is
13 responsible for pre-operational spacecraft research,
14 development, and testing.
15 Lastly, there are several classified tenant
16 activities at Onizuka with the 750th. I believe you
17 have been briefed on some of those or will be in the
18 future.
19 The next component is the NASA Ames Research
20 Center, which was established in 1939 to meet the
21 urgent need for increasing our nation's aeronautical
22 research capability. The location was chosen
23 primarily because of its proximity to the aircraft
24 industry, good flying weather, and the availability
25 of the Moffett runways. These reasons are as valid

1 today as they were 51 years ago. Ames presently
2 shares with Moffett such key elements as the Moffett
3 Airfield facilities, the underground utilities, fire
4 protection, perimeter security, and the streets and
5 roads on the complex.
6 Additionally, Moffett provides a beneficial
7 and essential noise buffer for Ames' wind tunnel
8 operations out of the Moffett Field complex.
9 NASA Ames is the center of the activity for --
10 excuse me, for national rotocraft and power-lifted
11 flight research which is fundamentally important to
12 the DOD, industry and other federal agencies.
13 The research programs provide essential
14 rotor-craft design and solutions to critical
15 powered-lift problems, and are closely coupled with
16 the government and the industry and the community.
17 These aeronautical research programs
18 contribute substantially to the U.S. aerospace
19 technology base, which strengthens the nation's
20 economic and defense competiveness.
21 NASA Ames, with the space and earth sciences
22 research being conducted out there, using aircraft as
23 flying laboratories for the study of the planets and
24 the stars, as well as the earth's oceans, the
25 atmosphere, and vegetation. These airborne science



1 labs are recognized as national and international
2 assets. The research program using these aircrafts
3 permitted much of the recent and rapid increase of
4 our understanding of the complex nature of the
5 environment.
6 Lastly, NASA Ames serves as the custodian of
7 the Federal Airfield and closely coordinates the
8 activities of all of the tenants.
9 Another key element of the Moffett Field
10 Complex involves the numerous industries that
11 surround and depend on the highly controlled Federal
12 Airfield. These industries require a secure flight
13 facility with the capability to handle unique and
14 classified products.
15 There are several firms around the area that
16 may utilize the area. Lockheed Martin; TRW,
17 Incorporated; Loral, and so on.
18 At the current time, TRW has had a 20-year
19 relationship with Moffett Field under the Navy and
20 now with NASA stewardship. TRW currently has
21 scheduled flight testing for tactical reconnaissance
22 systems in support of national security objectives at
23 least through the year 2006 out of the Moffett
24 complex.
25 In addition, the requirement and need for



1 shipment of ground station equipment in the support
2 of U.S. strategic intelligence objectives will
3 continue for an indefinite period of time.
4 The final component of the Moffett Field
5 Complex that we see are the Bay Area universities.
6 We have the collection of premier institutions of
7 higher learning that are within very close proximity
8 of the Moffett Field. Renowned institutions such as
9 Stanford, UC Berkeley, Santa Clara, and San Jose
10 State Universities contribute tremendously to the
11 complex as a result of their educational and
12 professional development curriculums.
13 Additionally, these institutions are involved
14 in numerous research initiatives that are on the
15 forefront of the cutting edge of technologies.
16 To finish up this segment, the existing
17 multi-tenant relationship at Moffett represents an
18 ideal model for public-private cooperation. This
19 being private industry, the DOD, the civilian
20 agencies, being NASA, and the state which is the
21 129th International Guard. These are synergies
22 created by the relationship and informal transfers of
23 the information and technologies which are
24 unparalleled in comparison with bases devoted to a
25 singular military effort.



1 Again, it is important to emphasize the
2 Moffett Field/Onizuka Complex is not a stand alone
3 military facility that can be closed or realigned
4 without creating tremendous negative impact on its
5 interdependent elements. With the removal or
6 realignment of any critical element of the complex,
7 the unraveling process would begin that would
8 ultimately result in the disintegration of this vital
9 and unique national asset.
10 With that, I thank you for your attention.
11 MS. PARKER: And now Mayor Barbara Waldman and
12 Mayor Patricia Figueroa will review the Air Force
13 recommendation.
14 MAYOR WALDMAN: I want to thank the commission
15 for the opportunity to address you today. It has
16 been recommended that Onizuka Air Station be
17 realigned by inactivating the 750th Space Group and
18 relocating its functions to the Falcon Air Force
19 Base.
20 All activities and facilities associated with
21 the 750th will close, including the family housing
22 and the medical clinic.
23 In addition, Detachment 2, the Space and
24 Missiles Systems Center will relocate to Falcon Air
25 Force Base.

The justification stated for these recommendations are estimated cost deficiencies of a single node versus a dual node, Onizuka Air Station's lower ranking military value than Falcon's, and significantly higher closure costs at Falcon Air Force Base.

The DOD also estimates that the one-time cost to implement these recommendations would be 124 point 2 million dollars, and that the return on investment is expected in 8 years.

In reality, this amounts not to a realignment, but in fact to a closure.

We want to take this opportunity to show you that the analysis on which these recommendations were based is flawed. In other words, we concur with the recommendations of the general accounting office that the Air Force more fully document its analysis and decisions.

Not only do we believe the process is flawed, but we are certain that such realignments would be detrimental to the national security and goes against recommendations for national security made by Air Force General Joseph W. Ashey.

If the proposed realignments take place, it will begin as stated before to unravel one of the



valuable economic educational and industrial resources for the future of the commercialization of space and the future economy of the valley and the nation.

Our presentation today will also present an alternative course of action which we feel will allow the commission to fulfill its charge in a more efficient and cost saving way, while still protecting the national security.

Not only will our alternative save money and protect our national security, it will preserve the valuable resource the Silicon Valley has become to the space industry and its future commercialization. I would like to reiterate that in reality this realignment is in fact a closure.

Thank you.

CHAIRMAN DIXON: Thank you, Ms. Waldman.

MAYOR FIGUEROA: One of the things when you're in the middle is which microphone do you use?

CHAIRMAN DIXON: You're doing fine, Mayor.

MAYOR FIGUEROA: I would like to begin by also expressing my appreciation to all of you for being here this afternoon and letting us have this chance to share with you our thoughts on this issue.

One of the recommendations before you is to



close the Moffett Federal Airfield by relocating the 129th Rescue Group. Justification given by the Department of Defense for the recommendation is that operation costs to the Air National Guard have risen significantly at this facility, and that moving the air guard to an active duty airfield would reduce the cost.

Thus, the one time cost of 15 point 2 million dollars will have a four-year return on investment.

This afternoon we hope to share with you the flaws that we see in the DOD analysis of the 129th, and that we see no savings, and that when all of the costs are considered we just do not see where the Air Force has come up with these conclusions.

Having the 129th at Moffett Federal Airfield is an integral part of what resulted when in the last BRAC we saw the transition of Moffett Field from a Navy base to a NASA operated federal airfield. That provided us a new economic base of self-sufficiency.

A community effort such as what you're seeing today, and partnership that included the local governments, the local communities and industry worked very hard to keep Moffett Federal Airfield open as a viable part of the Moffett NASA complex.

Having the 129th Air Guard leave the Moffett



Airfield would dramatically affect what has already been done.

As a part of our presentation today, we will be giving to you what we hope will be an alternative recommendation for the 129th. Robin.

MS. PARKER: And now Mr. John McMahon, former Deputy Director of the CIA will review some national security implications.

MR. MCMAHON: Mr. Chairman, Member of the Commission, Onizuka provides satellite command and control for U.S. systems during peacetime and throughout all levels of conflict. And in doing so must be robust, responsible, and have an enduring capability.

To ensure successful control, Onizuka has a network of some 9 stations around the world which provides the necessary communications visibility for our satellites.

To give you a feel for that, this represents in the network over 70 satellites with a purchase price of about 25 million dollars. The price is not the key factor.

Onizuka is the nerve center for assuring that the eyes and ears of the United States Government provide the necessary data to our policymakers and

1 our military, which helps us maintain the peace as
2 well as support the military in crisis.
3 Further as the U.S. withdraws from bases
4 oversees and reduces our presence in forward regions,
5 our military must rely more and more on our space
6 assets.
7 As it stands today, Onizuka is second to none
8 in the world in satellite control capability.
9 Because of the key role that satellite systems now
10 play in our overall national security, the Air Force
11 developed a second node, control node concept at
12 Falcon Air Force Base near Peterson -- near the
13 Peterson Air Force Base in Colorado. This is where
14 space command is located.
15 The Air Force agreed in 1993 and again earlier
16 this year that it was essential to have a dual node
17 capability to eliminate the chance of a single point
18 failure in our control system.
19 Onizuka and Falcon in Colorado are ideally
20 located because geographically they're separated,
21 affording us the continuity should a national
22 disaster strike one region or the other.
23 To that end, Onizuka has withstood the shakes
24 around here for 35 years, and even supported
25 flawlessly a launch the morning after the Loma



1 created earthquake in October 1989.
2 We have all witnessed this grim tragedy the
3 past week of vulnerability of buildings. Never
4 should we let only one facility be the sole link to
5 our nation's eyes and ears.
6 Our space assets are now an integral part of
7 not only our policy making apparatus, but also our
8 defense posture as well. Desert Storm proved that in
9 spades.
10 Onizuka has the required capabilities that are
11 already existing, and a cavalry of experienced
12 personnel to do the job.
13 Thank you very much for the opportunity to
14 address you.
15 CHAIRMAN DIXON: Thank you, Director.
16 MS. PARKER: Now I'd like to take this
17 opportunity to review the military value analysis.
18 Given that a major part of your task is to look at
19 the military value analysis, we would just like to
20 point out several things.
21 That basically the analysis is unauditable due
22 to a secret ballot being cast by the Base Closure
23 Executive Group. The Air Force relied on military
24 judgment versus a quantifiable auditable approach,
25 and this undocumented approach put Falcon in Tier 1



1 and Onizuka in Tier 3.
2 And, as you know, because there was no audit
3 trail, the GAO faulted this approach in their report.
4 We understand that this flawed process makes
5 the commission's independent assessment difficult.
6 The commission's independent and thorough review is
7 crucial, and it is the only way that we can have a
8 fair, auditable process to go through.
9 Regarding -- I'd like to take the next few
10 minutes to focus on some sub elements of the Air
11 Force's red, yellow, green analysis. That represents
12 some especially arbitrary and egregious examples of
13 this flawed process that placed Onizuka in Tier 3 and
14 Falcon in Tier 1.
15 In terms of mission capacity, that is future
16 mission projections, there is an unidentified 75
17 percent reduction in future missions. Based on the
18 work currently performed by Onizuka, there is no
19 reason to assume that this reduction is based on
20 current total capacity.
21 Were tenant activities the source of this
22 reduction? We don't know, due to the classified
23 nature of some of the activities.
24 In terms of satellite control operations, can
25 the facilities perform the mission of command and



1 control of satellites?
2 In terms of mission capacity, Onizuka has 23
3 CPU's of data processing power compared to Falcon's
4 13. Onizuka has 36 satellite control points,
5 compared to Falcon's 21.
6 Onizuka has 100 percent of bandwidth
7 capability benchmark compared to Falcon's 30 percent.
8 Why would Onizuka be realigned with Falcon?
9 Onizuka clearly is superior on relevant
10 mission capacity scoring subelements, and this is the
11 all important category of mission capacity.
12 Realigning Falcon Air Force Base, which does
13 not have core capacity, does not seem to make sense.
14 In terms of facilities and infrastructure,
15 what are the unique facilities at Onizuka? The Air
16 Force questionnaire lists none.
17 And, of course, we know that every facility
18 has unique assets, and I'd just like to point out a
19 few at Onizuka. The data link terminal, the Camp
20 Parks Calibration Facility, communication
21 connectivity, the DSCS heavy terminal, classified
22 programs of which we cannot address, and the Space
23 Operations Center 37 for test support.
24 In terms of facilities, again, on-base
25 housing, Onizuka annex has the Moffett housing area,

1 and at Falcon there is no usable on-base housing.
2 Yet Falcon received a green minus and Onizuka
3 received a yellow plus in the Air Force's analysis.
4 How is this possible? The scoring is flawed.
5 In terms of facilities and infrastructure,
6 again, air quality was weighted 40 percent, the
7 highest in the subcategories. What relevance does it
8 have to flight operations? It has no impact on
9 satellite control.
10 Onizuka scored red on the restrictions
11 element, although there is no operational impact.
12 In summary, Onizuka now handles the majority
13 of contacts. It has synergy -- the 750th has synergy
14 with the tenants. The satellite builders are right
15 across the street, and the current location permits
16 critical contractor support.
17 These areas highlight where the Air Force's
18 analysis is seriously flawed.
19 Onizuka used to handle all the satellite
20 command and control activities, and Falcon was built
21 as its backup. Now, I'd like to have Dr. Tapan
22 Munroe, the Chief Economist of PG&E review the flawed
23 analysis.
24 DR. MUNROE: Thank you very much.
25 Mr. Chairman and Commissioners, my task here is to



1 highlight the cost analysis and some of the basis or
2 problems that have been the basis of this whole
3 report.
4 The first slide -- really the key point of the
5 first slide is that the nature of the analysis is
6 subjective. It has not followed the BRAC process
7 that requires that the analysis be quantifiable, that
8 it be auditable, and that it be transparent.
9 So there is a fundamental flaw here in terms
10 of basis of decision-making in this case.
11 Slide 2. This has to do with cost. I think
12 cost is much greater than the Air Force claims
13 because other tenants will leave when the major
14 tenant leaves, and that means a cost to other tenants
15 -- to other agencies.
16 And, hence, all costs are not reflected in
17 this analysis. And it is surprising that this kind
18 of omission can be made in such an important
19 decision. So we must identify a total cost to the
20 federal government and not just to the Air Force. We
21 are here to minimize cost to the nation, cost to the
22 government as a whole, and not to just one agency.
23 Slide Number 3. This has to do with the cost
24 of base realignment activities. I think that the
25 cost here again is exaggerated. It is 10 million



1 dollars. Actually, 10 million dollars out of 14
2 million dollars. But I think if they leave, then the
3 cost will be -- if the tenants stayed, they would
4 have to spend this money anyway.
5 Next slide. This deals with uncertainty. It
6 deals with a lot of concerns with analysis. The
7 COBRA figures have been revised at least 5 times
8 between December and February. Now, if my unit, the
9 place where I work, had devised a piece of analysis
10 such as this 5 times in a period of 3 months, I would
11 certainly go back and check this out again.
12 The next slide. COBRA analysis of military
13 construction. If the Air Force moves, tenants will
14 move. Hence, we must include that cost, and this is
15 extremely important. We need to look at cost of
16 recreating Onizuka on the other side.
17 Next one, please. And this is another
18 critical piece. The Air Force documents that Falcon
19 does not have the capability to handle all core
20 operations. The Air Force estimate of 75 million
21 dollars to upgrade Falcon is in my opinion highly
22 understated.
23 If you just look at the cost of a switched
24 operation, connection switch alone will cost
25 100 million dollars. Hence, the 75 million dollar



1 cost of upgrading again is highly understated.
2 MS. PARKER: And, now, Congresswoman Anna
3 Eshoo will review our alternative, quote,
4 "realignment," unquote proposal.
5 CONGRESSWOMAN ESHOO: Thank you, Councilmember
6 Parker. And Mr. Chairman and Members of the
7 Commission, welcome to our region. We appreciate the
8 time that you are giving to this and the time that
9 you're giving to us to make this all important
10 presentation to you.
11 It is of course a privilege to represent
12 California's 14th Congressional District. It's home
13 to many of Silicon Valley's leading institutions, so
14 many of them known around the world, our educational
15 institutions, Stanford University, the University of
16 Santa Clara, a great private sector, economic leaders
17 not only for our nation and the world, but it also
18 includes NASA Ames Research Center, Moffett Federal
19 Airfield, Onizuka Air Station, and world leaders in
20 aerospace high-technology. And of course, as I
21 mentioned, higher education.
22 You've heard from my distinguished colleagues,
23 and that they are. Especially, and I want to commend
24 him, because he is a source of great pride to us in
25 our community, John McMahon, who has given great

1 service to our nation when he was at the CIA at
2 Lockheed Missiles and Space, and we are thrilled that
3 he remains in our community. We need him, and we
4 want him, and you have heard the benefit of his great
5 career and his comments today.
6 All members of this panel are talking about
7 the flaws of the DODs recommendation for Onizuka Air
8 Station and Moffett Field, and how implementation of
9 these recommendations would harm our national
10 security, and I say "our." It's not just mine. It's
11 not just yours. It belongs to all of us. Our
12 national security inhibits our ability to cut costs
13 and impair the integrity of the unique Moffett Field
14 Complex. It's important for us -- in fact, it is
15 incumbent upon us to bring forward thoughtful
16 analysis of the proposals in our critique of them.
17 However, it's also our responsibility to offer
18 a positive alternative to you, because you have a job
19 to do, and it is our job to demonstrate that, and we
20 believe that we can demonstrate that there is a
21 better way, a better way to enhance our national
22 security, a better way to realize true cost savings,
23 and a better way to preserve Silicon Valley's Moffett
24 Complex.
25 Let me outline for you our alternative. It's



1 a realignment to Moffett Field. Because the
2 operations at Onizuka cannot be conducted at any
3 other Air Force site without incurring substantial
4 capital investment and ongoing operating costs, we
5 propose Onizuka Air Station be realigned to Moffett
6 Airfield, not to Falcon.
7 Doing so will provide, in our view, the Air
8 Force significant cost savings while retaining the
9 important national security insurance of maintaining
10 a dual node, and underscore that, a dual node
11 satellite command and control capability.
12 Onizuka currently encompasses 25 acres, and I
13 think you have flown over it and walked over part of
14 it and been exposed to all of the things that we know
15 are the positive aspects of it.
16 25 acres of operational area. An additional
17 600 acres at Moffett Federal Airfield are available
18 for mission expansion needs of the Air Force at a
19 cost significantly less -- significantly less than
20 recreating the unique Onizuka facilities at Falcon.
21 Onizuka currently leases space at 4 different
22 locations in industrial parks in Sunnyvale. This is
23 expensive commercial space, and it's expensive
24 because a lot of people realize what we have in our
25 area and clamber to come to it to do business there.



1 And these are costs that the Air Force -- cost the
2 Air Force a significant amount of money every year.
3 By realigning to Moffett, the Air Force would
4 be able to reduce costs by at least 300 thousand
5 dollars to a half a million.
6 Additional cost savings can be realized
7 through the realignment to Moffett, and they will
8 result from the following:
9 Eliminating the need for construction at
10 Falcon, and there's a price tag on that of 75 million
11 200 thousand dollars.
12 Eliminating moving costs: 17 million 32
13 thousand.
14 The new switch at Falcon: 100 million.
15 And other costs identified by COBRA of 26
16 million dollars. Pretty serious bucks in my view.
17 Realignment to Moffett will also promote
18 commercial utilization of available capacity of
19 Onizuka. The Air Force Space Command has the stated
20 goal of becoming the network of choice for both the
21 DOD and non-DOD satellite systems. Yet the Air Force
22 in our view is failing or apparently failing to
23 realize that the center, in capital letters, the
24 CENTER of the commercial space program is in the Bay
25 Area with the Moffett Complex at the heart of it.



1 The Air Force and DOD need to take advantage
2 of the commercial partnering opportunities that are
3 only available here. Commercial ventures will use
4 the available capacity at Onizuka to command and
5 control satellites, and this could result in savings
6 from such operations if the Air Force is willing to
7 accept commercialization of the space command
8 network.
9 Industry would benefit enormously as well,
10 from contacts, from Lower Earth Orbit, and resolution
11 for commercial space systems, connectivity to remote
12 locations, and in-place infrastructure worldwide.
13 All of this can be done while retaining all of
14 the requisite capability of the Onizuka node.
15 Realigning to Moffett field will also retain
16 the integrity of the Moffett Field Complex, which is
17 both an irreplaceable resource and a significant
18 national asset.
19 It's important to note here, as the governor's
20 report makes clear, that the retention of the 129th
21 Rescue Group at Moffett Field is vital, in capital
22 letters, is VITAL to the integrity of the Moffett
23 Field complex as well.
24 The operation of Moffett Airfield by the 129th
25 supports not only its own search and rescue mission.

1 but also the critical flight activities of NASA Ames,
2 other reserve units at Moffett, and local aerospace
3 users who need secure access to the airfield.
4 There's a lot built into that when I say that.
5 Onizuka Air Station is part of Moffett. It's
6 more than a stand alone base, as you have heard
7 several of my colleagues already state.
8 It stands at the nucleus of America's space
9 industrial base. Government efficiency and cost
10 savings will be sacrificed if in fact the symbiotic
11 relationship that we have spoken of before and
12 continue to underscore today, which now exists
13 between satellite controllers and technical experts
14 is broken, and Air Force goals and missions will be
15 sacrificed with the implementation of the DOD's
16 proposed actions. There is a better alternative, and
17 we believe that it is a most reasonable one, and it
18 is to capture the cost savings of a realignment of
19 Onizuka to Moffett and to reject the questionable
20 cost savings asserted to be available through
21 realignment to Falcon Air Force Base.
22 We believe, again, that this is truly a better
23 way to protect our national security interests, to
24 maximize cost savings, and to preserve the unique
25 partnerships that comprise the Moffett Field Complex.



1 Onizuka is certainly strategically located to provide
2 leadership for the next generation, the next
3 generation of Air Force and DOD space technology.
4 As the Air Force -- as our Air Force seeks to
5 develop new spacecraft with autonomy and a higher
6 degree of commonality, there is no better place to be
7 than in the center of where the spacecraft are being
8 designed and built.
9 We urge you to not only reject the flawed
10 recommendations of the DOD, but instead adopt what we
11 believe is more than a reasonable plan, which would
12 allow you to accomplish your job and to retain the
13 integrity of those elements that are so important for
14 our nation, and that we could move forward together
15 having accomplished that, and that is the realignment
16 to Moffett Field.
17 Let me thank you again for your attention at
18 the end of a very long day, and again welcome to our
19 region.
20 CHAIRMAN DIXON: Thank you, Congresswoman. We
21 appreciate that very much.
22 MS. PARKER: And now Dr. Munroe, Chief
23 Economist of PG&E will review the flawed 129th
24 analysis.
25 DR. MUNROE: Thank you very much. Again I



1 have 2 components in my presentation this time. The
2 first one deals with the issue of military value
3 analysis, and let me just give you the conclusion for
4 the first 2 slides.
5 In looking at the data and looking at the
6 bases, it appears to me that military value fell to
7 the wayside in this case. Let me just mention why.
8 Let me talk about the issues why this is so.
9 In the first slide we see that the move to
10 McClellan reduces space by 220 thousand square feet.
11 The second point is that the current Moffett
12 facilities are 1980s vintage, and the McClellan
13 facilities are 1950s vintage.
14 The next slide. The third and fourth reason
15 why we believe the military value is not really
16 included in this analysis.
17 The third issue here is that McClellan
18 operates 2 hours less per day than Moffett.
19 And, finally, there is typically more ground
20 fog, thule fog as we call it here, at McClellan. We
21 have much better fog. It is much higher.
22 Let me move to the cost analysis component of
23 my presentation. The first point here is that the
24 original site survey estimation done by the Air Force
25 was 20 million dollars, they costed at McClellan.



1 Amazingly enough, this was reduced down to -- by
2 nearly 10 million dollars, and the basis of this
3 modification, very significant modification was not
4 auditable.
5 And I think if we're talking about -- we're
6 talking about big money as Congresswoman Eshoo points
7 out. We went from 20 million to 10 million dollars,
8 and I as an economist for anybody would certainly
9 look into that very carefully, particularly since
10 it's of national interest or any interest.
11 The next slide. It is a savings claimed of
12 about 4 point 75 million annually for the move.
13 However, this is not the case. There is a
14 significant overstatement of savings. This is
15 actually a whole lot less than 4 point 7 million
16 dollars. There is no question of savings here
17 because the 129th is reimbursed for most of what it
18 does.
19 So, again, this is wrong analysis. I don't
20 know how you can overlook this.
21 Next slide. Move on to labor costs. We're
22 talking about saving 19 jobs. But remember, please,
23 that the National Air Guard is reimbursed for 59 jobs
24 by Moffett tenants. So the move would mean that
25 there would be compensation, reimbursement for 40

1 less jobs. How can we miss this? This is obviously
2 over statement of savings, and it's a glaring,
3 glaring cost issue.
4 Let me summarize the analysis again. That the
5 first cost overstatement deals with the military
6 construction area. Initially plus 20 million. Now
7 it is 10 million. Lost reimbursement personnel about
8 2 point 2 million, and other lost reimbursements
9 include about 5 point 25 million.
10 So in summary it is very difficult for me
11 professionally to look at this analysis and not be
12 somewhat dismayed, both from the point of view of the
13 fundamental value on which these decisions were made;
14 and the second one, overstatement of costs and
15 savings.
16 Thank you very much.
17 CHAIRMAN DIXON: Thank you very much.
18 MS. PARKER: And now Ms. Katherine Strehl,
19 Public Affairs Manager at Lockheed Martin will review
20 the importance to contractors.
21 MRS. STREHL: Thank you. Chairman Dixon --
22 oops. Can you hear me? And Members of the
23 Commission, thank you for the opportunity to offer
24 you my comments today on behalf of the Missiles and
25 Space Company of Lockheed Martin. As you may be



1 aware, Lockheed Martin is one of the -- is the
2 largest defense contractor worldwide with 23 billion
3 dollars in sales annually.
4 I'm here to represent our concern about the
5 possible realignment of the 129th Rescue Unit, and I
6 can say it is of deep concern to us.
7 The Missiles and Space Company, which I
8 represent here in Northern California, is one of the
9 largest industrial employers in this area. We have
10 11 thousand workers at our Sunnyvale facility. And I
11 might say that this facility was chosen over 30 years
12 ago because of its proximity to Moffett Airfield. As
13 a subsidiary of Lockheed Martin Corporation, the
14 Missiles and Space Company has sales exceeding 3
15 point 6 billion dollars annually.
16 We do business with about 2800 Bay Area
17 businesses, with an annual value exceeding 200
18 million dollars. We currently have about 400 active
19 contracts, most of which are with defense and
20 civilian -- are defense and civilian space related.
21 Today our primary customers have been the Department
22 of Defense and NASA.
23 However, since the end of the cold war we have
24 significantly expanded into the commercial space
25 business, and within the next 5 years we anticipate



1 that this sales will exceed over a billion dollars
2 annually.
3 The company has made substantial investments
4 in the state of the art facilities including
5 world-class high-bay clean room and integration
6 facilities, as well as large environmental test
7 facilities ranging from thermal vacuum, acoustic, and
8 radio frequency test chambers and autoclaves.
9 With an estimated replacement value of 2
10 billion dollars, these facilities represent or
11 produce flight ready systems. Missiles and Space
12 have long been a premier integrator of strategic
13 missiles, space and ground systems critical to our
14 nation's defense.
15 Most germane to Lockheed Martin's concern
16 about the continued presence of the 129th at Moffett,
17 is that we produce large, heavy, and extremely
18 valuable hardware items for both the Department of
19 Defense and NASA. Such items include the Trident
20 Fleet Ballistic Missile, Milstar Satellites,
21 classified space programs, the Hubble Space
22 Telescope, and the International Space Station Alpha.
23 These products must be delivered to our
24 customers in a safe and secure manner that does not
25 interfere dramatically with the community.



1 Thus, direct access to an airfield with heavy
2 lift aircraft capability is paramount. Clearly,
3 Moffett Field's ability to handle aircraft is not
4 only ideal, but the essential egress point for most
5 of Lockheed's products.
6 Further, design criteria for many of our
7 systems are based on direct access to Moffett.
8 Proximity to Moffett's secured airfield is integral
9 to more than 40 percent of our business, and I might
10 say that's roughly 1 point 2 billion -- 1 point 5
11 billion dollars annually.
12 We have evaluated alternatives to Moffett and
13 determined that there are no feasible or reliable
14 transportation options. The military transport used
15 to move these systems, the C-5 aircraft, and I
16 believe that there's one pictured above us here
17 showing the movement of a satellite, cannot land at
18 most public airports. And even if they could, the
19 size and weight of these products, along with the
20 transporters, preclude their movement along public
21 highways. As an example, the Hubble Space Telescope
22 was 43 feet in height, 14 feet in diameter, and
23 weighed nearly 13 tons. And we moved that directly
24 from our Sunnyvale facility via Moffett Field onto a
25 C-5.

1 We have studied various alternative options if
2 Moffett Field weren't there as a secured facility,
3 and there really aren't any. We even looked at
4 barging of payloads to Alameda Naval Air Station.
5 However, this option faces insurmountable obstacles.
6 In summary, we have determined that any action
7 which could potentially affect Moffett Field's
8 continued operation as a secure facility would have a
9 chilling effect on Lockheed Martin's Sunnyvale
10 operations, adversely affecting approximately 40
11 percent of our business. For these programs, there
12 are no feasible or viable transportation
13 alternatives.
14 In closing, Moffett Field represents a unique,
15 preeminent resource, not just to Santa Clara County,
16 but to the nation. It has been the genesis for
17 high-technology development in Silicon Valley, and
18 continues to be an integral part of aerospace
19 development and technology. In considering the vital
20 work of NASA, Lockheed Martin, and other aerospace
21 contractors to this nation, we believe that
22 realignment of the 129th does not serve the taxpayer
23 and the national interest.
24 Thank you for accepting my comments.
25 CHAIRMAN DIXON: Thank you, Mrs. Strehl.



1 MS. PARKER: And now, Congresswoman Anna Eshoo
2 will review our recommended course of action for the
3 129th.
4 CONGRESSWOMAN ESHOO: Thank you, again,
5 Councilmember.
6 On the recommended course of action, I believe
7 2 of the commissioners heard the day before yesterday
8 Lee Grissom representing the governor and the
9 comments, and since he cannot be here this afternoon
10 with us, I'm going to attempt to recapture what he
11 presented at that time to the full commission now.
12 We believe that the more appropriate solution
13 for the 129th is to leave the unit at Moffett Federal
14 Airfield. Doing so is more cost effective, important
15 for national security reasons, and critical to the
16 viability of the Moffett Complex.
17 When the decision was made to close Moffett
18 Field as a Navy facility, the California Air National
19 Guard became a key member of the team developing the
20 concept of the Moffett Complex as a shared federal
21 facility.
22 In fact, it was a very unique arrangement that
23 was brought into play at that time. The Guard Bureau
24 made a contractual commitment to NASA in 1993 to be
25 an anchor tenant at the facility.



1 The Moffett Complex is a shared facility with
2 the cost of common operations being shared equitably
3 by all of the agencies based on concepts and formulas
4 developed by all the participants.
5 Because the Air Force cost analysis does not
6 add up, the best course of action is for the 129th to
7 remain at Moffett.
8 The GAO, and this is on the cost part of it --
9 the GAO recommends that the cost of proposed actions
10 on all federal users be considered by the commission.
11 If the 129th leaves Moffett, the cost of operating
12 the airfield will not be reduced, and the services
13 provided by the 129th will have to be replaced at
14 potentially higher costs to the United States
15 Government. The first domino.
16 Without the secure controlled airfield, are we
17 getting that up there? Okay. I'm not going to look
18 up there. I'm going to concentrate on my own. The
19 commissioners can look up there; right?
20 Without the secured controlled airfield, NASA
21 Ames and the federal contractors cannot function
22 properly, and you are hearing testimony that
23 underscores that.
24 Without these federal contractors, the
25 high-tech space industrial base of the nation will



1 suffer with the resultant deleterious effect on
2 national security. The severity of the domino effect
3 far outweighs the questionable cost savings estimated
4 by the Air Force.
5 The Moffett Federal Airfield represents in
6 excess of 600 acres of available federal land and
7 facilities. This area is available to both the 129th
8 and Onizuka for mission expendability should either
9 organization choose to do so. Expandability, I
10 should say. This expandability option is available
11 in an economical, cost effective manner.
12 The Commander-in-Chief's preference. As
13 Commander-in-Chief, and that's not me, but the
14 governor, because these are the words of Mr. Grissom.
15 As Commander-in-Chief of the California Air National
16 Guard, our Governor's preference is to retain the
17 129th Rescue Group at Moffett Federal Airfield, which
18 has higher military value and where it should
19 continue to anchor the Moffett Airfield Complex.
20 To ensure there is no question regarding the
21 governor's position or the position of the California
22 National Guard, Colonel Paul Monroe is here to make a
23 brief statement, and I'd like to call on him now, to
24 do so.
25 COLONEL MONROE: Thank you. The National

1 Guard -- the California National Guard supports the
2 governor's position. The 129th has been a long-time
3 member of the Sunnyvale/Mountain View community. The
4 move was directed by the Air Force in anticipation of
5 the base being closed. There is no operational
6 requirement.
7 CHAIRMAN DIXON: Thank you, Colonel.
8 MS. PARKER: Now I'd like to just take this
9 opportunity to summarize.
10 Regarding Onizuka Air Station, you've heard
11 Mr. John McMahon, Former Deputy Director of the CIA,
12 stress the importance of redundancy and the
13 requirement for dual nodes. You also know that
14 General Joseph W. Ashey, in a policy directive issued
15 on January 30th of this year stressed also the
16 importance of redundancy and the criticality of
17 having a separate geographical location of the
18 satellite commanding control node.
19 You're aware of some of the unique
20 capabilities at Onizuka, and you're also aware of the
21 available capacity, and Congresswoman Eshoo has
22 indicated the potential and the realization of some
23 of that capacity for commercial space utilization.
24 In that regard, a number of commercial entities have
25 formed a working group.



1 The Space Committee under the National
2 Security Industrial Association met just 2 weeks ago
3 in a working group and have also met with the Air
4 Force. They are outlining an Onizuka
5 commercialization initiative that has potential to
6 generate significant revenue far exceeding the
7 savings estimated by the Air Force through the
8 proposed realignment recommendation to Falcon.
9 Our local communities and the State of
10 California fully support this initiative, and we
11 intend to keep the commission fully informed on this
12 commercialization utilization initiative.
13 Regarding the flawed Air Force BRAC analysis,
14 you heard Dr. Munroe, Chief Economist of PG&E in
15 concurrence with the general accounting offices
16 report issued on April 17th indicate that the
17 analysis was seriously flawed.
18 Some especially arbitrary and egregious
19 examples of these flawed results exist in the area of
20 satellite control operations and mission capacity,
21 facilities availability and the condition,
22 contingency, mobility and deemployment requirements,
23 and cost and manpower implications regarding a return
24 on investment.
25 We cannot understand why all 8 criteria were



1 scored equally. The secret ballot approach
2 undertaken by the Air Force is not auditable. The
3 Air Force cannot have it both ways.
4 We know that you are charged with streamlining
5 facilities and functions to realize savings to
6 taxpayers, and we as a community are not suggesting
7 that you do nothing. We offer a cost effective
8 alternative that saves taxpayers money, and also
9 ensures the continued functioning of the Moffett
10 Field Complex.
11 Our quote, "realignment," unquote, proposal
12 involves relocating activities currently in
13 commercial lease space onto Moffett Federal Airfield
14 Complex. Our proposal maintains the dual node
15 redundancy that was underscored the importance by
16 both Mr. McMahon and the Air Force in their policy
17 directive earlier this year.
18 Our proposal preserves the highly skilled work
19 force necessary to operate a satellite and network
20 control facility, and we would like to note
21 that this skilled work force is not immediately
22 available in Colorado, and it takes at least a year
23 and a half to train people to develop this kind of
24 skill set.
25 We are also aware of the savings in terms of



1 MILCON costs and savings on moving costs. Our
2 realignment proposal realizes 125 million dollars for
3 one-time cost savings for moving to Falcon, and saves
4 unknown additional costs relative to the movement of
5 tenants.
6 Again, we stress the importance of the
7 redundancy requirements, the capability of Onizuka
8 Air Force Station to expand its mission capability.
9 We've shown that that capability is superior to
10 Falcon, and that the potential for commercial
11 utilization does exist.
12 Regarding the 129th Rescue Group, it is not a
13 BRAC issue. In 1993, the BRAC commission ordered the
14 movement of additional reserve aviation assets to the
15 Moffett Complex, and the State of California, as
16 you've heard from Congresswoman Anna Eshoo and from
17 Colonel Paul Monroe from the adjutant general's
18 office state that the state supports keeping the
19 129th Rescue Group at the Moffett Complex.
20 You heard from Dr. Munroe about the flawed
21 BRAC analysis in this regard. There is no detailed
22 military analysis done, and the cost projections are
23 quite suspect. Retaining the 129th realizes overall
24 cost savings without degradation of the mission. Our
25 recommendation is that you adopt our proposal to

1 retain the 129th at Moffett, realize the cost
2 savings, and at the same time preserve the Moffett
3 Federal Complex as a unique national asset that helps
4 the needs -- that serves the needs of our nation's
5 military and aerospace industries.
6 In conclusion, we'd like to thank the BRAC
7 commissioners, Chair Dixon, and the staff for the
8 opportunity to speak today. We hope we have raised
9 some pertinent issues that will ensure your
10 independent and continued thorough review.
11 The Moffett Field Complex is the center of
12 America's air space industrial base, and we hope that
13 it remains so for decades to come, not only for our
14 area, but for the country at large.
15 Thank you very much.
16 CHAIRMAN DIXON: Well, we thank you very much.
17 (Clapping.)
18 We thank you very much, Councilmember Parker,
19 and Congresswoman Eshoo, and all of your
20 distinguished colleagues. I wonder if any of my
21 colleagues have any questions? Commissioner
22 Cornella.
23 COMMISSIONER CORNELLA: Even though Onizuka
24 provides redundancy for Falcon Air Force Base and
25 vice versa, the daily mission, is that also



1 duplication, or do they do different missions?
2 MR. MCMAHON: The emphasis has changed as
3 Falcon has matured. Originally, operations as well
4 as test evaluation and checkout of satellites took
5 place here at Onizuka. As Falcon has developed the
6 capability, they have taken on the operational
7 satellites. So that when a satellite is first
8 launched, Onizuka controls it, tests it, runs through
9 the evaluation, and when it meets all the
10 specifications that it's been designed for, it is
11 declared operational and turned over to Falcon to
12 operate, and that's only fairly recently.
13 What has happened experience wise is that
14 since Falcon hasn't matured yet, they often call back
15 to Onizuka and ask them to run it while they get back
16 up to speed and can handle it operationally.
17 But the desire is to have the operations done
18 at Falcon where the space command center is.
19 COMMISSIONER CORNELLA: But on a daily basis,
20 they would have different missions, they're able to
21 provide the redundancy?
22 MR. MCMAHON: Right now they provide the
23 redundancy while they're doing their specific
24 operations. One in test and evaluation, and the
25 other in pure operations.



1 COMMISSIONER CORNELLA: What percent of the
2 housing would still be required after realignment? I
3 know that the housing is recommended for closure.
4 Can anyone answer that question?
5 CONGRESSWOMAN ESHOO: I think it can be
6 answered, but I think that we're going to have to get
7 that to you to be specific and correct.
8 COMMISSIONER CORNELLA: As I understand, it's
9 over 50 percent would still be required. I would
10 like that information to the commission.
11 CONGRESSWOMAN ESHOO: We shall get it to you.
12 COMMISSIONER CORNELLA: And then also the
13 realignment to Moffett of Onizuka, you would retain
14 Onizuka in place and expansion would take place so it
15 wouldn't require any MILCON to move; is that correct?
16 MS. PARKER: The realignment, and our quote,
17 unquote, "realignment" proposal involves moving some
18 of the activities that relate to Onizuka that are
19 currently taking place in leased space outside of the
20 airfield onto the Moffett Complex.
21 COMMISSIONER CORNELLA: You wouldn't
22 physically move the existing station?
23 MS. PARKER: No.
24 COMMISSIONER CORNELLA: You would just have
25 that facility there for expansion purposes?



1 MS. PARKER: Yes.
2 COMMISSIONER CORNELLA: Okay. Thank you.
3 That's all I have, Mr. Chairman.
4 CHAIRMAN DIXON: I thank Commissioner
5 Cornella. Are there any other further questions?
6 Well, we thank you all for a very excellent
7 presentation. It's been very helpful to us. We
8 appreciate you coming here
9 MS. PARKER: Thank you very much.
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9. PUBLIC COMMENT


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CHAIRMAN DIXON: Ladies and gentlemen, if those of you who are going to make public comments for the great state of California would begin to assemble in the front of the room, we have a few minutes, and there's a gentleman there right up by the microphone, Mr. Pizer, in that fancy looking blue tie, and if you have -- if you have something in writing that you want to put in the record in addition to your two-minute presentation, if you hand it to him, I assure you it will be reproduced in the record.

Now, let me name the people that should be out there. Is Mr. Robert E. Sabol there? I hope the name is close.

MR. SABOL: Yes.

CHAIRMAN DIXON: Thank you, Mr. Sabol. Lawrence Vivian?

MR. VIVIAN: Yes.

CHAIRMAN DIXON: Louis Rodriguez?

MR. RODRIGUEZ: Yes.

CHAIRMAN DIXON: Cleveland Murphy? Is Mr. Murphy there, or can he be found?

UNKNOWN MALE: I'll find him.

CHAIRMAN DIXON: If somebody would find Mr. Murphy. Richard Jones here?



MR. JONES: Here.

CHAIRMAN DIXON: Good. Michael Patterson?

MR. PATTERSON: Yes

CHAIRMAN DIXON: J.B. Larkins?

MR. LARKINS: Yes.

CHAIRMAN DIXON: Dean McCown, III. Dean McCown there?

MS. MCCOWN: Here.

CHAIRMAN DIXON: Oh, good. Thank you. Darrell Neft?

MR. NEFT: Here.

CHAIRMAN DIXON: R.T. Barruss? Is that close, Mr. Barruss?

MR. BARRUSS: Yes.

CHAIRMAN DIXON: Phil Truman?

MR. TRUMAN: Here.

CHAIRMAN DIXON: Gordon Countrymun?

MR. COUNTRYMUN: Here.

CHAIRMAN DIXON: David Grayson?

MR. GRAYSON: Here.

CHAIRMAN DIXON: Steve Kuykendall, is that okay, Steve?

MR. KUYKENDALL: Yes.

CHAIRMAN DIXON: Russ Buchan.

MR. BUCHAN: Buchan.



CHAIRMAN DIXON: Buchan.

MR. BUCHAN: Buchan.

CHAIRMAN DIXON: Okay. Just a moment now, we're going to get ready to go here.

Now, if we may have order in the room. I'm not going to begin until we all settle down, because 2 minutes is not a long time to tell your story, and I'm very sensitive to that as an old washed up politician. So I want to give you all a good chance to talk for 2 minutes.

Everybody over there getting comfortable? Nobody is required to stay, but if you're going to stay, we would appreciate it if you would get a chair so these fine folks can make their presentations to us. How are we doing, folks? Everybody settled?

Now, ladies and gentlemen, I have to ask you to raise your right hands, please. Do you solemnly swear or affirm that the testimony you are about to give before the Defense Base Closure and Realignment Commission shall be the truth, the whole truth, and nothing but the truth?

SPEAKERS: I do.

CHAIRMAN DIXON: Thank you very much. Mr. Sabol, please. I'm sorry?

MR. SABOL: Commissioner Steele, is she coming

1 back, Mr. Chairman?
2 CHAIRMAN DIXON: She will be back in a moment.
3 Would you prefer waiting a moment?
4 MR. SABOL: I certainly would. I think it
5 would be good for everybody that all the
6 commissioners are here.
7 CHAIRMAN DIXON: Why don't we wait just a
8 moment. I'm sure she's just gone out to make a phone
9 call or something --
10 MR. SABOL: I certainly understand that.
11 CHAIRMAN DIXON: -- and will only be a moment.
12 MR. SABOL: Thank you, Mr. Chairman.
13 CHAIRMAN DIXON: While we're waiting, let me
14 say this. We're now ready to begin a period set
15 aside for public comment. Our intention is to try to
16 ensure that all opinions on the recommendations of
17 the secretary affecting California are heard. We've
18 assigned 30 minutes for this period.
19 We asked persons wishing to speak to sign up
20 before the hearing began. They've done so by now,
21 and we've also asked them to limit their comments to
22 2 minutes, and we will ring a bell at the end of that
23 time. Please stop after your 2 minutes are up.
24 Written testimony of any length is welcomed by the
25 commission at any time in this process.



1 If all of those signed up to speak have
2 already raised your right hands and had the oath
3 administered, we're ready to get going as soon as we
4 find our commissioner who's out there making a phone
5 call.
6 You're so popular, Commissioner Steele, that
7 they didn't want to go forward without you being
8 here.
9 COMMISSIONER STEELE: Sorry.
10 CHAIRMAN DIXON: Well, we're delighted to have
11 you, and we appreciate that, and Mr. Sabol, you may
12 proceed.
13 MR. SABOL: Mr. Chairman, all the members of
14 the BRAC Committee, staff, fellow citizens: My name
15 is Robert Sabol, marine technology instructor
16 certified by the University of California, L.A. with
17 my expertise in dry dock. A few comments I'd like to
18 make that we did not touch upon earlier about Long
19 Beach. The difference between floating dry docks and
20 graving dry docks. I assume one of the commissioners
21 said he knows the difference, but the others may not.
22 Generally, in the industry it is considered
23 that a graving dock has at least 250 to 300 percent
24 greater value than a floating dock of equal lifting
25 capacity. And I hope that your staff will check this



1 out with any engineering firm that specializes in
2 this.
3 Also, there is no graving dry docks owned in
4 San Diego by any private corporation of any size.
5 The depth of the graving dry docks at Long Beach, the
6 naval sea systems command matrix will show 45 and 35
7 feet. That is accurate to the sill. They do not
8 tell the complete story by I think just by omission.
9 What's important here is the floor of the
10 graving dry dock. And in Long Beach, the floor is 10
11 more feet deeper than the sill on which the casing
12 sits there. Thus Dry Dock Number 1 is 55 feet deep,
13 the deepest dry dock in this country.
14 Dry docks 2 and 3 are 45 feet. That's deeper
15 than two-thirds of the graving dry docks in the rest
16 of the country, the whole country.
17 The depth of the channel, you've heard about
18 that. It's exactly right now the main channel into
19 Long Beach, 70 feet deep, Peer B and legally adjoined
20 to the --
21 CHAIRMAN DIXON: Thank you very much,
22 Mr. Sabol. If you have any more in writing, give it
23 to Mr. Pizer. Lawrence Vivian, please.
24 MR. VIVIAN: My name is Lawrence Vivian. I'm
25 the -- well, former chief industrial engineer for the



1 shipyard. I'm a registered engineer with MBA, and I
2 want to brief the committee, in particular Admiral
3 Montoya who I met outside before, and I'm happy that
4 he's here on the committee.
5 I was distressed really by all the negative
6 information and misinformation in the press, and I'm
7 here as a private citizen at my own expense.
8 After listening to the Long Beach
9 presentation, particularly Congressman Horn, Admiral
10 Hekman, Dr. Johnson, and Mr. Gurzi, most of my
11 concerns have been addressed eloquently and in much
12 more detail than I could have.
13 I think the flexibility may not have been
14 looked at in too much detail, but basically change
15 orders, design construction, and other things lend
16 themselves really well to a focal shipyard. In
17 general, my concern is consistent in terms of common
18 sense. Among those, remember Pearl Harbor if we go
19 all the eggs in one basket. Two, closure results in
20 the loss of irreplaceable people skills, tremendous
21 facility infrastructure, and national assets being
22 lost.
23 I have had concerns with what are the criteria
24 for the long-range possible wartime emergency needs
25 versus the current and immediate needs, and Admiral

1 Hekman addressed that precisely.
2 What are the economics that justify a
3 profitable, excellent performance to be closed? Why
4 should we close Long Beach when it's working so well?
5 Good question.
6 In all due respect, I must say beware of
7 unsupported numbers coming out of Washington. In
8 1970, I believe it was that the naval station
9 closure, a reporter at Peer B asked me what did I
10 think about the naval station closing. It was in the
11 newspapers that night. And the next day the
12 newspaper articles indicated that the naval station
13 was being closed based on economic reasons.
14 CHAIRMAN DIXON: Thank you, Mr. Vivian.
15 Mr. Rodriguez.
16 MR. RODRIGUEZ: Chairman Dixon, Members of the
17 Commission: I'm tired. I think I had about 3 hours
18 of sleep in the past 48 hours, but I'm here to
19 continue this fight. First of all, I'm president of
20 one of the local unions of the Long Beach Naval
21 Shipyard. I've been with the Navy 31 years, 27 with
22 the shipyard, 4 active, and I'm a proud veteran of
23 Viet Nam.
24 CHAIRMAN DIXON: Good.
25 MR. RODRIGUEZ: I would just like to say that



1 one of the questions that I asked yesterday, and I
2 would like to repeat that is why does the U.S. Navy
3 in San Diego constantly request Long Beach trained
4 work force over and over again when the private
5 shipyards are less than 5 miles away in San Diego?
6 Their reason is simple. They need our talents and
7 aptitudes.
8 An article came out yesterday in yesterday's
9 paper about Japan being secure in relation to
10 workloads. That bothered me as a taxpayer. Over
11 1,000 employees are employed in Yacosti, Japan, and
12 Sasabol. Where is our leadership in American labor?
13 Right now we're talking about closing the Long Beach
14 Naval Shipyard and putting not just public employees,
15 but also private shipyard employees out of work.
16 Why can't we bring that work back to the states? Why
17 can't we bring those millions of dollars back to the
18 states and keep our economy sound?
19 By the same token, I'm concerned that -- lost
20 my thought here -- that the American work force is
21 going to be -- the skills are going to be lost,
22 meanwhile other countries could benefit from our
23 national -- our American dollars.
24 Are we going to be relying on other nation's
25 to fix our ships in the future? The Navy right now



1 is proposing to build 2 carriers, the Regan and the
2 Tubin at a cost of 4 and a half billion dollars
3 apiece. The one -- the submarines cost 1 and a half
4 billion dollars apiece. If the concern is of
5 dollars, why are we building these ships? And then,
6 again, where are they going to be fixed in the
7 future? These ships will last 50 years. The Long
8 Beach Naval Shipyard has lasted 52 years and still
9 being used today.
10 In closing, I'd like to say that the Long
11 Beach Naval Shipyard employees are dedicated to this
12 nation. They have proven that over and over again,
13 and I think they need the respect.
14 CHAIRMAN DIXON: Thank you, Mr. Rodriguez.
15 Mr. Murphy.
16 (Clapping.)
17 MR. MURPHY: My name is Cleveland Murphy from
18 the Long Beach Naval Shipyard, employee for 21 years,
19 Viet Nam vet.
20 CHAIRMAN DIXON: Good.
21 MR. MURPHY: And I'm just here speaking for
22 the grass roots, for the people that work every day.
23 We're angry. We did everything in the world that
24 they asked us to do. We knew that the -- that the
25 Navy was cutting back, and we knew that they had to



1 cut somewhere. So we got it done. We had a
2 reduction in force realignment. We got rid of good
3 people, early retirement.
4 We did everything, and the people, labor, and
5 management got together. We worked hard. We worked
6 it out. We went to a 4-day work week. We saved. We
7 produce. We don't waste money.
8 And the thing that we're angry about is why
9 are you even considering us? We make the government
10 money. We don't lose money. I mean, in all -- I'm
11 not no great mathematician or that, but if you lose
12 money, that's where you should be looking at to cut.
13 Not the ones that are making money for you.
14 And we are angry, and we have it seems like
15 twice -- 2 times I feel like my government is failing
16 me. I mean, I work hard, and we work hard. We did
17 everything. We just want to know why? Why are we
18 even being considered?
19 I mean, we have guys who are so dedicated that
20 where we had 4 or 5 people before doing a job, we
21 have 2 people doing it and doing quality work. You
22 know, and it's just -- we are the ones who are
23 sending people to Hawaii, to the Philippines,
24 everywhere to help redo work that they have messed
25 up.

1 That's the Long Beach Naval Shipyard. And I
2 don't think that they're looking at everything, and I
3 think this thing is maybe getting political, and it
4 shouldn't be. It should be the facts. You should
5 look at us as a productive yard. We don't waste, and
6 we have good people, dedicated people.
7 And it's hard for us to see these people lose
8 these jobs, but we had to get rid of people even to,
9 you know, to get on the costs, to save money. And we
10 did it, and we got -- and it's just a dedication that
11 we have. Thank you.
12 CHAIRMAN DIXON: Thank you, Mr. Murphy.
13 Mr. Jones?
14 MR. JONES: Mr. Chairman, Commissioners: I'm
15 not a public speaker. I am a shipwright, a Viet Nam
16 veteran, and a member of the shipyard family, and I
17 am proud to be that.
18 We have a very dedicated work force. As
19 everybody has come up and said before me, we have cut
20 costs. We have got lean and mean, and we've done the
21 job better, faster, and for less.
22 It's hard for me to follow some of these guys
23 because I am not a good public speaker, but I am
24 still proud of all of my brothers and sisters. They
25 are my extended family. I think you saw that in



1 evidence today with the large turnout, 3 bus loads of
2 people that spent their own money to come up here and
3 support us. I would like to say please consider that
4 very seriously.
5 We use common sense instead of dollars and
6 cents to get the job done. And we are very proud of
7 that. I'm proud of all of my brothers and sisters
8 who have given up their own time, their weekends, to
9 work hard for this country, and that's what it's all
10 about, protecting our country, and leaving a
11 mobilization base in place that can react on a
12 moment's notice.
13 I want you to think very seriously about that.
14 I hope that you will see that we are the best bank
15 for the buck of the United States of America.
16 And I am very serious in saying that I'm
17 scared to death of losing my job. I am a
18 grandfather, and I'm just too darned old to go find a
19 new job. It's going to be devastating for all of us,
20 especially those young ones that have started, and
21 they have maybe 1 year, maybe 5 years, maybe 10 years
22 in. They're way short of retirement. I have 3
23 years.
24 CHAIRMAN DIXON: Thank you, Mr. Jones.
25 Mr. Patterson.



1 MR. PATTERSON: Good afternoon, Commissioners.
2 I met some of you yesterday, but today I'm here as
3 just a good old taxpaying citizen.
4 I, too, am a veteran of the Viet Nam War, and
5 I came up in the Kennedy era, you know. It was my
6 honor to serve this country. It was my duty. You
7 know, someone had to protect this country. And from
8 that service I went with the federal government, you
9 know, and I talk to people who worked with the
10 federal government, so we're all cut out of the same
11 cloth right here.
12 And I know Long Beach Naval Shipyard, they
13 can't work as hard as you people work, because you
14 guys have been working hard all day and yesterday and
15 whatever. So we don't come up to your standards of
16 working that hard, but we're pretty close.
17 So I'm quite sure that you know what I'm
18 talking about. And all Long Beach is saying is, you
19 know, we're not coming to you with our hat in our
20 hands or with our heads bowed down. We're coming to
21 you, and we're looking at you straight in the eye,
22 and we're saying, hey, when you make this decision.
23 make the decision based on the facts that have been
24 presented before you.
25 Now, no hidden agendas, no politics, just the



1 merit of the work and the sweat that the Long Beach
2 Naval Shipyard employees have done to keep this
3 nation strong by keeping the fleet ready. That's all
4 we ask.
5 And we feel that any rational decision would
6 be in our favor. Murphy mentioned that some people
7 are angry. They are angry. But, you know, when we
8 first were put on the list, a lot of people were
9 devastated. But when the things happens, things like
10 Oklahoma, now closing Long Beach isn't the end of the
11 world, because some of those federal workers, they
12 lost their life. They made the greatest sacrifice
13 you could give. So all I ask of you is that as Plato
14 would say, do the right thing.
15 (Clapping.)
16 CHAIRMAN DIXON: Thank you, Mr. Patterson.
17 Mr. Larkins.
18 MR. LARKINS: Mr. Chairman and Members of the
19 Committee: Ms. Everlina McCown has yielded her 2
20 minutes to me, so if I go over it, I have her 2
21 minutes, if it's okay with the committee?
22 CHAIRMAN DIXON: If it's all right with Mrs.
23 McCown, it's all right with us.
24 MR. LARKINS: Thank you. I'm the president of
25 the Long Beach Naval Shipyard Employee Association.

1 all-inclusive. Of April 14th, 1995, I was present
2 when the GAO came and gave its report to the
3 commission in Washington, D.C.
4 The GAO mentioned, among other things, that
5 the Secretary of the Navy had given up or he had
6 decided not to close 4 naval activities in the State
7 of California in the interests of trying to save
8 civilian jobs. I believe they spoke of that a few
9 times.
10 One of the things I would just simply like to
11 mention to you, we commend the Secretary of the Navy
12 for that statement. However, we believe that the
13 reason, the sound reasoning wasn't looked into quite
14 far enough. We believe that while being closed --
15 while they have saved the Navy epicenter at Corona,
16 this is a facility that can be replaced or reduced or
17 reused if they wanted to or should they need to use
18 it at some later date a lot faster and more readily
19 than they can on Long Beach Naval Shipyard.
20 We also believe that the Long Beach Shipyard
21 employs just shipyard workers, while Corona is a
22 weapons facility, employs more professional
23 engineers, and therefore their job loss, while it's
24 there, with their professionalism, they will be able
25 to go and find other jobs, we believe, a lot quicker



1 than the employees of Long Beach Naval Shipyard.
2 So we think that the reasons need to be looked
3 into. The number of employees is approximately about
4 the same. So you will still save those civilian
5 jobs, plus have a more likelihood of finding new
6 employment for the other employees if its closed, and
7 we ask you to consider that when you look at that.
8 We would also like to point out, Mr. Chairman,
9 that the State of California is so unique in that if
10 the Long Beach Naval Shipyard is closed, you would
11 have 3 shipyards in this state closed. Now,
12 notwithstanding, at this point that was not a threat
13 given closure, but the state is still suffering.
14 It's still forced to have to accept the cleanup of
15 that shipyard, particularly the city of San
16 Francisco. So that has not occurred in any other
17 state where there will be 3 shipyards cleaned up and
18 closed. So we think that's a factor that really
19 needs to be placed in the -- we're suffering as a
20 state from this cleanup and having to go back and
21 reuse those facilities threefold.
22 We would also like to simply close by saying
23 we further believe that the main focus for the
24 limited BRAC funds should be to complete the timely
25 cleanup and reuse of those shipyards already



1 designated for closure rather than closing additional
2 shipyards and exacerbating the problem of minimum
3 cleanup funds. Thank you.
4 CHAIRMAN DIXON: Thank you very much,
5 Mr. Larkins. We appreciate that, Mr. Larkins.
6 (Clapping.)
7 CHAIRMAN DIXON: Mr. Darrell Neft.
8 MR. NEFT: Commissioners and staff, I would
9 thank you for the opportunity to speak. I'm Darrell
10 Neft. I'm an electrical engineer at the shipyard.
11 I'm here with my wife at our own expense, as all the
12 naval shipyard people are. I would like to discuss
13 this from a slightly different perspective.
14 I live between Altaro and Long Beach Naval
15 Shipyard in the County of Orange. The economic
16 impact of the Altaro-Tustin-Long Beach Naval Station
17 closure, Orange County bankruptcy, and the proposals
18 to close the Long Beach Naval Shipyard are
19 devastating the residents of my area. People are
20 being laid off and services cut.
21 Meanwhile, the Navy is sending out large
22 quantities of jobs to Japan, jobs that Americans
23 could be doing for the national defense. Experience
24 shows that we cannot rely on other nation's for our
25 defense. A couple of examples, the 1973 Middle East



1 War, the 1991 Persian Gulf War. Our allies either
2 cut off our defense support, or we have to compromise
3 our strategies to satisfy all the various interests.
4 Back in California, we have a Navy proposing
5 to spend 107 -- 150 million dollars to duplicate
6 facilities in San Diego available at the Long Beach
7 Naval Shipyard, and 1 billion dollars for a
8 helicopter orphanage for 150 helicopters located in
9 Tustin, helicopters previously scheduled for
10 Twentynine Palms, but in the Navy's infinite wisdom,
11 they now have a new proposal, let's send them off to
12 Altaro, which by the way is also closing. So where
13 are they going after that?
14 Instead of duplicating facilities and laying
15 off workers, let's use the money to help Orange
16 County and surrounded areas out of their economic
17 dilemma. Thank you.
18 CHAIRMAN DIXON: Thank you very much,
19 Mr. Neft. Mr. R.T. Barruss.
20 MR. BARRUSS: Commissioners, my name is
21 Richard Barruss. I'm an international representative
22 for the International Brotherhood of Electrical
23 Workers.
24 CHAIRMAN DIXON: Very good, sir.
25 MR. BARRUSS: And vice-president of the

1 Pacific Coast Metal Trades District Council. We
2 represent members in every Navy yard in this nation
3 and in the private shipyards on the East Coast, the
4 West Coast and the Gulf Coast.
5 In my 27 years of servicing union members on
6 all of the Pacific Coast from Alaska to the Pacific
7 Islands down to San Diego, I've seen yards closed.
8 I've seen yards struggling to survive. But I've
9 never seen a more loyal or productive force than
10 these workers at the Long Beach Navy Yard, and I say
11 God bless them, and God help them in our nation if
12 you make the wrong decision here.
13 Thank you for your consideration, and the
14 brevity of my remarks should in no way reflect the
15 amount of our concern.
16 (Clapping.)
17 CHAIRMAN DIXON: Thank you. Mr. Phil Truman.
18 MR. TRUMAN: I guess it's me.
19 CHAIRMAN DIXON: How do you do, Mr. Truman?
20 MR. TRUMAN: Fine, fine. My name is Phil
21 Truman. I live in Marino Valley, California, which
22 is in Riverside County. My house is approximately
23 80 miles from the Long Beach Naval Shipyard, and I'm
24 approximately 80 miles from San Diego, and I make
25 that commute 4 days a week, which is one thing I want



1 to bring up. You talk about quality of life. If we
2 could make that run every day, sailors make that run
3 every day, we could all do that -- I kind of got off
4 my train of thought here.
5 But getting back to what I wanted to say. I
6 have lived 3 miles from Marsh Air Force Base. When I
7 bought my house out in Riverside County, the house
8 was appraised at 92 thousand dollars. With the
9 realignment of Marsh Air Force Base and the recession
10 in California, there's houses just like mine going
11 for 60 thousand dollars in the same block.
12 If they were to shut down Long Beach Naval
13 Shipyard, and even if the Navy was to offer me
14 another job someplace else, I would still have to
15 walk away from my house. Credit ratings would go
16 down and everything else. I'm not the only one in
17 that situation. There's a lot of other shipyard
18 workers that live in Marino Valley and Riverside
19 County, California.
20 And out of all this time, Long Beach Naval
21 Shipyard out of all these years has been the only
22 installation in the United States that has been put
23 on a list this many times. We've survived it all of
24 these times, but people just can't make long-term
25 plans if we're up here every 3 years having to worry



1 about whether we're going to be out on the street or
2 not. So it's hard to make any type of decisions.
3 It's a lot of stress on people. Morale is down, but
4 we still put out a real good quality job, more than
5 anyplace else in the country.
6 We, like Murphy said, we've complied with
7 everything the Navy has done. They wanted us to
8 downsize. We downsized. We got rid of excess
9 capacity. We got rid of excess capacity. We still
10 do a superior quality job. I'm done already?
11 CHAIRMAN DIXON: Thank you, Mr. Truman.
12 (Clapping.)
13 Mr. Countrymun.
14 MR. COUNTRYMUN: Mr. Commissioner, Ladies and
15 Gentlemen of the Commission: I'm Gordon Countrymun.
16 I'm also with the IBEW Local 2293, but I don't work
17 in production. I work with the housing, the members
18 -- the military members and their spouses. And as
19 you may be aware of, Long Beach Naval Shipyard has
20 been for a long time conducting a letter campaign,
21 and during this campaign I have collected a lot of
22 signatures from these military spouses, because
23 they're the silent majority. Their husbands or wives
24 that are in the military, and they aren't allowed to
25 give an opinion. And their opinion is to keep the



1 Long Beach Shipyard open. They want it open. The
2 rank and file wants it open.
3 That's all I came here to say, and I think
4 it's extremely important, because they're the people
5 -- what this is really all about besides us. They're
6 the people who have to live in the area, and they're
7 the people that we have to take care of.
8 Thank you.
9 (Clapping.)
10 CHAIRMAN DIXON: Thank you, Mr. Countrymun.
11 Mr. Grayson?
12 MR. GRAYSON: Mr. Chairman, Commissioners:
13 Thank you for this opportunity to speak to you. My
14 name is David Grayson. I'm the president of the
15 Federal Manager's Association, Local Chapter 10, for
16 the Long Beach Naval Shipyard. I have 2 issues I
17 want to speak to, but I just want to say this. Any
18 of my brothers and sisters that are here will tell
19 you that I was born in Long Beach Naval Shipyard.
20 I've been working there for 22 and a half years, and
21 I started as a summer aid, which basically was a
22 program for disadvantaged youth from the area that I
23 lived in. And now I am now a second level supervisor
24 electrician.
25 One of the issues that I wanted to bring to

1 your attention was the issue of the deviation that we
2 believe the Navy has made in their selection
3 criteria, that being considering the private sector
4 in our scenario for closing Long Beach. We don't
5 believe that that was considered anywhere else in the
6 evaluation of the naval shipyards. And we believe
7 that it is a substantial deviation from the criteria
8 set forth by the Navy.
9 The second issue I want to talk about is Dry
10 Dock Number 1. The GAO Board has stated that the
11 Navy has decided they no longer require Dry Dock
12 Number 1 for docking the big ships. The concern is,
13 and you saw it earlier in our presentation, that we
14 are now scurrying to try to place these carriers into
15 dry docks, and scurrying to make arrangements in
16 slipping dates for deployments and those types of
17 things.
18 I asked the question when we were back in D.C.
19 when we attended the hearings of the GOA when the GOA
20 made their presentation. One of the concerns I have
21 is that my question is what is different now in '95
22 than in '93? We still have a requirement to do that.
23 What happens when you have an accident? We
24 don't even have to talk about going to war. Folks
25 run over things out there. There can be accidents



1 and refuelings. Where are you going to dock these
2 ships in emergencies? Well, somebody stated -- thank
3 you.
4 CHAIRMAN DIXON: Thank you, Mr. Grayson.
5 Mr. Kuykendall.
6 MR. KUYKENDALL: I'm Steve Kuykendall, and I'm
7 the state legislator that represents the area where
8 the Long Beach Naval Shipyard is. I've got to tell
9 you I've never come up to a group of people before
10 who introduced themselves as Viet Nam Veterans, and I
11 am also, but I'm very proud of you fellows.
12 CHAIRMAN DIXON: We're proud of all of you.
13 (Clapping.)
14 We're proud of all of you.
15 MR. KUYKENDALL: That common link I didn't
16 know we had with so many of you -- or I had with so
17 many of you.
18 This base to me represents the capability to
19 increase our naval forces when we need to, and right
20 now we're in a period of peace where we don't have
21 those forces necessary or needed. But we do have a
22 time now where we could use reserve ships if we go
23 back to the Persian Gulf War again or something like
24 that.
25 And I'm of the opinion that we have drawn down



1 our infrastructure to such a point that should we
2 need surge capacity or as they described emergent
3 capacity, further reductions in this capacity would
4 make it impossible for us to build up a force to win
5 the wars that we may have to fight in the future.
6 This base has other qualities that go with
7 that. One, I don't think we should ever change its
8 location, and that is it sits on the coast of the
9 Pacific Rim within 80 miles of the largest
10 concentration of Navy ships in the Pacific Fleet.
11 That alone to me would be reason enough to keep it
12 intact.
13 They've given many other reasons today. One
14 being its cost effectiveness. And I think there's a
15 lessen there. Whenever we ask government employees
16 to perform as we asked these people to do, and they
17 did, you put that on top of it, and it's kind of
18 giving gravy to the whole process, and they're great
19 at doing that. So we've got a bought and paid for
20 facility, and it gives us the capacity should we ever
21 need it again, and God help us we won't need it
22 again, but if we do, it's there, and we've got a work
23 force in place to do it.
24 And from my perspective, I have to represent
25 their interests, and I'm their advocate, and I'm here



1 to do that on their behalf. So I'd like your
2 positive report on keeping this base open. Thank
3 you.
4 CHAIRMAN DIXON: Well, you've done a good job.
5 The final presentation by Mr. Buchan; is it?
6 MR. BUCHAN: Buchan, sir.
7 CHAIRMAN DIXON: Buchan. I apologize.
8 MR. BUCHAN: Mr. Commissioner, Chairman, the
9 rest of the commission, I'd like to refer to written
10 notes, then submit them to Mr. Pizer for inclusion,
11 if I may?
12 CHAIRMAN DIXON: Very good.
13 MR. BUCHAN: I'm currently --
14 CHAIRMAN DIXON: Sure, you may. Of course you
15 may.
16 MR. BUCHAN: Thank you, sir. I am currently
17 aware that the Pearl Harbor's prospective CO is in
18 prospective commanding officer school. This comes
19 from Code 1100 at Mare Island Shipyard to relieve the
20 Pearl Harbor's touring command before that command's
21 normal tour has completed. Pearl Harbor Naval
22 Shipyard has a history of being unable to finish its
23 work on time.
24 I also understand that the commanding officer
25 of Portsmouth is or will be relieved earlier than his

1 normal tour of duty. I believe this action is based
2 on their not getting their work done on time. I
3 would recommend that the commissioners ask the Navy
4 to confirm these actions and the reasons for such
5 actions.
6 Finally, I would ask BRAC to evaluate these
7 command changes and make their own minds up as to
8 what is the driving force for this. A historical
9 note. We were closed once before at great costs in
10 1950, and thank goodness were able to get the talent
11 back just in time to support the fleet for the Korean
12 War and emerging Pacific Rim conflict, which was the
13 subject of an earlier remark.
14 Today's political climate in that region is
15 anything but settled. The Spratly Islands dispute
16 may boil over at any moment, and entangle us.
17 Korea's rattling its nuclear saber, and Spain has
18 recently offered the Republic of China to build all
19 the aircraft carriers it wants.
20 Our West Coast shipyard is strategically
21 located, and our efficiency speaks for itself. We're
22 ready to support the fleet in any eventuality. Three
23 times now our shipyard has been figuratively led to
24 the wall and blindfolded.
25 The commission has done the right thing the



1 last times, with the only difference this time is I
2 believe the Navy wants you to wear the blindfold
3 rather than us.
4 Thank you.
5 (Clapping.)
6 CHAIRMAN DIXON: Thank you very much. I
7 believe I speak on behalf of the commissioners when I
8 say that's a very fine presentation and we
9 congratulate you all, and thank you very much. The
10 folks from Guam, we'll take up Guam at 6:50 p.m.
11 We're going to have a slight break. 6:50 p.m, we'll
12 come back into session.
13 (Recess was taken.)
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1 CHAIRMAN DIXON: Ladies and gentlemen, if we
2 may have your attention, please. We are now
3 proceeding with our friends from Guam, who have
4 30 minutes at this meeting. And I understand that we
5 have here Governor Carl Gutierrez, Speaker Don
6 Parkinson, Delegate Robert Underwood, and Archbishop
7 Anthony Apuron. I hope that's close, Archbishop?
8 ARCHBISHOP APURON: Close.
9 CHAIRMAN DIXON: We're delighted to have you
10 all. Would you please be kind enough to stand and
11 raise your right hand, so I can swear you in, please.
12 Do you solemnly swear or affirm that the
13 testimony you are about to give before the Defense
14 Base Closure and Realignment Commission shall be the
15 truth, the whole truth, and nothing but the truth?
16 SPEAKERS: I do.
17 CHAIRMAN DIXON: Thank you very much. And I
18 believe, Governor, that you are going to go first.
19 Do you all want to operate right from there? Fine.
20 Please talk right into the microphone. Governor
21 Gutierrez.
22 GOVERNOR GUTIERREZ: Thank you. Good evening,
23 Mr. Chairman and distinguished members of the
24 Commission, and a special hi today to Commissioner
25 Wendi Steele and Commissioner Al Cornella for being

here again. At least we see some known quantity and friendly faces over there. But please accept our sincere thanks for the opportunity to present Team Guam's thoughts on the Pentagon's recommendations.

We face a closure of our ship repair facility, a realignment of our naval activity, a disestablishment of our supply center, and a redirect of our naval aviation assets.

These recommendations are large by any standard, but they are really massive for a community of our small size.

For almost 100 years, for better or for worse, our lives have been intertwined almost exclusively with the Navy's interests in our strategic location. It is no stretch of history or imagination to say that we Chamorros are Americans because the Navy needed our island.

We also appreciate the difficult decisions you face in this process. You must carefully weigh questions of strategic value, the issue of cost savings, and the effect of your decision on the local community. But the decisions you face are also difficult for us.

No matter how you look at it, your decisions will affect negatively some 10 percent of our work



force. This is significant by anyone's standards.

In our case, however, the effects are magnified because we are an Island people over 3,800 miles from Hawaii, the nearest U.S. metropolitan area.

If one of our skilled workers loses his job in Guam, he can't just drive to the next county or next state. Guam is his homeland. We all share the pains of our fellow Guamanians who face the fears of these proposed changes.

Guam is unique in this fashion: There is a sense of cultural ownership and of pride. It is difficult to pull up your roots. We understand and care, and we feel the concerns of our people in light of these proposed changes. Moreover, our problem is compounded by the fact that our citizens who work for the Navy are often trained for specialized jobs that are not transferrable to our civilian economy without a transfer of the military's assets.

But we have to tried to help ourselves and to help you and your staff to understand what we face together. We have looked carefully and at length at the Pentagon's recommendations, and we have written an indepth review and report, which we present for your consideration. We call it "The Way Forward From



Guam." It examines the DOD recommendations, as we understand them, and arrives at a different set of recommendations. We have tried to present our unique historical and geographical perspective to help you as you move forward in your decision-making process.

In examining the Pentagon's proposals, we found that the DOD recommendation impacts quite negatively on the Navy's ability to operate effectively in the Pacific. Interestingly, our finding seems to be shared by the commander of the Pacific Fleet.

We see that the MSC Vessels will be forced to spend more time at sea if they move from Guam to Hawaii. Weather satellite forecasting when moved to Hawaii will be far less accurate. Forces at the front line of our forward defense will have less access to ready supplies, et cetera, et cetera, et cetera, and so on.

We do recognize, however, that if the fleet commander can accept somewhat diminished military operating conditions, the DOD proposals can save a lot of money for the taxpayers. We might dispute the accuracy of some of the savings, but clearly they are considerable if you close this much of the Navy's property and operations in Guam.



The problem with which you must deal and with which we as Team Guam must deal with, Mr. Chairman, is that the cost savings scenario proposed by DOD places the cuts on our backs.

Based on our projections, we stand to lose over 790 million dollars in gross island products, during the Pentagon's implementation period, while the Defense Department saves only 550 million dollars.

Between 1997 and 2001, we stand to lose over 6,700 jobs that would be hard to recreate without a cooperative transition period.

Given the huge amount the Pentagon will save, and given the economic hit we will take, we believe you should direct DOD and the Navy to provide us with a reasonable transition period prior to the implementation of these closures.

If you decide to close our bases, we ask that the movement of Navy forces from Guam be delayed for 4 years until 2001 rather than 1997 as proposed by the Pentagon.

We look at the cost of delaying the Pentagon's move out of Guam. The savings in our delayed transition scenario are not as high as in the Pentagon's proposal, but over a 20-year period our

1 alternative results in a savings of over 1 point 6
2 billion, which is only 13 percent less than the DOD's
3 1 point 8 billion.
4 We believe that this small difference is well
5 worth the savings in human currency, as we in Guam
6 transition from a military-dominated economy to one
7 dependent on the private sector.
8 We believe that a viable and growing private
9 sector in Guam, using former Navy properties
10 productively, would save the U.S. Government hundreds
11 of millions of dollars in facility maintenance, while
12 guaranteeing future access in times of military
13 crisis.
14 On the other hand, we are not in a position to
15 guarantee access to these facilities in the future if
16 our economy is devastated by the Pentagon's moves.
17 Full access to these facilities remain an issue that
18 is extremely critical to the people of Guam.
19 A transition without real access to the assets
20 would be meaningless. In this regard, we disagree,
21 in the strongest possible terms, with the
22 recommendation to leave the process of economic
23 revitalization exclusively in the hands of the
24 military. Our history has taught us that when it
25 comes to our economic future, we cannot count on the



1 federal government to represent our best interests.
2 In that regard, we are very pleased with the
3 letter received recently from Navy Assistant
4 Secretary Robert Pirie, which noted that the Navy
5 would support our economic revitalization efforts,
6 including outright transfers.
7 If you decide to close Guam's bases, we
8 believe you should build on Secretary Pirie's opening
9 and direct the Navy to designate all land for
10 outright transfer, except those it must absolutely
11 retain for ongoing operations.
12 We would be willing to work with the BRAC and
13 the Navy to reach a mutually agreeable process to
14 identify lands for transfer to Guam and others for
15 retention by the Navy. The process of economic
16 revitalization is too important to Guam for our needs
17 to be left to narrowly focused military officials.
18 As I mentioned during the hearing in Guam, we
19 are a people without representation. We don't vote
20 in national elections, and our Congressman here can't
21 even vote in Congress. In this environment, we are
22 often left to the mercy of the military and other
23 federal officials who exercise authority in Guam as
24 if it was their personal dominion.
25 As a people and as Americans, we deserve



1 better than that, Mr. Chairman and members of this
2 commission.
3 We cannot expect this commission to right the
4 past injustices of our colonial relationship, but we
5 do look to you do to what is right now.
6 We understand how minuscule we are in the
7 larger sense of America, but when we are called upon
8 for whatever contingency, we are proud Americans, one
9 and all. We have given up our land. We have give up
10 our resources, and we have given up our lives for
11 America.
12 When one worries if we would be accommodating
13 in a contingency, think again. We will always be
14 there to accommodate our nation's interests. We have
15 proven this time and time again, and we stand ready
16 to prove it in the future should it be warranted.
17 You certainly would want us on your side. We are
18 proud Americans. Allow us to showcase the American
19 democracy in the Asian-Pacific Rim.
20 So if you decide to cut costs by reducing our
21 military activities, please do not forget us, the
22 people of Guam. Our livelihood depends on your
23 judgment. We hope for your fairness, your
24 understanding, and your objectivity. We trust that
25 in your deliberations you will recognize the human



1 factor in this period of traumatic transition for
2 Guam. Dangkulo na Si Yu os Ma'ase. Thank you very
3 much.
4 CHAIRMAN DIXON: Thank you, your Excellency,
5 on an excellent presentation. Mr. Speaker, we're
6 delighted to have you, sir.
7 SPEAKER PARKINSON: Thank you so much. I'm
8 delighted to be here. Honorable Commissioners, I am
9 Don Parkinson, Speaker of the Guam legislature. I am
10 testifying against the closure of military bases on
11 Guam. The United States Congress has set criteria
12 for you and the Navy to use in deciding which bases
13 to close. I submit to you that the true criteria
14 which is being used by Navy officials at the highest
15 level is not the criteria set by Congress and not the
16 criteria which you are mandated to use.
17 I submit to you that the true motives of the
18 Navy are as follows:
19 Primarily, retain Guam as a secure fall-back
20 for the Navy at any cost, even at the expense of
21 weakening our present defense capabilities in favor
22 of long-term retention of Guam and the lands on Guam
23 as a safe forward base, fall-back position, and
24 staging area.
25 Secondary, keep large areas of desirable land

1 vacant in case needed for the future military use.
2 Further, mothball the assets on Guam because
3 the Navy recognizes the long-term military and
4 strategic importance of the island. And I would
5 point out to you that there were proposals made by
6 the Navy to mothball the ship repair facility, for
7 instance
8 Next, restrict the economic and political
9 development of the island to prevent independence,
10 statehood, or free association from becoming viable
11 alternatives for Guam, since this would lessen or
12 eliminate the Navy's influence over Guam's affairs.
13 Punish the people of Guam for becoming too
14 uppity and demanding fair treatment and justice. In
15 other words, the Navy wants to put us back in our
16 place.
17 Continue the Navy's influence over Guam's
18 affairs.
19 And to accomplish the foregoing goals while
20 also reducing costs as mandated by Congress over the
21 short term.
22 We have seen a pattern of economic
23 manipulation and control of the economy of Guam by
24 the U.S. Navy, historically, and through this
25 economic interference has come political



1 manipulation.
2 Examples: Holding one-third of the island
3 undeveloped for almost 50 years.
4 Requiring security clearances to go to and
5 from Guam until 1962.
6 The recent actions by the Department of
7 Defense in placing huge amounts of excess land into
8 bird and wildlife refuges, national parks, et cetera,
9 while retaining the unilateral right to reenter and
10 use this land. This not only inhibits Guam's
11 economy, but is also evidence of the military's
12 insincerity in closing Guam's bases and its
13 recognition of the strategic importance of Guam.
14 Recent actions of the Navy in proposing to
15 mothball facilities is further evidence of the Navy's
16 manipulation.
17 Other restrictive measures, such as
18 restricting civilian transfer of private property and
19 land during the 1940s to freeze the market price of
20 land on Guam until the Navy could condemn what it
21 wanted, manipulation of the economy through military
22 spending on Guam, et cetera, are further examples,
23 and I've cited -- I've given you a whole stack of
24 stuff citing some of these historical custodies.
25 I submit to you that the motives of the Navy,



1 and the criteria which they are using to recommend
2 base closure -- the closure of Guam's bases is not
3 the criteria set by federal law, but rather I believe
4 that the Navy's true criteria is a part of an ongoing
5 de facto hidden agenda which the Navy has manifested
6 since shortly after World War II, as outlined above.
7 When you review all of the written testimony
8 which I, along with Team Guam, am submitting, you can
9 only conclude that Guam's bases should not be closed.
10 And to go from the written report for a minute,
11 "Guam's bases are absolutely essential as forward
12 bases for the defense of our country." Speaking as
13 an American now, not as a representative of the
14 people of Guam.
15 If, in your wisdom, you should decide to close
16 some facilities, I am joining with Team Guam in
17 asking that the real property assets involved be
18 returned to the people of Guam, the rightful owners.
19 Once again, thank you for this opportunity,
20 and please don't be fooled by the Navy. Look
21 carefully at the true motives and criteria of the
22 Navy in recommending the closure of bases on Guam.
23 There's another criteria, too. They don't
24 have to worry about votes in Congress, since we do
25 not have voting representation. I would point that



1 out parenthetically. That's an additional criteria.
2 It's purely political, which I believe exists also.
3 Because, let's face it, no matter how hard he works,
4 until our Congressman has the full vote in Congress,
5 and until we have 2 U.S. Senators, we are not going
6 to have the clout of the 50 states in base closures
7 or anything else.
8 In closing, I reiterate that the true criteria
9 that the Navy is using in my opinion as to its
10 recommendations to the BRAC commission are to depress
11 the economy of Guam, to ensure the future influence
12 of the Navy over Guam's affairs, and to keep
13 one-third of the island mothballed just in case of
14 future needs by the U.S. Navy or the U.S. military.
15 Please consider as part of my testimony the
16 rather lengthy written testimony I'm submitting, and
17 the summary thereof, which I'm submitting along with
18 the attached documents which might be difficult for
19 you to locate outside of Guam, which I have attached
20 for your convenience.
21 I would like to thank you for this
22 opportunity, and I would like to again ask you to
23 look very carefully at the Navy's motives and whether
24 or not the criteria the Navy is applying is truly the
25 criteria mandated by Congress.

1 Thank you very much.
2 CHAIRMAN DIXON: Thank you, Mr. Speaker.
3 We're delighted to have you. Delegate Underwood,
4 it's a great pleasure, sir.
5 DELEGATE UNDERWOOD: Thank you, Mr. Chairman.
6 Good morning, Commissioners, and I said good morning
7 because it is still barely morning in Guam, but it is
8 also 11:00 a.m. in Tokyo, 10:00 a.m. in Seoul and
9 Pyongyang, 9:00 a.m. in Beijing and 6:00 a.m. in
10 Baghdad, and when you're talking about Asia and the
11 hot spots of the world, Guam is in the right place
12 and in the right time zone.
13 The Department of Defense has been engaged in
14 a process to right-size the U.S. military, and the
15 BRAC '95 round of base closures is a natural
16 consequence of the DOD review. DOD planners have
17 assumed the U.S. must be prepared to fight two
18 simultaneous major regional conflicts, the most
19 worrisome scenario depicts a conflict in the Middle
20 East and a simultaneous outbreak of hostilities on
21 Korea.
22 I call to your attention the news reports
23 earlier last week that the North Koreans broke off
24 talks to resolve the matter of the nuclear reactors,
25 causing yet another setback in a conflict that almost



1 occurred last year. And the same week carried near
2 simultaneous reports of the continued intransigence
3 of the regime in Baghdad.
4 As you know, Guam played an important role in
5 Desert Storm. Guam is important in any scenario
6 involving a conflict in Korea. In DOD's worst case
7 scenario of two simultaneous MRCs, Guam will be
8 critical to success. Guam is geographically
9 positioned to support logistic requirements for both
10 the Middle East and Korea. Prepositioned ships are a
11 good idea, but a prepositioned island is even better.
12 But under the DOD recommendations, the
13 prepositioned island is moved 3800 miles back away
14 from the action, thereby degrading fleet operations.
15 Admiral Zlataport, Commander in Chief, Pacific
16 Command, has pointed out that the MSC ship
17 reassignments from Guam to Hawaii would make fleet
18 operations more difficult.
19 Granted, the admiral would implement
20 recommendations you made, but it would significantly
21 reduce his ability to respond to changing conditions
22 with an additional 10 sailing days from Hawaii to
23 Guam.
24 HC-5 would have to deploy aircraft to Guam
25 anyway, further eroding any expected cost savings and



1 causing hardship to Navy families due to additional
2 deployments back to the areas around Guam.
3 Consequently, it should not be surprising to you that
4 the naval officers who will implement Washington's
5 recommendations are not exactly thrilled with their
6 sailing orders.
7 We concede that the MSC ships now on Guam can
8 support fleet operations from Hawaii, but certainly
9 not as easily as from Guam. And we know that 42
10 percent of the customer base of Guam's FISC is
11 associated with the MSC ships. And we know that 70
12 percent of the SRF workload comes from the ships.
13 Like real dominoes, they will fall with the pull out
14 of MSC ships, and the capacity to respond to 2 MRCs
15 will have been severely eroded.
16 The military criteria that BRAC must address
17 can be satisfied only if Guam's strategic importance
18 is retained in some way for future contingencies.
19 So in leaving Guam, the Navy would hedge its
20 bets, and continue its forward deployed strategy by
21 operating out of Hawaii or from less reliable foreign
22 bases. But when it's crunch time, they assure you
23 they'll be able to come back, and everything will be
24 ready for them on Guam. I guess the Navy planners
25 assume we'll just change the adios signs to welcome



1 back.
2 This BRAC recommendation for Guam touches on a
3 fundamental unfairness. Guam's location in Asia, its
4 status as a U.S. territory, and its proximity to
5 potential areas of conflict guarantees that there
6 will always be an important military role for the
7 island. Ironically, Guam's status and stability is
8 being used to allow the Navy to experiment with lower
9 cost deployments in foreign countries while
10 maintaining its fall-back position of Guam. But when
11 political sensitivities in foreign ports are offended
12 by the U.S. Navy's nuclear submarines, where does the
13 navy turn to? Right, Guam, as with the case with the
14 USS DRUM last month.
15 In making comparisons to U.S. military
16 activities in the region, Guam frequently does not
17 get the benefits of forward deployment. While the
18 SFR on Guam is threatened, the SFR in Yokusaka is
19 secure. The Guam FISC is slated to be replaced by a
20 heavier reliance on suppliers in foreign ports.
21 Unlike U.S. mainland bases which compete on a level
22 playing field with domestic installations, Guam
23 appears to be competing with foreign bases for the
24 Navy's resources.
25 And those who pay the consequences of such

1 experimentation are the American citizens on Guam.
2 It should be the cornerstone of our national policy
3 to benefit American workers in the forward deployment
4 of our military whenever possible.
5 While the Navy might consider its bases on our
6 island a marriage of convenience, Guam is not willing
7 to be exploited by a divorce of convenience. We
8 would rather not have a divorce, but if that is your
9 decision, we want our terms to be dealt with
10 equitably, and we want custody of the resources.
11 Team Guam has come up with ways that address
12 your concerns, fulfill all the BRAC criteria and
13 redefine the partnership between the island and our
14 military -- and the military.
15 The Team Guam proposal gives you options to
16 consider. In the first and preferred option, the MSC
17 ships remain forward deployed on Guam, SFR becomes a
18 collaborative venture with a strong Navy customer
19 base, FISC remains open and operated by the Navy, and
20 the HC-5 squadron remains on the island to support
21 the MSC ships.
22 The second Team Guam option would add to the
23 changes in Option 1 by giving the government of Guam
24 the opportunity to enter into a collaborative venture
25 with FISC.



1 The 3rd option transfers assets to Guam in the
2 event of a BRAC decision primarily follows the DOD
3 recommendation.
4 We believe that it is in choosing Option 1
5 that the BRAC criteria are upheld. Our
6 recommendation directly addresses the strategic
7 military value of Guam, DOD's need to save money, and
8 Guam's effort to adjust to the economic impact.
9 Team Guam's approach would enable the military
10 commanders in the Pacific to respond to the current
11 and future mission requirements, improve on military
12 readiness, and accommodates mobilization and
13 contingency requirements, the first 4 criteria
14 dealing with the military value. The MSC ships
15 forward deployed on Guam 10 days ahead of the fleet
16 would give PAC FLEET additional flexibility.
17 Moreover, this proposal would provide DOD's needs for
18 reliable bases in the future on U.S. soil.
19 Team Guam's proposal also saves DOD money, the
20 5th selection criteria. DOD would not be forced to
21 spend money on keeping MSC ships on permanent cruises
22 or perhaps even obviates the need for an additional
23 MSC ship.
24 Finally, Team Guam's recommendations would
25 ease the economic impact to our island, and will



1 utilize a highly skilled American work force.
2 Our options demonstrate our thinking on what
3 needs to be done to sustain economic recovery on
4 Guam. We appreciate that there may be unlimited
5 variations of Options 2 and 3, and we consider that
6 the issue of transition periods for different
7 scenarios and activities would be explored in the
8 weeks to come, and our outline and our Team Guam
9 document.
10 But as in any divorce or separation, our
11 lawyers need to get together to forestall any
12 hostility.
13 The Navy has put a lot of thought into what
14 war-fighting equipment it will need and what
15 resources it needs for the 21st century. Team Guam
16 has put an equal amount of effort into defining a
17 role for Guam that supports our nation's interests
18 while giving us a path to economic success.
19 But we still have other issues to resolve.
20 First, let's resolve some antiquated military
21 land use policies on Guam. The military needs to get
22 out of the land ownership in a big way. BRAC can
23 help us by returning the 6100 acres identified as
24 excess by the military in its Guam Land Use Plan 94
25 study. Any land the military owns that is not needed



1 consumes valuable resource that could potentially be
2 used to expand Guam's economy, and resolving the
3 historical injustices that accompanied the land
4 takings would be a great start for renewing the
5 partnership between Guam and the military.
6 But I must caution that we would need to
7 dialogue further in the weeks ahead on the excess
8 lands issue so that a BRAC decision does not
9 aggravate an already complicated debate about --
10 serious debate about land use on Guam.
11 Secondly, the commission should direct the
12 military to divest itself of all excess capacity on
13 Guam, from water and power utilities to land holdings
14 not identified in GLUP 94. While the military has
15 made tough decisions about civilian jobs on Guam,
16 they have spared themselves of all difficulty by
17 looking in their own backyard for savings.
18 Guam, 2 military air fields. Guam, 2
19 ammunition magazines, 2 military golf courses, 2
20 military beaches, 2 power systems, 2 water systems.
21 You would have thought that Noah had planned Guam.
22 Team Guam has prepared many suggestions to
23 help you. And just in case this is the last BRAC
24 round, we'd like you to mention the ultimate
25 disposition of all excess capacity so that the

1 military can move in this direction in the years to
2 come.
3 Our plan takes us into the 21st Century by
4 laying to rest lingering land problems created in
5 military land acquisitions in the years after World
6 War II. Team Guam's recommendations recognize the
7 contributions of the federal employees and protects
8 their future to the greatest extent possible.
9 But most importantly, our plan recognizes the
10 unique contributions of the people of Guam to this
11 nation. We contributed our share during the
12 occupation during World War II. We contributed our
13 share 20 years ago to this very day as the fall of
14 Viet Nam flooded our island with refugees.
15 In a matter of weeks, Guam's population
16 doubled. Schools were closed to create makeshift
17 dorms. Water resources became scarce, and
18 supermarkets ran low on everything from rice to
19 Pampers.
20 Citizens of Guam became an instant pool of
21 volunteers to help the U.S. Government in one of our
22 nation's darkest hours. We were there for the
23 nation, and we will be there again in the future if
24 there is another crisis in our part of the world,
25 because we fly the American flag.



1 We simply ask that this nation not take the
2 people of Guam for granted, not any more. Have a
3 nice morning.
4 CHAIRMAN DIXON: Thank you very much for a
5 fine presentation. Now, Archbishop, we're delighted
6 to have you here. You're just what we need at this
7 time of the afternoon after a long and difficult day.
8 Welcome.
9 COMMISSIONER STEELE: I was just going to say
10 I bet I know what you're going to tell us about
11 divorce here.
12 ARCHBISHOP APURON: Now, Mr. Chairman and
13 Commissioners, I have to thank you for this
14 opportunity to testify before you today. Because of
15 the constraints of time, I will be brief, but my
16 brevity is neither reflective of the importance of
17 this issue to the people of Guam nor the gravity of
18 their purpose in this process.
19 I would like to thank you for the
20 consideration you have given Guam in the past, and
21 beseech you to give us that same consideration now.
22 Commissioners, I have no expertise in
23 strategic matters. I cannot speak to the military
24 requirement of these bases. I must accept at face
25 value the Department of Defense contention that there



1 is no longer a military requirement for the ship
2 repair facility in Guam or the fleet and industrial
3 supply center.
4 The closure of these facilities will result in
5 the loss of jobs that will affect our people directly
6 and indirectly, but in the end, that is not something
7 that must rank uppermost in your minds. You must be
8 driven primarily by concern for the defense posture
9 of the United States and a crying need to reduce
10 military expenditure. That is your mandate.
11 In the final analysis, I do not believe Guam
12 or any other place, for that matter, has an intrinsic
13 right to the presence of a military base on their
14 soil for economic reasons. That would be tantamount
15 to military spending being a form of public welfare.
16 Furthermore, being in a profession of peace, I
17 must confess that if the world is changed to the
18 extent that the large arsenals of weapons of mass
19 destruction or military forces are not needed to the
20 same degree, then that must be in a global sense a
21 good thing, for how can a person of conscience have a
22 problem with peace?
23 If these bases must go, and there is only one
24 thing that each of you I humbly submit must do. In
25 recognition that we in Guam are going to have to take



1 care of our people who will be adversely affected,
2 you must allow us the means to ameliorate their
3 suffering.
4 I urge you to turn over the lands and the
5 assets that will no longer be in active use by the
6 military after this decision is rendered. Give them
7 back to us so that we can put them to use, so that we
8 can have the means to ease the pain of our people, so
9 that we can with the help of God build a new
10 prosperity for our island.
11 I ask you not to allow these lands and assets
12 to be held hostage to a future contingency
13 requirement. I urge you to let us put them to
14 productive use now.
15 I urge you in the name of justice and the name
16 of my people in Guam to mandate the full return of
17 the lands and assets the military no longer needs in
18 Guam. I believe it is the right and just and the
19 proper thing to do. S' Yu'os Ma'ase. Thank you. S'
20 Yu'os Obendisitoro (phonetic). May God bless us all.
21 CHAIRMAN DIXON: Well, thank you all for a
22 very excellent presentation on behalf of Guam. You
23 may not have a vote, but you sure have terrific
24 voices over there. We're impressed. Thank you very
25 much. (Clapping.)

Pardon me. Pardon me. Commissioner Cornella has a question.

COMMISSIONER CORNELLA: The letter Congressman Underwood referenced from Mr. Perry, I'm not sure that we have a copy of that as the commission, and I think it's pertinent to our deliberations. I was supplied with a copy of it from an officer of the Navy today, but as it is addressed to Mr. Underwood, I would request that he submit that for the record, please.

CHAIRMAN DIXON: Would you be kind enough to do that?

CONGRESSMAN UNDERWOOD: I would be happy to do so.

CHAIRMAN DIXON: We would like to have that in the record.

GOVERNOR GUTIERREZ: It was addressed to the speaker, myself, and Delegate Underwood.

CHAIRMAN DIXON: And then it would be the understanding of all of you if our friend Delegate Underwood could make that available to us for the record?

GOVERNOR GUTIERREZ: Absolutely.

CHAIRMAN DIXON: I thank Commissioner Cornella for that very good question. Are there any further



questions?

COMMISSIONER STEELE: My only comment would be --

CHAIRMAN DIXON: Commissioner Steele.

COMMISSIONER STEELE: -- Archbishop, I think you were pretty easy on my colleagues here compared to Mr. Cornella and myself. I think they deserve the same level of guilt trip that we got, since we flew 22 hours to get it. It's really great to see you all again, and I want to thank you again for the wonderful hospitality that you extended to us while we visited in your island, and your presentations were very effective today as well.

CHAIRMAN DIXON: Thank you, Commissioner Steele. Commissioner Montoya.

COMMISSIONER MONTOYA: I need to fess up and thank you. I was a CV on Guam in 1964, 1965, and instead of coming home, my battalion mounted out and went to Viet Nam in the spring of 1965, and the island, the Guamanian people turned out and bade us farewell, loaded our ships and our planes with all that we could haul away with your blessing and your support, and many, many years later, I thank you.

CHAIRMAN DIXON: Admiral Montoya, we appreciate that. Are there any further comments? A



very fine job, gentlemen. We're greatly impressed. Thank you very much.

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1 CHAIRMAN DIXON: Ladies and gentlemen, the
2 distinguished senior senator from Alaska who has
3 served his state and our nation with such great
4 ability for so many years is here waiting, and I
5 think we'll accommodate him immediately, and if my
6 colleagues will excuse the waiver of a 5-minute
7 break, I think we'll go right ahead. We're delighted
8 to have Senator Ted Steven here.
9 All right. How impressive. He jumps up.
10 CHAIRMAN DIXON: Gentlemen, I apologize. I
11 have to ask you to raise your right hand. The law
12 requires it.
13 Do you solemnly swear or affirm that the
14 testimony you are about to give before the Defense
15 Base Closure and Realignment Commission shall be the
16 truth, the whole truth, and nothing but the truth?
17 SPEAKERS: I do.
18 CHAIRMAN DIXON: Thank you very much. We're
19 delighted to have the distinguished senior senator
20 from Alaska, Senator Ted Stevens, here.
21 SENATOR STEVENS: Thank you very much,
22 Mr. Chairman, and Members of the Commission. I
23 appreciate the opportunity to testify before you, and
24 I appreciate your courtesy in particular for allowing
25 me to appear so late in the day.



1 We did have business there at the Senate
2 today, and it has been a long day as it has been for
3 you.
4 Yours is a tough job, but one that is vital.
5 Our nation must ensure resources to maintain and
6 modernize our military forces and make sure they're
7 not being wasted on installations that are no longer
8 required.
9 So let me begin my statement by expressing my
10 appreciation to Commissioners Cornella and Cox for
11 the opportunity to show them firsthand the potential
12 impact of these BRAC recommendations on Alaska. All
13 Alaskan's recognize their diligent work, as well as
14 the contributions of the commission staff that worked
15 with them. So we thank Charlie Smith, C.C. Carmen,
16 Ralph Kaiser, Paul Hegarty, John Earnhardt, Christy
17 Still, Jim Phillips, and Steve Bailey also.
18 At the hearing on Monday, they witnessed the
19 Delta Junction community's total commitment to the
20 Army and to Fort Greely. Our governor, Tony Knowles,
21 State Senator Georgianna Lincoln, and Representative
22 Gene Kubina joined the Alaska Congressional
23 Delegation in working with the Delta Junction
24 community to try and interpret the department's
25 recommendations.



1 Local efforts in that regard have been led by
2 Cleeta Barger, Ray Woodruff, and Mayor Glenn Wright,
3 and they prepared the materials to be presented at
4 this hearing and the one in Alaska also. Lee Clune
5 will cover those materials for this evening.
6 Ladies and gentlemen, Alaska based Army and
7 Air Force units function as teams. North and south
8 of the range in Alaska, they constitute our nation's
9 strategic reserve in the Pacific. No units in the
10 United States can deploy to Asia more rapidly than
11 forces in Alaska. On that basis alone, they are
12 irreplaceable.
13 But Alaska's Army and Air Force units can also
14 deploy more rapidly to Northern Europe than any
15 forces stationed in what we call the lower 48 states.
16 In fact, each soldier and airman stationed in
17 Alaska counts for 2 in the lower 48. Not only does
18 the geo-strategic position of Alaska save time, but
19 the tremendous shortening of distance means fewer
20 transports, fewer tankers, and less sea lift are
21 needed to deploy forces based in Alaska. This
22 dividend takes on even greater significance with the
23 smaller forces envisioned by Secretary Aspin's bottom
24 up review.
25 In 1991, the predecessor commission considered



1 the closure of Fort Richardson in Alaska, and
2 rejected that option because it failed to generate
3 significant savings and severely damaged our nation's
4 security position in the Pacific. The force
5 reductions that have been imposed on Alaska since
6 1991 makes such a move even now less advisable.
7 The reduction of any of the other main bases
8 operated in Alaska defies the military priorities
9 articulated by Admiral Dick Macke, who was sent back,
10 and the Joint Chiefs of Staff, as well as every one
11 of their predecessors with whom I've worked closely.
12 While I understand that some of you, and it's
13 been told that some have suggested to you to consider
14 closing other bases in Alaska such as Fort Richardson
15 and/or Fort Wainwright, I urge you to listen to our
16 military leaders and reject the calls to further
17 diminish our military presence in the Pacific.
18 And I urge you also to please listen to me as
19 a representative of Alaska not to leave Alaska
20 undefended again.
21 Our state is one-fifth of the size of the
22 United States. We have half of the nation's total
23 coast line. The north shore oil alone provides 25
24 percent of our nation's domestic petroleum supply,
25 and we have consistently produced more oil than

1 Kuwait. Think of the divisions that have defended
2 Kuwait, and we now have one Army brigade to defend
3 one-fifth of the United States, barely 1 percent of
4 the total personnel of the Army.
5 It's incredulous to me that anyone would
6 propose to you to further reduce this minimal defense
7 that exists in my state.
8 For those of us who remember the lessons of
9 World War II, Alaska shares with Hawaii the
10 distinction of direct attack, during that war, and
11 only Alaska endured occupation by enemy forces.
12 In this 50th anniversary of the end of that
13 war, Alaskan's remember the price paid when the
14 defense of our state -- when the pleas for the
15 defense of our state were ignored. I brought with me
16 The Thousand Mile War. I don't know if you ever read
17 it. It's by Brian Garfield, who is a distinguished
18 author. He says in the front piece that this is a
19 story of the only military campaign fought on North
20 American soil in World War II, a story of sadist
21 combat. I think if you haven't read it, I urge you
22 to do so, because you would understand the fears of
23 us, those of us who remember World War II.
24 Now, with respect to the realignment proposed
25 for Fort Greely, I know you will be closely examining



1 the Army's estimates of the potential savings from
2 shifting many functions there to Fort Wainwright.
3 Lee Clune will present the information with
4 regard to that recommendation.
5 The value of maintaining Fort Greely in an
6 active status in the Army inventory to me is
7 immeasurable. It provides a unique capability not
8 only to the Army, but to the larger defense team.
9 Its exceptional facilities and training areas
10 afford unparalleled opportunities to train and test
11 in a cold weather environment both Army and Air Force
12 units. It can and does accommodate live fire, one of
13 the only live fire areas -- I think the only one for
14 the Pacific. There is large scale ground and air
15 maneuver capability.
16 Fort Greely is a unique and invaluable asset
17 to conduct joint and combined operations, which is
18 the way our forces must fight in the future.
19 Following a visit to Alaska, as we flew back,
20 General Colin Powell told me that he felt the bases,
21 particularly in interior Alaska provide the only real
22 alternative to maintaining the Army's presence in the
23 North Pacific, if it becomes necessary to reduce our
24 presence in Japan or Korea.
25 It is because of this geostrategic importance



1 and excellent training areas and infrastructure that
2 I urge this commission to re-evaluate the options and
3 to try to find a way to maintain a greater permanent
4 presence in Fort Greely.
5 The Army's Safari concept, which is running
6 training operations out of Fort Wainwright just
7 doesn't add up from a dollars and cents point of
8 view.
9 More importantly, safety considerations
10 require more consideration. Is my light on? Sorry.
11 This plan means moving trips, equipment, and
12 logistical supplies from Fort Wainwright to Greely on
13 a regular basis over 100 miles through ice, snow, and
14 extreme temperatures during 7 months of the year. I
15 lived in Fairbanks when I first went to Alaska, and I
16 can tell you we're talking about extreme temperatures
17 well below 60 below at many times during that period.
18 Our nation invested in Fort Greely over the
19 years because it made sense to train our forces in
20 the way they must fight. Interior Alaska provides a
21 unique capability not found elsewhere in our nation
22 or abroad.
23 Even though our Armed Forces are downsizing, I
24 urge you to remember that many of those forces may be
25 required to fight in extreme cold and inhospitable



1 environments. To be prepared, they must train in
2 those environments so they know their equipment can
3 perform in the Arctic and they know it because
4 they've proved it to themselves in a harsh
5 environment.
6 With regards to the proposed closure of Adak,
7 just briefly, let me tell you Alaskan's understand
8 the changing mission of our military forces in the
9 Pacific as the Soviet threat diminished. We
10 recognize that Adak's closure marks the end of an era
11 for the military in the Aleutian Islands, which this
12 book describes. Out there, servicemen have long
13 outnumbered the native residents.
14 However, the disposition of the Adak assets of
15 the Navy are critical to all the citizens who live in
16 the Aleutians, as well as the state of Alaska at
17 large. I hope we'll be permitted to take advantage
18 of these facilities, to build on what's there. Over
19 the years, we've put 3 billion dollars in Adak.
20 We are exploring ways to use that area, such
21 as a privately run prison to serve many
22 states, a forward logistic base for commercial air
23 and sea freight operations, and a fish processing
24 facility.
25 Half of the United States fishery products

1 come from the area off the Aleutian Islands. There
2 are many issues that I could discuss concerning Adak,
3 including environmental considerations, but I hope we
4 can look forward with optimism to a productive future
5 for Adak, following the Navy's departure.
6 I know that -- and I've worked with many of
7 you over the years. I understand your commitment to
8 do your job. I hope you will do everything in your
9 power to support the military and the men and women
10 of the Armed Forces.
11 I believe those in Alaska are at a minimal
12 level now for the future protection of my state and
13 for our role in the north Pacific.
14 Let me introduce to you Mr. Lee Clune. He's
15 the Superintendent of Schools in the Delta Junction,
16 and he will present the detailed concerns of the
17 community with regard to the recommendations
18 concerning Fort Greely.
19 Thank you very much.
20 CHAIRMAN DIXON: Thank you, Senator, for your
21 excellent presentation. We're delighted to have you,
22 Mr. Clune.
23 MR. CLUNE: Thank you. I know it's been a
24 long day. I appreciate the opportunity to speak with
25 you on this matter. Mr. Chairman, BRAC Commission



1 Members, Senator Stevens, and staff: As the senator
2 said, my name is Lee Clune. I represent the Delta
3 Junction Community Coalition and the entire community
4 of Delta Junction. I express my appreciation for
5 this opportunity to address you.
6 The facts presented today on all Alaska
7 installations will characterize size, usage, value,
8 impacts on military readiness, civilian encroachment,
9 and complaints and factors which have the potential
10 to create a public relations disaster for the Army.
11 Any comparisons with other Alaska bases are
12 for the express purpose of presenting Fort Greely's
13 capabilities only.
14 All of the above items will show that Fort
15 Greely is the only place to accomplish the required
16 testing and training missions.
17 The document, which I believe we provided to
18 you earlier today, Base Realignment and Closure by
19 the Delta/Greely Community Coalition, was presented
20 to Commissioner Cornella and Commissioner Cox in
21 Delta Junction on the 24th. I respectfully request
22 that this same document be accepted for duplication
23 as part of my testimony today. The attachments to
24 which I refer are included in that document.
25 I would also like to make it clear that my



1 testimony should be considered separate from and
2 supported by the testimony in the document provided
3 by the commission in Delta. You will recognize some
4 of my testimony as being verbatim excerpts from the
5 coalition documents. Some of it is paraphrases of
6 information within that document, and the rest
7 material which I consider relevant and supportive.
8 I would like to call your attention to
9 Attachments 2, 3, 4, and 5 as you look through them
10 later. They provide some critical visual information
11 reflecting the size and scope of the land resource
12 capabilities surrounding Fort Greely, particularly
13 the Attachment 3, which is the cold triangle.
14 Right at the very tip of that cold triangle is
15 Fort Greely. Those are temperatures in any time of
16 the winter they can reach anywhere from 30 below,
17 which is fairly comfortable, to 70 and 80 below. Any
18 time we have testing and training in areas that we
19 want to see how critical things are going to work,
20 including personnel, those are the types of
21 temperatures we need to call on as quickly as
22 possible.
23 In the training base comparisons from '93 to
24 '95, some significant changes were made which were
25 erroneous in our opinion in the areas of reserve



1 component support, spreadable acres and maneuver
2 acres as well as mechanized maneuver acres. These
3 factors above would have significantly improved Fort
4 Greely's rankings. I would like at this point in
5 time just to quickly share the qualifications of the
6 retired military members of the coalition who have
7 provided the expertise for the Attachments 6, 7, and
8 8, because I think the credibility therein is highly
9 important.
10 First of all, there's Colonel Edward F.
11 Sheehan, retired, military from 1960 to '86, served
12 in the capacity of military commander or Senior
13 Department of the Army Civilian with headquarter at
14 Fort Greely, CRTA and WTC. For 15 years he served as
15 either a special advisor to the commanding general
16 user ad and the Commander General of 6 ID Light.
17 Also Lieutenant Colonel Carl Woodruff, who
18 presented to the commission members earlier this
19 week. Retired in 1991. He served as the CRTC
20 materials and test director for Greely and in the
21 U.S. Army Engineer School at Fort Bandworth. The
22 U.S. Army Operational Test and Evaluation Agencies.
23 and on infinitum, a tremendously strong background.
24 Lieutenant Colonel John Hite, retired. He
25 served as a commander of the Northern Air Force

1 Training Center from 1982 to '84. We depended upon
2 them heavily for the information concerning Fort
3 Greely.
4 Now, according to the range regulations and
5 historical usage, the information presented in
6 Attachment 6, 7, and 8 prove that neither Fort
7 Wainwright nor Fort Richardson alone are totally
8 capable of meeting either the Army's Range Safety
9 Regulations or their own, because they lack a very
10 specific terrain for firing munitions and lasers
11 within the confines of the impact areas on either
12 coast.
13 The military value of Fort Greely in
14 conjunction with Richardson and Fort Wainwright
15 cannot be overestimated in today's world.
16 An Army Airfield is C-5 capable when the soil
17 is frozen. As you might imagine, that's quite a bit
18 of the time of the year. The C-141s and the 130s and
19 many other aircraft also regularly use that airfield.
20 In 1990 a stationing study referred to by the
21 senator was done by the Fort Richardson Director of
22 Resource Management Office, which indicated a desire
23 to station an artillery battalion and maintenance
24 unit at Fort Greely. Although we have been unable to
25 obtain a copy of this document, the proposed



1 stationing as put forth at that time would be even
2 more feasible now than then. This is especially true
3 when considering the inability to fire live artillery
4 munitions at Fort Richardson.
5 Fort Greely has 2 primary missions which have
6 significant impact on the readiness of the U.S. Army,
7 both of which are year-round requirements. The
8 missions are testing of equipment in a cold regions
9 environment and training soldiers and cavalry in
10 operations in cold and mountainous environments.
11 Fort Greely is the Army's only valid source of
12 expertise in both of these areas. There is nowhere
13 else that the testing of equipment can take place to
14 ensure that it will operate in cold regions. The
15 extent and breadth of the testing done at Fort Greely
16 can best be comprehended I think with the knowledge
17 that all items of Army equipment used in the Gulf War
18 were tested by CRTA.
19 Attachment 9 will exhibit some of those major
20 items.
21 Testing at Fort Wainwright would be limited by
22 terrain, visibility, range availability, traffic,
23 weather, transport, and many other factors. I would
24 like you to review at your leisure Attachments 6, 7,
25 and 8 which will expound on all of these problems.



1 Touching on the concept of Safari that the Senator
2 mentioned earlier. The Safari operations from Fort
3 Wainwright just simply does not make sense.
4 The quarters at Fort Greely will be closed and
5 declared excess, while requiring construction of more
6 than 38 million dollars worth of quarters at Fort
7 Wainwright, according to figures provided to the
8 senator earlier this month.
9 In addition, the Army will incur costs in the
10 form of TDY and families will be separated by having
11 to test and retrain at Fort Greely.
12 I would like to just really very quickly to
13 read one paragraph out of the document which you will
14 refer to later on having to do with the earlier
15 attempt to do this type of Safari, and this is out of
16 Attachment 6, Paragraph E. In 1964, a large segment
17 of the cold region test activity was moved from Fort
18 Greely to Fort Wainwright, and required ranges were
19 constructed along the highway and west of the Panama
20 River. These facilities were never really used
21 because of the pressure applied from Fairbanks area
22 environmentalists and aviators. Only general
23 equipment training could be accomplished. CRTA, then
24 the U.S. Army's Arctic test fort, was moved back to
25 Fort Greely in 1966. This mistake is about to be



1 repeated.
2 CRTA testing must capture a given climatic
3 condition when it occurs due to the sophisticated
4 instrumentation. This cannot be accomplished
5 sufficiently after a 100-mile bus ride from Fort
6 Greely when it may be 40 or 50 below.
7 These facts clearly show we believe that the
8 military value of Fort Greely is significant, and its
9 one of a kind capability simply should not be
10 forfeited.
11 Cost comparisons, then, beginning at
12 Attachment 11, have been made between the COBRA study
13 and figures which have been developed by the
14 coalition, specifically by members who have worked
15 with these over many years. A comparison of cost
16 savings to the year 2001 shows a much lower rate of
17 savings as compared to the COBRA study.
18 The coalition contends return on this
19 investment will take approximately 7 years rather
20 than the 5 identified in the COBRA.
21 And I think of specific importance is the
22 COBRA report states that the census area of Southern
23 Fairbanks is the Delta/Fort Greely impact area.
24 Commissioner Cornella and Commissioner Cox having
25 overflown that area, I believe will be able to share

1 with you that that is somewhat ambiguous. This
2 entire area by the map on Attachment 13 is larger
3 than Rhode Island, Connecticut, New Hampshire, and
4 Vermont combined.
5 The reduced and actual impacted, however, that
6 area is approximately a 30-mile radius around Delta
7 Junction. This is error. It is much smaller. It's
8 only about the size of Rhode Island.
9 The COBRA study also improperly used the
10 entire population of that southeast Fairbanks census
11 area as the population for impacting personnel. With
12 this, they arrived at then a 36 point 3 percent loss
13 of job category. According to the Alaska state
14 demographer, the Delta/Fort Greely population is
15 3988, probably less than we have in the hotel here
16 tonight. So if I seem a little nervous, it's because
17 I'm around a lot more people than I'm used to.
18 The job loss figure provided by COBRA is
19 ambiguous at best. However, when using their
20 figures, but using actual population, the job loss in
21 the Delta/Fort Greely area is about 70 point 5
22 percent.
23 However, assuming the numbers compiled by the
24 coalition are correct, the job loss figure is
25 actually 80 point 6 percent.



1 In all honestly, I feel that once we look at
2 the figures and we take a high and a low figure and
3 throw them out, we're talking in the area of between
4 60 and 70 percent job loss in the Delta area.
5 In summary, I'd like to offer the following
6 points of clarification:
7 The training and testing missions accomplished
8 without interruption for the past 46 years at Fort
9 Greely cannot adequately be done elsewhere, either in
10 the lower 48 states or Alaska with equal efficiency
11 and the essential ingredients of cost, climate,
12 terrain, remoteness, people expertise, and public
13 acceptance are considered.
14 As we have demonstrated with facts and
15 figures, the Army's requirements for Fort Greely as a
16 testing in site is critical. There will be no cost
17 savings should Fort Greely be realigned, and Fort
18 Greely is a bargain by anyone's judgment.
19 The Delta/Greely community and Alaska to a
20 lesser degree will be grievously crippled should the
21 alignment occur.
22 In closing, I'd like to leave you with the
23 following comments:
24 Our executive summary has provided you with
25 verifiable evidence of the Hawaii possible quality



1 for testing and training achievement. It provides
2 verifiable documentation proving the lack of
3 credibility of some of the data developed for your
4 consumption.
5 The current recommendation lacks any future
6 vision for the military presence in Alaska, and to
7 maintain our national military posture. Our military
8 forces face potential conflicts in Korea, Bosnia,
9 Northern Europe, as well as other areas, and we are
10 preparing to sacrifice that training.
11 The local impact data provided, economic as
12 well as social, demonstrates a much higher cost.
13 That data from COBRA really doesn't touch a lot of
14 it.
15 For example, 48 percent of the students
16 currently enrolled in my school district will be gone
17 from the community. 52 percent of the professional
18 and support staff at a minimum that are employed at
19 the district at this point in time will be thrust
20 into the ranks of the unemployed.
21 The region and state brain drain will be
22 disastrous. I really cannot put into words what the
23 loss would be in the depth and the breadth of our
24 instructional programs that we have now at our
25 schools.



1 Commissioners, I leave you with one critical
2 issue. Direct your staff to scrutinize very closely
3 the 1995 BRAC reports and the 1993 BRAC reports. As
4 you compare the 2, ask yourself how Fort Greely could
5 possibly have lost a minimum 185 points in such a
6 short period of time.
7 I ask you did the huge amount of land mass
8 that had available for mechanized maneuvers suddenly
9 disappear? Did 66 percent of the available acres
10 that were rated in the 1993 report but ignored in the
11 '95 report simply vanish?
12 Mr. Chairman and commissioners, the
13 information that the coalition has presented to you
14 confirms in our opinion the fact that through a
15 realignment the proper utilization of the training
16 and testing ranges will in effect be lost.
17 These are the 2 very minor discrepancies that
18 support our contention that the recommendation is
19 based on unacceptable data that in our opinion Fort
20 Greely should be removed from the 1995 BRAC list.
21 Thank you for your consideration, and a
22 special thanks to you Commissioners Cornella and Cox
23 for visiting and spending some time in our community
24 so that you could bring back possibly a little
25 clearer perspective of what our small area might be

1 impacted by. Thank you very much for your time.
2 CHAIRMAN DIXON: Well, Mr. Clune, we thank
3 you, and we thank your distinguished senior senator
4 for that very fine presentation.
5 You've done Alaska proud. We thank you all.
6 This meeting is adjourned.
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1 STATE OF CALIFORNIA )
2 ) ss.
3 COUNTY OF SACRAMENTO )
4 I, FRANCINE R. DAIS, a Certified Shorthand
5 Reporter in and for the State of California, do
6 hereby certify:
7 That the said proceeding was taken before me
8 at the said time and place, and was taken down in
9 shorthand writing by me;
10 That I am a Certified Shorthand Reporter of
11 the State of California;
12 That the said proceeding was thereafter, under
13 my direction, transcribed into computer-assisted
14 transcription; and that the foregoing transcript
15 constitutes a full, true, and correct report of the
16 proceedings which then and there took place to the
17 best of my ability; that I am a disinterested person
18 to the said action.
19 IN WITNESS WHEREOF, I have hereunto subscribed
20 my hand this 2nd day of May 1995.
21
22
FRANCINE R. DAIS, C.S.R. #8855
23 State of California
24
25

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

OPEN MEETING

Thursday, May 4, 1995

8:30 a.m.

University of Maryland Field House
Baltimore Campus
Baltimore, Maryland



COMMISSIONERS PRESENT:

Rebecca G. Cox
Alton W. Cornella
S. Lee Kling
Josue Robles
Wendi Lousie Steele

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P R O C E E D I N G S

CHAIRWOMAN COX: Good morning, ladies and gentlemen. Welcome to the regional hearing of the Defense Base Closure and Realignment Commission. My name is Rebecca Cox, and I am a member of the commission charged with evaluating the recommendations of the Department of Defense, regarding the closure and realignment of military installations in the United States. Also here with me today are Commissioners Wendi Steele, Al Cornella, Lee Kling, and Joe Robles.

First, let me thank all of the military and civilian personnel who have assisted us so capably during our visits to the many bases that will be discussed today. We've spent a lot of days looking at these installations and asking questions, and the cooperation that we've received has been very, very helpful. The main purpose of the base visits we've conducted is to allow us to see the installations and to address with the military personnel the all important question of the military value.

In addition to the base visits, as you all know, we are conducting a total of 11 regional hearings, of which today's is the tenth. The communities affected by the



closure are the main purpose of the regional hearings today, so that we can hear from them and consider their views. We consider this interaction to be one of the most important parts of our deliberations.

Let me assure you that all of the commissioners and the staff are well aware of the tremendous impact of closure on the communities. We are committed to openness and fairness in this process, and all of the material we gather, all of the information we get from the Department of Defense, and all of our correspondence is completely open to the public. We are faced with an unpleasant and painful task, which we intend to carry out as sensitively as we can. The kind of assistance we have received here is very helpful.

As far as how we will proceed today, we will do the same as we have done in all of our regional hearings, and that is that the commission has assigned a block of time to each state affected by the closure, and the overall amount of time was determined by the number of installations on the list, and the amount of job loss. The time limits will be enforced, strictly.

We notified the appropriate elected officials of this procedure, and left it up to them, working with the

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1 communities, to determine how to block the time given to the
2 state. This morning, we will hear testimony from the State
3 Maryland for 130 minutes, and from Pennsylvania, for 55
4 minutes.
5 At the end of the Pennsylvania morning
6 presentation, we have set aside a period of 30 minutes for
7 public comment, during which members of the public from
8 Pennsylvania and Maryland may speak. There has been a sign-
9 up sheet provided for this portion of the hearing, and we
10 hope that anyone who wishes to speak has already signed up.
11 We would ask that those of you speaking at that time to limit
12 yourself to two minutes.
13 After the public comment period we will break for
14 lunch, and reconvene about 1:35 for 110 minutes of testimony
15 from Pennsylvania, 100 minutes from Virginia, and 20 minutes
16 from North Carolina. After those presentations, there will
17 be another 30-minute public comment period from Pennsylvania,
18 Virginia, and North Carolina, and we expect the hearing to
19 end promptly at 6:30.
20 Let me also say before we start, that the base
21 closure law has been amended since 1993 to require that
22 anyone giving testimony before the commission do so under

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1 oath. And so I will be swearing in all of the witnesses, and
2 that will include the individuals who will be speaking for
3 the public comment period later. So that we can get started,
4 we could swear you all in as a group. If you wouldn't mind
5 standing, please. Anybody who will be testifying or
6 answering questions.
7 (Witnesses sworn.)
8 CHAIRWOMAN COX: Thank you. You may begin. We
9 have a very distinguished delegation here from the State of
10 Maryland, and we're pleased to see all of you. And let me
11 turn it over to you to go through your program.
12 SENATOR SARBANES: Madame Chairman and members of
13 the commission, thank you very much for this opportunity to
14 appear in support of our communities and their response to
15 the 1995 base closure and realignment recommendations with
16 the Department of Defense.
17 We also want to thank the commission for scheduling
18 this regional hearing in Maryland, and we express our
19 particular appreciation to each of the commissioners who's
20 here with us this morning and to the BRAC staff and also,
21 especially, to those commissioners who have been able to
22 visit installations in our state.

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1 As you know, Maryland was heavily impacted by the
2 DOD's recommendations with five of our installations slated
3 for closure or realignment. This would cost us 1700 military
4 and civilian jobs and also, because of a reversal by the
5 Department of Defense of the '93 recommendation, the loss of
6 almost 4,000 jobs which are coming from NAVSEA to White Oak.
7 More importantly, though, we believe our nation
8 will lose critical military capabilities as a consequence of
9 the recommendations that have been made, and also lose highly
10 dedicated and proven teams of experienced personnel
11 associated with these installations. As you will be hearing
12 this morning, we think DOD failed to adequately consider
13 other opportunities for cost savings and cross servicing,
14 such as consolidation.
15 For example, the Defense Information Systems Agency
16 to Fort Ritchie; the DOD-wide consolidation of Army
17 Publication Distribution Centers, which would then involve
18 Baltimore in responding to that challenge; and the Joint
19 Spectrum Center, to Annapolis. We have deep concern about
20 the downsizing of the Kimbrough Hospital at Fort Meade.
21 Our delegation and our state and local governments
22 have worked closely with the affected communities and

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1 concerned citizens in examining the DOD's justification,
2 preparing for today's hearings. I think you're going to hear
3 some very perceptive analysis of the cost justifications put
4 forth by DOD. The elected officials are here to underscore
5 the state's support of our communities and their concerns
6 with the DOD's recommendations.
7 What we're going to do is, we're going to ask the
8 governor to speak briefly and then some members of the
9 delegation who will have to depart because of their pressing
10 schedules. I hope everyone understands the intense pressure
11 the governor and some of our delegation members are under.
12 Others will stay for the presentation by their
13 communities and will speak at the end of that presentation.
14 Congressman Bartlett, for instance, at the end of the Fort
15 Ritchie presentation, will then close with his observations.
16 We've asked everyone to be brief. We're anxious to
17 hear from the communities, and with that I now defer to
18 Governor Glendening and then to Senator Mikulski and then
19 Congressmen Hoyer and Cardin. Governor?
20 GOVERNOR GLENDENING: Senator Sarbanes, thank you
21 very much. Madame Chair and members of the commission, we
22 welcome you first to Maryland, and many of you, we welcome

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1 you again to Maryland. We certainly appreciate everything
2 that you've been doing. The lieutenant governor and I are
3 delighted to be hosting this next to last meeting.
4 And we also thank the University of Maryland in
5 Baltimore County and President Freeman Browsky, who is in
6 Germany and couldn't be here today, but has been very helpful
7 to us. Commission members, I know that this has been a very
8 grueling schedule for you. We appreciate your willingness to
9 give the time and attention to those whose lives will be
10 directly affected by the decision that you have been called
11 upon to make.
12 I can tell you very sincerely that we are deeply
13 concerned about the impact of the base closings that have
14 been recommended to you. We are concerned about the impact
15 on the communities, of which the bases are a very important
16 and integral part. We're concerned about the impact on our
17 national defense. You'll be hearing a set of very excellent
18 presentations from community leaders.
19 They have raised, I think, very legitimate
20 questions about the national defense significance of the
21 bases, but they've also raised issues that we believe are
22 extremely important in terms of the economic well-being of

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1 the communities, as well.
2 I will be very brief, so that we can hear from the
3 citizens, but I do want to underscore our state's strong
4 support for these bases and for the community advocates.
5 Lieutenant Governor Townsend, who has been part of several of
6 your visits to the state, will be with you throughout the
7 morning, as well.
8 I thank you for your time, and for the special
9 thanks to the citizens who have come out this morning and who
10 have been so supportive, and I can tell you, who have made
11 absolutely excellent substantive presentations throughout
12 this process. I understand that the passion and the
13 enthusiasm, and the very real concern -- the legitimate
14 concern -- that the citizens have raised.
15 We have participated with people from White Oak,
16 from Fort Ritchie, and from the Army Publications
17 Distribution Center. And I believe that their comments will
18 indeed be very telling. And I thank you citizens for your
19 active participation, as well, and commission members, thank
20 you.
21 SENATOR MIKULSKI: Thank you, Senator Sarbanes. To
22 the members of the commission, we give you a very cordial

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1 welcome to Maryland, and thank you for the very assiduous way
2 you're going about your duties. We welcome you in our state.
3 We know how faithful you've been in examining the issues, and
4 to your very cooperative staff. The openness, the
5 professionalism has indeed been most appreciated.
6 We, the Maryland delegation, will be able to get to
7 make our case in June, so I just want to focus on a few
8 things. First, listen to the community. When you listen to
9 the community, you will find that they will make their
10 presentation on these issues -- not on hand wringing, or
11 whining, or bleeding heart.
12 They want to make sure they tell you why they are a
13 value to the nation, why their a substantial return on the
14 investment, and yes, the impact on the local community, if
15 this is closed. We know that the military needs to be
16 downsized, but we don't want it to be downgraded. We, in
17 Maryland, feel that we offer a unique combination of
18 facilities, of physical and intellectual infrastructure.
19 We're at close proximity to premier civilian
20 laboratories, higher education facilities, and the entire
21 support system from the Pentagon. Our location, our
22 technological facilities, are superior to none -- I mean, are

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1 superior, and could not easily be replaced.
2 I would like to take a few minutes, however, to
3 focus on the work force. In each and every facility, you are
4 going to find not only superb technological facilities, but
5 also a unique work force. They bring unique skills. They
6 bring an extraordinary work ethic. They don't work only
7 by -- they work by the book, but they don't work by the
8 clock.
9 And their spirit of patriotism is something that I
10 think our whole private sector needs to imitate. They are as
11 fit for duty as the military that they choose to support.
12 Now, this is a very unique area here. And as we look at
13 these facilities, as we go to the laboratories, while we're
14 developing the smart technologies for the smart weapons of
15 war, we see what this is.
16 At the David Taylor lab, the naval lab, we see that
17 this is where 82 percent of the staff are scientists and
18 engineers, and they are backed up by highly trained machinery
19 and support staff that work hands on with engineers. In the
20 private sector, it would be called a center of excellence.
21 And it would take more than 10 years to reassemble this
22 caliber of people.

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1 At White Oak, we also know that they have very
2 unique technological facilities, like the hypervelocity wind
3 tunnel. But it takes an unusual group of people, a unique
4 team, again, of scientists, engineers, and support staff.
5 Whether they have PhDs, or union cards, it is the only team
6 in the world. And up at Fort Ritchie, there is a highly
7 skilled work force that manages a very intricate
8 communication system.
9 When the President dials 911 around the world, it
10 is at Fort Ritchie that they make sure that those calls go
11 through. And in those rolling hills up there in Western
12 Maryland, they are around the clock, 24 hours a day,
13 regardless of weather, regardless of world conditions, they
14 are right there.
15 At the Army Distribution Center in Little River,
16 what we see is a military version of Federal Express: highly
17 motivated work force moving things along on a highly
18 automated system, with the National Guard right across the
19 street. When our military deploys on peace-keeping missions,
20 they can't take all their paperwork with them, all their
21 rules and requirements, all the kinds of documents they need.
22 They need to take their weapons.

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1 But over there at Little River, they move it right
2 along on the assembly line, hand it off to the National
3 Guard, and it goes wherever our military is. You just can't
4 replace that type of system. And at the Kimbrough Army
5 Community Hospital, this is where we have dedicated nurses
6 and doctors providing a whole range of medical service. And
7 you should know that their hands-on cost effectiveness is 40
8 percent less than any other military hospital in Washington,
9 D.C.
10 So, my dear commissioners, when you listen to the
11 arguments, listen to this work force. Try to picture
12 replacing it. Try to picture what it would cost to replace
13 it in terms of money and time. And also, take a look at this
14 work force, because of their work ethic and their spirit of
15 patriotism. And I know you just won't be able to say no to
16 them. Thank you very much.
17 (Applause.)
18 CONGRESSMAN HOYER: Mrs. Cox and members of the
19 commission, following Barbara Mikulski is very bad planning,
20 as some of you know.
21 (Laughter.)
22 CONGRESSMAN HOYER: I'm not going to take long --

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1 or we won't take long. We have some real experts here --
2 people that have worked on the site, and they're the ones
3 you'll want to hear from. However, we believe there are some
4 very strong cases to be made to you, and you want these
5 experts who are the most familiar with the places to present
6 it to you.
7 I want to commend the Department of Defense for
8 recognizing the extraordinary military value of two of the
9 primary assets in my district, and for the national defense:
10 the Naval Surface Warfare Center at Indian Head and the
11 Patuxent River Naval Air Station. These are terrific
12 facilities, and I am proud to have them in my district and
13 our state, and I'm pleased that DOD made a similar
14 observation.
15 However, I'm here because we have some other
16 quality facilities in Maryland that you've been asked to
17 review and assess. Kimbrough Army Hospital at Fort Meade has
18 long been an important part of the service we offer to the
19 soldiers stationed at Fort Meade and the many military
20 retirees in our community. As you will hear today, it also
21 fulfills unique -- unique is a critical word that you're
22 going to hear today -- around the clock needs of the National

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1 Security Agency.
2 I also, members of the commission, want to
3 encourage you to take a close look at the Naval Surface
4 Warfare Center's Annapolis detachment. The center's
5 machinery work requires specialized facilities that the navy
6 cannot afford to duplicate elsewhere, despite our need to
7 accelerate submarine research. We can't afford to lose that
8 capability or the people who make it work.
9 I hope you will duplicate what Mrs. Cox,
10 Congresswoman Byron, who is sitting in Fort Ritchie right
11 now, and other members of the commission did the last year.
12 In addition, it houses one of the country's unique national
13 assets, and that is the hypervelocity wind tunnel, of which
14 I'm sure you're going to hear more. As Senator Sarbanes has
15 said, you will also hear strong presentations about the Army
16 Publications Distribution Center in Baltimore and, of course,
17 about Fort Ritchie.
18 The Defense Department, in my opinion, failed to
19 take into account the logic that consolidated that Defense
20 Information Systems Agency, Western Hemisphere, at Ritchie,
21 and the invaluable support that Ritchie provides for Site R.
22 I look forward, members of the commission, to

1 hearing all of the testimony and facts being presented today.
2 I thank all of the witnesses who have volunteered their time,
we'll all have a clearer picture of the impact of the
rtment's recommendations.
You have a tough job. Very frankly, in '93, we
6 think the commission, of which Mrs. Cox was a member, did an
7 excellent job. We believe that you will do an equally good
8 job. It's a tough job. We thank you for your time. We
9 thank you for your service, not only to us, but to the
10 country.
11 SENATOR SARBANES: Thank you very much, Steny.
12 Congressman Ben Cardin.
13 CONGRESSMAN CARDIN: Thank you. Thank you Senator
14 Sarbanes. Let me also welcome you here to Maryland at
15 Baltimore and thank you for your service to our country on
16 serving on this commission. Our delegation is united in
17 support of the testimonies that you'll be hearing from the
18 community and from the experts, as it relates to
19 recommendations that affect our nation's security. I support
20 those -- the testimony that you will hear later.
21 I think you'll find that based upon BRAC criteria,
22 that there should be adjustments made in the recommendations



1 that are before you. I would like to spend my minute talking
2 about the facility located in the third congressional
3 district, which is Fort Meade. Fort Meade is being
4 transferred into a 21st century campus with federal
5 facilities to better serve our nation. And the community and
6 I are very pleased about this transformation.
7 Let me say, additionally, that there are two
8 recommendations that are being made that will further that
9 goal. And that is, to add two additional tenants to Fort
10 de's offices of the Defense Investigator Services and the
Army Information Systems Software Command, which is
listent with the new mission of Fort Meade. And we
13 upport both of these changes. Our major concern today,
14 though, is the downgrading of the Kimbrough Army Community
15 Hospital.
16 I believe that after you've heard the testimony --
17 or if you've done the visits, after you've looked at these
18 circumstances -- you'll find that based upon BRAC criteria
19 there should be no downgrading of services at Kimbrough. And
20 we support the continuation of that facility as an
21 instrumental part of nation's defense. Thank you.
22 SENATOR SARBANES: Madame Chairman, as I said,



1 Congressman Bartlett will speak at the close of the Fort
2 Ritchie presentation, which is what we will now move to.
3 CHAIRWOMAN COX: Thank you very much to the panel,
4 for your helpful and insightful information, and thank very
5 many of you for visiting the bases with us. That's been
6 helpful as well, and also the governor, to the governor, for
7 his help in arranging the hearing today. We appreciate that,
8 and that of your staff.
9 SENATOR SARBANES: As I indicated, some of my
10 colleagues will have to depart for other commitments. Our
11 first presenters this morning, speaking with respect to Fort
12 Ritchie, are Herb Meininger, and Mr. Lonnie Knickmeier, who
13 are members of the Fort Ritchie Military Affairs Committee.
14 I think, as was revealed during Commissioner Cornella's visit
15 of Fort Ritchie, this group has identified significant
16 deficiencies, we believe, in the DOD cost savings analysis,
17 with respect to Fort Ritchie.
18 I don't know of two more expert people we could
to make this presentation. Herb Meininger to my right
a former garrison commander at Fort Ritchie, where he
nt the last four and a half years of his 30 years of
22 government service. Mr. Lonnie Knickmeier, who is at the



1 podium, spent the last four and a half years of his career at
2 Fort Ritchie, where he is involved in the transition of the
3 Seventh Signal Command from Army to the Defense Information
4 Systems Agency.
5 He retired as the assistant deputy of the chief of
6 operations on February 1st, 1995, literally, just now. And
7 his federal career spans 36 years, and we're happy to turn
8 the presentation over to him.
9 CHAIRWOMAN COX: Welcome, and thank you.
10 MR. KNICKMEIER: Thank you very much.
11 (Applause.)
12 MR. KNICKMEIER: Good morning, members of the
13 commission. As mentioned, my name is Lonnie Knickmeier. I'd
14 like to start out by inviting your attention to the upper
15 left-hand corner of this chart, where you see a
16 communications tower coming up over the side of that
17 mountain. You'll see it on your sheet that you have in front
18 of you also. That is Site C. I'm going to be making
19 reference to Site C today, in conjunction with Site R.
20 I would like to point out that Fort Ritchie is
21 about 70 miles north of Washington, D.C. I'm going to give
22 you the overview. We're going to go right to the bottom line



1 and tell you what we believe is the situation with regard to
2 the defense recommendation. We're going to place heavy
3 emphasis on the three major categories of the criteria. We
4 will talk about the military value.
5 I'll talk about the tremendous errors that have
6 been made in the return on investment portion, and we'll talk
7 about the impacts. You can see here the flow of the briefing
8 that I'll be giving you.
9 First of all, the bottom line. By any measurement,
10 the Army and DOD did a very poor analysis on the economic and
11 the military value of Fort Ritchie, Maryland, and I'm going
12 to prove that to you in the next 25 minutes.
13 First of all, they ignore the irreplaceable
14 military value of Fort Ritchie in the national defense, and
15 I'm going to talk about that. And you can see the most
16 important thing on this chart probably is -- and next to the
17 military value -- is the tremendous errors that they have
18 made in the analytical portion of the review.
19 Next chart. I'd like to start out by indicating
20 the organizations that are at Fort Ritchie, and just a
21 sentence or two about what each of them do. If you start at
22 the upper center portion of this chart, you'll see Sites R



1 and C.
2 Site R is the alternate command center. It's the
3 emergency relocation facility for the Pentagon. It's
4 commonly referred to as the underground Pentagon. Site C is
5 a facility just outside of Fort Ritchie that you saw on the
6 first chart, that provides jam-resistant communications.
7 If you look at Fort Ritchie going clockwise on this
8 chart, you'll see that it provides the base operating support
9 to all those tenant organizations that are located at Fort
10 Ritchie proper, as well as Site R and Site C. The U.S. Army
11 Information Systems Command BRAC office is at Fort Ritchie,
12 and it plans all of the things that are associated with the
13 information management structure of the Army, as relates to
14 any of the BRAC actions.
15 The technical applications -- or technology
16 applications office has a mission which I can't discuss in
17 this forum, but the commissioners are briefed, and we can
18 make arrangements for them to find out exactly what that
19 organization does.
20 The U.S. Army Information Systems Engineering
21 Command, Continental U.S., is physically located at Fort
22 Ritchie. It's the single largest tenant organization there.

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1 I'm going to talk about that organization, and its
2 engineering support, not only to the Army, but to the entire
3 defense department, and intergovernmental agencies.
4 The 1108 Signal Brigade and the 1111 Signal
5 Battalion are located at Fort Ritchie. The 1111 Signal
6 Battalion has its primary responsibility as providing support
7 to Site R. And the 1108 Signal Brigade provides strategic
8 communications management for the U.S. Army for a number of
9 systems to include voice, data, and satellite.
10 And finally, the Defense Information Systems
11 Agency, Western Hemisphere, from where I retired on
12 1 February, is a defense information systems agency
13 organization that is responsible for managing the defense
14 megacenters around the country, as well as the continental
15 U.S. portion of the defense communication systems
16 infrastructure.
17 I'd like to emphasize on this chart the absolute
18 inextricable relationship that exists between Fort Ritchie,
19 and Site R. As you know, Site R supports the Pentagon. Fort
20 Ritchie supports Site R. It's crucial to the defense of the
21 nation and to the efficiency of the operation at Site R, that
22 Fort Ritchie remain in place.

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1 The current world situation may not require us to
2 relocate to Fort Ritchie today, but who knows, with all the
3 wild people running around in the world, what might happen in
4 the future. And we believe that Site R has to have absolute
5 and immediate response for any kind of a contingency
6 situation that might occur. I would point out that when Mr.
7 Cornella visited Fort Ritchie on the 24th of March, he had
8 the opportunity to ride the road that exists between Fort
9 Ritchie, Site R, and then down to Fort Detrick, Maryland.
10 I'd now like to talk about the military value of
11 Fort Ritchie. As with many things, the most important thing
12 is location, location, location. And Fort Ritchie is the
13 best location for providing all kinds of support to Site R.
14 We're going to talk about the proximity of Fort Ritchie to
15 Sites R and C, and we're then going to talk about the
16 proximity of the tenant activities at Ritchie, to its
17 customer base. Next chart.
18 This chart will show you Fort Ritchie in
19 relationship to Site R. It's 6 miles. It's 32 miles between
20 Site R and Fort Detrick, where a lot of the organizations are
21 being recommended to relocate. The Defense Information
22 Systems Agency has a facility in Site R. It receives backup

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1 support from the people that work at Fort Ritchie.
2 There are some very unique things about Site R.
3 It's carved out of a solid piece of granite. It's
4 underground, and it's very prone to problems that don't exist
5 in above-ground facilities.
6 For example, security. There's an MP company at
7 Fort Ritchie, whose sole responsibility is to support Site R.
8 Within that MP company there is a platoon that is specially
9 trained in special reaction activities. In the fire and
10 safety area, they have a fire department within Site R, but
11 they receive augmentation from the fire department at Fort
12 Ritchie.
13 Because of the fact you're in an enclosed facility,
14 have a number of generators and batteries and other things
15 that cause some unique things related to fire fighting, those
16 fire fighters at Fort Ritchie are specially trained. I would
17 like to share with you just a moment Mr. Herb Meininger's
18 experience when he was the commander of Fort Ritchie. He
19 left Fort Ritchie one day. By the time he got to Site R,
20 there was a fire inside of Site R.
21 The firemen were cutting away the infrastructure in
22 there to keep it from spreading. We cannot, we must not

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1 permit something to happen where we relocate the MPs and the
2 firemen 32 miles away, when they can be right next door at
3 Fort Ritchie. The U.S. Army Information Systems Engineering
4 Command CONUS is the biggest single tenant at Fort Ritchie.
5 You can see here their customer base.
6 Look at the chart, and see the percentage of their
7 customers that are east of the Mississippi. It does not make
8 sense to us, and I don't think it makes sense to anyone that
9 uses any rationality, that you would relocate the majority of
10 that organization to Fort Huachuca, Arizona, which takes them
11 2,200 miles from their primary customer base. The Defense
12 Information Systems Agency, Western Hemisphere, operates a
13 daily hands-on operational facility at Site R.
14 You can see from this chart the vast number of
15 existing networks and systems managed. There are four more
16 networks that are DOD wide. They're scheduled to come on
17 line in the very near future. Again, the vast majority of
18 those customers are located east of the Mississippi. It's
19 interesting to note that DOD didn't even consider the
20 disposition of DISA-WESTHEM when they submitted their report
21 for the BRAC Commission.
22 This chart will give you an appreciation of the

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1 facility that exists at Fort Ritchie, to manage all of those
2 networks. Again, Mr. Cornella has had the opportunity to see
3 that facility, and get an explanation as to what those folks
4 do for a living. Next chart. There's tremendous synergisms
5 that go on at Fort Ritchie. All of those organizations you
6 see listed under the critical relationship are located at
7 Fort Ritchie, or elements of them are at Fort Ritchie.
8 And the relationship that has been forged there in
9 terms of doing the DOD job is unequal to anyplace. As a
10 matter of fact, it is my contention that instead of breaking
11 up what's at Fort Ritchie and the synergism that exists
12 there, what we really ought to be doing is moving more things
13 in to Fort Ritchie, taking Fort Ritchie as a model as to what
14 can be done within the defense department, to utilize
15 different organizations to do jobs, and not tear it apart.
16 You saw in an earlier chart the relationship of
17 Site R with Fort Ritchie. This chart shows the capability
18 that exists that gives Site R increased survivable
19 communications. You'll notice that Fort Ritchie and Site R
20 both have access to the outside world with voice and data
21 communications. But the red line shows you a fiber optic
22 link that exists between Fort Ritchie and Site R, that's

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1 government owned, and it gives you then, a geometric increase
2 in the capabilities at both Site R and Fort Ritchie.
3 That's government owned. You do not want to rip
4 that apart. If anything happens to the communications at
5 Site R, they've got to be able to reach the outside world,
6 and the best way to do that is through Fort Ritchie. I would
7 like to now move into the area of return on investment. We
8 have done a total review of the DOD numbers, and we find them
9 to be gravely flawed.
10 As a matter of fact, those of you who are in
11 business, if someone gave you these kind of numbers and were
12 as far off as these numbers are, I suspect you'd probably
13 fire them. You'll notice that their numbers are off by 843
14 percent. And I'm going to prove to you in a few moments that
15 they are, in fact, off by 843 percent. We pointed out to Mr.
16 Cornella when he visited Ritchie on the 24th of March, the
17 tremendous errors in these numbers.
18 As a result of that visit, guidance has been
19 provide back to the DOD and to the Army, to redo the numbers.
20 I can tell you that those numbers are being redone, and I can
21 also tell you that I will have no more confidence in those
22 numbers when they come out. They've had a month now to

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1 develop the numbers, and they're still not available to
2 anybody.
3 And when they come out, they're still going to be
4 [illegible]rror, and I can guarantee you that the organization that
5 [illegible] a part of is going to continue to be in place, and we're
6 going to review those numbers, and we're going to bring to
7 the attention of the BRAC Commission the errors that
8 obviously will exist.
9 I will also like to point out that as a result of
10 Mr. Cornella's visit on the 24th of March, BG Shane, who is
11 the director of management for the U.S. Army at the
12 headquarters DA level, sent out a directive to the folks in
13 the Army to redo the numbers, because they were so screwed up
14 that they were invalid. This chart shows you graphically
15 what I'm talking about, when I talk about the 843 percent.
16 The DOD said it would take $93 million one-time cost
17 to close up Fort Ritchie, and relocate the tenant
18 organizations. They said over a 20-year period, they could
19 save $712 million. I'm going to prove to you that that's
20 poppycock. It's not true, can't be done, never will be done.
21 Our numbers show that it will take $127 million to close Fort
22 Ritchie and dispose of the organizations there, and it will

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1 take 9-plus years to amortize that investment cost.
2 And if one elects to go out to the 20 year period,
3 you'll find that there's only a $75 million savings. But I
4 believe the next chart is the most important chart. Anyone
5 who has been involved in trying to project cost savings or
6 any other numbers knows for a fact that anytime you project
7 beyond five years, you are out in never-never land.
8 And if anyone thinks that those kind of numbers are
9 going to continue to evolve over the 20 year period, they're
10 [illegible]ting some really heavy stuff. It isn't going to happen,
[illegible] [illegible]asn't happened in previous BRAC reviews, and it certainly
[illegible] [illegible]ot going to happen at Fort Ritchie.
13 The next two charts show you in some detail the
14 eight major areas where we have found tremendous flaws in the
15 Department of the Army and Department of Defense numbers. I
16 would just like to address couple of them. Take the first
17 one, the garrison budget. The DOD made a mistake in terms of
18 how much it costs to run Fort Ritchie, by some $35 million
19 per year.
20 That's a tremendous error, and it's inexcusable and
21 unexplainable as to how the Department of Defense could err
22 that largely. I can tell you that these numbers are correct.

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1 I will be proven that they are correct when the new numbers
2 come in from DOD. I've met with the people at headquarters
3 Department of the Army, and they didn't like what they heard,
4 but they understood what they heard, and they know that their
5 numbers are bad, and they've got to redo them.
6 The second area is really interesting. The
7 Department of Army and Department of Defense claimed a 100
8 percent savings from the elimination of an MP company at Fort
9 Ritchie. It's kind of interesting, because that MP company
10 has one purpose in life, and that is to support Site R. They
11 can not, should not, be able to take credit for that, because
12 those people must remain. And regardless of where they're
13 located, their job is to protect Site R.
14 The third area I'd like to bring up is the fact
15 that the DOD totally forgot about a 246 civilian and a 46
16 military organization at Fort Ritchie, called DISA-WESTHEM.
17 That's the organization I came out of.
18 They totally ignored that that organization
[illegible] [illegible]ted. They totally ignored that it would have to be
[illegible] [illegible]osed of. They totally ignored there would be a
[illegible] [illegible]mendous cost in relocating those people. They totally
22 ignored the synergism that exists between that organization,

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1 and the other organizations at Fort Ritchie, and Site R.
2 I would point out to you that Tab E of your book,
3 we have a much more detailed break out of these numbers. The
4 next page, I will not get into, except for one thing. If
5 they move the technology application office, and ISEC CONUS
6 to Fort Huachuca, Arizona, which takes them 2,200 hundred
7 miles away from most of their customers, the temporary duty
8 pay and cost of the DOD is going to increase. Guess who pays
9 that bill. It's not paid for by the Information Systems
10 Command, who are proposing to move these people.
11 It's paid for by the customers that these
12 organizations support. Was their consultation with those
13 customers? I can tell you unequivocally, there was not.
14 Next chart. What I'd like to do now is to show you an area
15 where they missed an opportunity to, in fact, increase
16 efficiency, and reduce cost. Headquarters DISA-WESTHEM at
17 Fort Ritchie is geographically disbursed with its overall
18 headquarter staff.
19 There's a number of people located in leased space
20 in Denver, Colorado. There's a number of people located in
21 leased space in northern Virginia. We have done an analysis,
22 and in a three year period, you can get a return on

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1 investment by taking those people that are in Denver,
2 Colorado, in leased space, and relocating them to Fort
3 Ritchie. Not only do you save the money, but you also
4 increase operational efficiency.
5 Having been the assistant DESOPS at DISA-WESTHEM, I
6 can tell you it is a tremendously inefficient organization,
7 and it's primarily due to the fact that its staff is so
8 geographically disbursed. Anyone who knows anything about
9 organizational structure will tell you that you don't
10 disburse your staff if you can possibly avoid it. Next
11 issue. The DOD submission to the BRAC Commission stated "no
12 known environmental impediments at the closing or receiving
13 installations". That's pure unadulterated bull.
14 There is a huge issue on the table as we speak in
15 Sierra Vista, Arizona, which includes Fort Huachuca. There
16 are two lawsuits on the books today. There's another lawsuit
17 going to be filed next week. I have provided to you in your
18 book at the tabs -- there are 16 individual pieces of paper
19 that I've given you to demonstrate the fact that there is, in
20 fact, an environmental issue that is critical at Fort
21 Huachuca, Arizona.
22 They have completely avoided that fact, and to

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1 prove it, the training and doctrine command which owns Fort
2 Huachuca, has come out with guidance that says we must now do
3 an environmental impact study. And I can tell you where that
4 came from. It came from the information that we provided
5 from the FORMAC group to Mr. Cornella on the 24th of March.
6 If we hadn't have brought that up, they would have railroaded
7 this thing through the BRAC Commission.
8 And nobody would have been the wiser until all
9 those people moved out to Fort Huachuca. There's a serious
10 economic impact. The payroll at Fort Ritchie is $75 million
11 a year. You can see that there's over 2,300 civilian and
12 military people that work at Fort Ritchie. I mentioned
13 earlier that some of those people that are carried on the
14 books at Fort Ritchie, physically work at Site R.
15 Fort Ritchie is in Washington County, Maryland.
16 Washington County, Maryland is part of the Appalachian Region
17 Commission, which is, in fact, a economically depressed area.
18 The unemployment rate within Washington County has
19 historically been well below the Maryland average. I would
20 like you now to look at this chart, that shows you what that
21 comparison is, between 1986 and 1994. If Fort Ritchie
22 closes, that's going to tremendously increase that ratio

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1 between the economic health and welfare of the State of
2 Maryland, versus Washington County.
3 In summary, ladies and gentlemen of the BRAC
4 Commission, I would like to point out to you that we are
5 convinced that the recommendation to close Fort Ritchie would
6 be militarily, fiscally and environmentally irresponsible.
7 We believe the commission can not support the Army and DOD
8 recommendation that will put civilian and military people at
9 Site R at risk.
10 We do not believe that the BRAC Commission can
11 follow the recommendation that would decrease the operational
12 responsiveness, and readiness of Site R, and other DOD
13 activities. And finally, we believe that failure to
14 implement these actions to save money and improve
15 organizational efficiencies by consolidating portions of
16 DISA-WESTHEM at Fort Ritchie, would also be irresponsible.
17 I'm going back now to the egg. I showed you
18 earlier the organizations that are at Fort Ritchie. I would
19 like to now emphasize the intricacy and the relationship that
20 exists between those organizations. We don't want to destroy
21 that synergism that exists. It should, in fact, be used as a
22 model within the DOD as to how you can bring organizations

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1 together from different forces at DOD, and take advantage of
2 the expertise of those organizations, and improve the overall
3 cost-effectiveness and operational responsiveness of the DOD
4 activities.
5 I would now like to indicate to you what our
6 recommendations are. We believe that, based on the
7 information that I have provided you today, and that is in
8 the tabs in your book, the information that we have and will
9 continue to provide to the BRAC Commission staff, that our
10 recommendation is that you totally disapprove the DOD
11 recommendation relative to Fort Ritchie, and that you direct
12 the Defense Information Systems Agency to relocate that
13 portion of DISA-WESTHEM that's in Denver, Colorado, to Fort
14 Ritchie, Maryland.
15 I would like now to go back to the chart that talks
16 about the relationship between the Pentagon, Fort Ritchie,
17 and Site R. We must keep that linkage unbroken. The
18 commission can not, and should not destroy this vital linkage
19 that exists. The commission must not permit those people
20 with a myopic viewpoint of the strategic importance of Fort
21 Ritchie, to prevail. To do so would be very short sighted.
22 We believe that retaining Fort Ritchie is the right answer.

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1 As a matter of fact, we're recommending that you
2 increase the responsibility of Fort Ritchie, not decrease it.
3 Ladies and gentlemen, I would be happy to answer any
4 questions.
5 MR. MEININGER: Madame Chairman, I would like to
6 have you refer back to chart 21.
7 CHAIRWOMAN COX: 21? All right.
8 MR. MEININGER: And this is just for the record. I
9 think that you've noticed the figures in chart 21, but I want
10 to make sure that, for the record, the unemployment,
11 Washington County, has historically been above the
12 unemployment figures for Maryland.
13 CHAIRWOMAN COX: Thank you, very much. I think
14 that we are all set. Thank you. Your presentation was so
15 helpful. You've covered everything. Congressman Bartlett,
16 we're --
17 (Applause.)
18 CONGRESSMAN BARTLETT: Thank you very much, Lonnie,
19 for a very excellent presentation. I want to thank the
20 commissioners for giving us this opportunity to make our
21 case. I especially want to thank Commissioner Cox for coming
22 to our office, and meeting with us, and giving us excellent

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1 advice and recommendations, and to Commissioner Cornella, who
2 came all the way up to Fort Ritchie, and made the trip up to
3 Site R, and then down to Fort Detrick.
4 It's obvious in this presentation, I think, that
5 Fort Ritchie is an essential military installation. And its
6 value has been very impressively underscored by the
7 presentation that Lonnie just made today. But, I'll tell
8 you -- Fort Ritchie is more than just buildings and
9 machinery. Any installation like this, the most important
10 thing there are its people, and the community that supports
11 it. And here they are out in front of you today, and I think
12 that they go a long way to making our case about how
13 important Fort Ritchie is.
14 These are the people who give life, and give us the
15 security needs and expects. And I salute the group that came
16 here this morning. Actually, the little things they're
17 wearing in front of them that I hold up here today, save Fort
18 Ritchie, expresses what I think is a conclusion that I would
19 draw that the commission should draw from this presentation.
20 I want to draw just three quick points. First of
21 all, a major consideration in this round of closings was to
22 be cost savings. I think that it's obvious in this

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1 presentation that the numbers that were prepared by the Army
2 are just dead wrong -- 843 percent off. And as we meet
3 today, they're recrunching those numbers. The savings
4 absolutely do not justify closing this base. Considerable
5 doubt has been generated today.
6 There's more than just reasonable doubt. And I'd
7 like to add just one other figure, just one other element to
8 this doubt. The Army says that in its downsizing, this round
9 of closings, it's brought us down to the bottom-up review
10 level of infrastructure for the Army.
11 The National Security Committee in the House
12 believes that, if that's true, that's too much, because in
13 our National Security Revitalization Act, in Title I of that,
14 we set up a commission to relook at the bottom-up review.
15 That was done according to the Vice President's budget
16 numbers, and our committee is not very tranquil with what --
17 the conclusions drawn by that study.
18 I would just like to emphasize again one of the
19 things that Lonnie came back to a couple of times, and that
20 is the relationship with Site R. We still live in a very
21 dangerous world, and Site R is still essential. Just two
22 points relative to that.

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1 One is, when it takes longer to get the support
2 personnel from Fort Detrick, which is where they would send
3 them, than it takes a missile to come from half way around
4 the world, the continental USA, that obviously makes the
5 point that we need the support people closer. Closer to
6 Site R, where they are now, just 6 miles away. The second
7 thing I really want to emphasize is that redundant
8 communication link.
9 I don't know if that was made sufficiently clear to
10 you. Anything that Site R can do, Fort Ritchie can do. And
11 so we have, for this very essential capability in Site R, a
12 redundant communication link. We think that when all of the
13 facts are considered, that there is no question that the
14 military significance, the military importance of Site R, is
15 such that it shouldn't have even been considered for being on
16 this list. Thank you, Lonnie, for your presentation. Thank
17 you, commissioners for this opportunity to meet with you.
18 Thank you for your support.
19 CHAIRWOMAN COX: Thank you, very much, Congressman
20 Bartlett, and the folks from Fort Ritchie, thank you.
21 SENATOR SARBANES: Madame Chairman, we're now ready
22 to move on to the next facility. I do want to underscore, I

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1 think you just heard a very powerful presentation with
2 respect to the Fort Ritchie case. And, of course, we will
tinue to present to the commission and its staff
tional information and analysis as we proceed toward a
sion.
6 We're now going to turn to the Naval Surface
7 Warfare Center in Annapolis. The 1995 DOD recommendation is
8 to close this center in Annapolis. It's the Navy's only
9 machinery research and development facility. We think the
10 work at this center is absolutely critical to our nation's
11 leadership in such areas as submarine silencing, ship
12 survivability, combat readiness, and environmental
13 compliance.
14 As you know, DOD recommended disestablishing this
15 detachment two years ago. But the 1993 BRAC Commission
16 unanimously rejected this recommendation, and we are
17 convinced that the current DOD recommendation to close the
18 detachment, to abandon some major facilities, to relocate the
19 remaining functions, is even more flawed than was the
20 recommendation two years ago.
21 We have two very able experts her today to make the
22 presentation: Jim Corder, who served for nearly 30 years at

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1 the Naval Surface Warfare Center in Annapolis. He's a
2 distinguished graduate of the Naval Academy. He's had a long
3 career in the Navy. When he retired, he was the deputy
4 director of the machinery research and development
5 directorate. And Larry Argiro was the head of the machinery
6 research and development directorate, prior to his retirement
7 this past June.
8 Larry Argiro has had a very impressive career.
9 He's responsible for many of the innovations which have made
10 S. submarines the quietest in the world. He's received
erous awards. He's really an outstanding scientist. And
re delighted that both of these gentlemen are here to
13 present the case to the commission.
14 CHAIRWOMAN COX: Thank you, very much. Let me just
15 ask Mr. Argiro -- I'm not sure you were on the stage when we
16 did the oath. Were we able to swear you in?
17 MR. ARGIRO: No.
18 CHAIRWOMAN COX: Would you mind if I gave you the
19 oath? Unfortunately, it is required by law for anybody
20 testifying. Do you solemnly swear or affirm that the
21 testimony you are about to give before the Defense Base
22 Closure and Realignment Commission shall be the truth, the

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1 whole truth, and nothing but the truth?
2 MR. ARGIRO: I do.
3 CHAIRWOMAN COX: Thank you. Go ahead, Mr. Corder.
4 MR. CORDER: Thank you, Senator Sarbanes, for the
5 introduction. I would like to thank the commission for the
6 opportunity to testify about my concerns as a private citizen
7 and tax payer on any decision to close the Annapolis
8 detachment, NSMC. I especially want to thank Commissioners
9 Cox and Montoya, for their taking time from their busy
10 schedules and bringing their considerable knowledge and
11 expertise to the Annapolis lab. I hope that maybe some
12 others may also visit.
13 As Senator Sarbanes said, I was the deputy director
14 of the machinery R & D directorate for 12 years, and it's
15 that directorate that's a preponderance of what would be left
16 at the Annapolis site, as a consequence of the BRAC '91
17 process. If there's any additional information you'd like
18 about me, there's bio data sheet at the back of your package.
etired a little over two years ago, so my paycheck comes
the Office of Personnel Management the first of every
nth, regardless of what happens to the Annapolis
22 detachment.

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1 While I personally disagreed with the
2 recommendations in '91 to the BRAC, there was some logic, at
3 least, behind the final results in leaving the machinery R &
4 D directorate intact at the Annapolis site. I can see no
5 logic behind the recommendations in '93, and even less in
6 '95. As you can see, in the next few graphs -- as you can
7 see in this, the Annapolis detachment is completely
8 surrounded by the naval station.
9 The functions performed there are technology and
10 hardware development, systems trade-off and integration,
11 specifications development in qualifications in technology
12 assessments. As the senator says, the Annapolis detachment
13 is the only place that has the mission to perform research
14 and development for navy shipboard machinery, including
15 stealth and energy conservation.
16 To put the importance of machinery research and
17 development in perspective -- the DDG 51 class of ships, less
18 the combat system, one half of the ship's weight is in the
19 propulsion, auxiliary, and electrical systems, and the fuel
20 they use. One half of the ship's cost is in the propulsion,
21 auxiliary, and electrical systems. The focus of the work
22 done in the machinery R & D detachment directorate is on one:

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1 affordability. The cost of acquisition, maintenance,
2 manning, and fuel. Two, environmental compliance.
3 And the greatest emphasis there is on the CFC
4 Replacement Program, and if there's any delay in the efforts
5 ongoing in Annapolis, the Navy would be in noncompliance with
6 international agreements. Third, stealth -- acoustics and
7 magnetics, and safety and survivability. The proposal in
8 1995 by DOD was to close the Annapolis site, including the
9 NIKE site, and transfer the fuel storage and fuel site, and
10 the water treatment plant to the naval station in support of
11 the naval station in the Naval Academy.
12 And relocate appropriate functions, personnel,
13 equipment and support, primarily to Philadelphia, Carderock,
14 and the Naval Research Laboratory. The Joint Spectrum
15 Center, a DOD cross service tenant, would be relocated in the
16 Annapolis area. And the BSEC claim is that there's a one
17 time cost of $25 million, yearly savings of $14.7 million
18 dollars, with a return on investment of one and a half years.
19 The similarities between the '93 and '95 recommendations are
20 shown here.
21 '93 was to disestablish Annapolis, reduce
22 personnel, and move some of the people to Philadelphia, while

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1 keeping the facilities at the Annapolis site operational, at
2 a cost of $24.7 million. In '95, again, they recommend
3 closing Annapolis, reducing the personnel, and moving some to
4 Philadelphia, but this time, abandon two facilities, relocate
5 eight facilities to Philadelphia, and replicate the magnetics
6 fields laboratory at Carderock, for a cots of $25 million.
7 I'm sure that Commissioners Cox and Montoya, having
8 seen the facilities at Annapolis that are be relocated and
9 replicated, have serious doubts that that can be accomplished
10 with a $300,000 difference between the '93 and '95
11 recommendations. The reason for rejecting the 1993
12 recommendations were projected exaggerated savings and
13 inefficiencies that were not considered. Major savings from
14 the staff reduction can be accomplished without any
15 relocations.
16 And there's no closures in society surrounded by
17 navy property, and there's no practical alternatives use
18 identified. The 1995 BRAC recommendations -- the criteria
19 that were deviated from -- were again, underestimated cost,
20 overestimated savings, underestimated military value of
21 facilities, underestimated value of people, and there's no
22 excess capacity in machinery R & D, though there may be

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1 excess capacity in the overall R & D establishment. And
2 missed opportunities for cross service thrust.
3 In the economic analysis you see in this next
4 chart, the column on the right consists of the certified data
5 that was submitted to the BSEC. The column in the center is
6 that selected data that BSEC chose to use. This ignores
7 several things. One, the column on the right doesn't even
8 include the impact of closing or abandoning the two
9 facilities, and I'll elaborate on the 10-to-1 cost increase
10 in another slide.
11 But, this does not take into consideration the
12 recurring cost of a 10-to-1 increase in cost for conducting
13 tests at sea, instead of using the facilities that are going
14 to be abandoned. So you can see, instead of the $25 million
15 one time cost, it really should be 83, and in my talking with
16 people more recently there, they've identified additional
17 military construction costs that will probably bring an
18 additional $20 million requirement on it.
19 The other estimated value -- military value -- of
20 facilities shown from this side of the abandonment of the
21 Deep Ocean Pressure Tanks, and Submarine Fluid Dynamics
22 facility. In 1994, the Naval Sea Systems Command did a

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1 facility study, and determined that the Deep Ocean Pressure
2 Tanks were an absolute essential, must have capability. Yet,
3 before the year was over, the Navy recommended to the BRAC
4 that it be abandoned.
5 I will not elaborate on all of the facilities that
6 are going to be moved, because Mr. Epstein, and I believe,
7 Commissioners Cox and Montoya have both received copies of
8 the hand out at the lab when they were there. But, my
9 concern is primarily with the risk associated with at-sea
10 testing of things that cannot be tested if the facilities are
11 closed down. There are uncontrolled conditions at sea, and
12 human life and loss of vehicles can even be a consequence,
13 and I've used the example.
14 Both of these facilities were created as a
15 consequence of the thresher disaster in the early 1960s.
16 We've had no similar one since, and the submarine emergency
17 balancing system specifically is the thing that is used --
18 the original Submarine Fluid Dynamics facility was created
19 for. The creativity and the innovation of the facility's
20 manicure has expanded the use of the facilities, beyond that,
21 however.
22 This line shows some information garnered from a

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1 study that was done to determine the cost impact. I
2 mentioned the 10-to-1 cost increase, if the -- assuming it
3 were abandoned, and a test had to be conducted at sea. There
4 were 24 tests analyzed that required specialization
5 characteristics of this facility for testing. These are not
6 all of the tests that were conducted there. There were other
7 tests conducted, but those could have been conducted at other
8 facilities.
9 The 24 items tested -- the test cost less than
10 $600,000. If the facility was closed, there would only be 10
11 of those items that could have been -- that would have
12 absolutely required --
13 CHAIRWOMAN COX: Can I just interrupt for a minute?
14 I'm sorry, it's getting very loud and difficult for us to
15 hear. I wonder if we could ask those of you who are in the
16 back of the room to keep your conversations down, and
17 possibly sit down, so that we don't have the background
18 noise. Thank you very much, and we won't take that out of
19 your time.
20 MR. CORDER: Sure. The 10 items that could have
21 been tested at sea would have cost more than $5 million. As
22 an example, the SSN 21 Secondary Propulsion System would have

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1 cost $1.5 million, if it had had to have been -- if the
2 submarine it was tested on had to have been dried off, the
3 system installed, and then taken to sea. There were 14 items
4 that probably could not have been tested prior to this at sea
5 deployment, and the estimate cost of those systems in their
6 program is $200 million.
7 A specific example was the New Generation SOSA
8 System that was estimated would put a $50 million program at
9 risk. The functions performed at Philadelphia are essential
10 to the Navy, but the nature of the equipment and the people
11 required to perform those functions are different than those
12 that perform the machinery and R & D functions at the
13 Annapolis site. The equipment in the land based test site
14 facilities in Philadelphia is planned -- for the most part --
15 is planned to be installed on a new class of ships, or during
16 a major upgrade.
17 And as the name implies, the equipment in the in-
18 service engineer unit portion is equipment already in
19 service. The equipment in the facilities at the Annapolis
20 site, for the most part, are red board models used for proof
21 of principle or concept demonstrations through prototypes,
22 and these are significantly different than the operational

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1 equipment in the fleet. As with the facilities, the people
2 are different.
3 As you can see from here, the large percentage of
4 the Annapolis machinery and R & D directorate population that
5 are scientists and engineers, and the high number of advanced
6 degrees they have, as compared to the people that perform the
7 essential work in Philadelphia. I think a further indication
8 of the difference in the kinds of innovative thinking and
9 processes that go on in the two places, are indicated by the
10 numbers of patents.
11 From 1990 to the present, the machinery R & D
12 personnel have received 71 patents, and have an additional 74
13 patent applications in, as contrasted to 1 patent and 1
14 patent application among the Philadelphia people. When I
15 testified in 1993, I pointed out that for the year 1992, I
16 had done an analysis, in while the machinery R & D
17 directorate had only 9 percent of the employees of the
18 Carderock division, those same people had received 44 percent
19 of the patents issued that year.
20 There is no excess capacity program for the
21 machinery R & D directorate. Funding has increased from $90
22 million in 1993 to $110 million in 1995, and the 5 year

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1 defense plan, in the typical program elements executed at the
2 Annapolis site, are growing. Facilities are expanding.
3 There have been three new facilities created at the Annapolis
4 site since 1993, and two other major facilities have been
5 significantly expanded and upgraded.
6 The magnetic fields laboratory has had a $5 million
7 upgrade in the last five years, and the chlorofluorocarbon
8 facilities have had a $5 million upgrade within the last two
9 years. The work load at the Annapolis site, machinery R & D
10 directorate, is presently at 430. The NAVCOMP projections
11 for the year 2001 are 418 man years. I don't see that as a
12 significant difference. To further emphasize the capacity,
13 and the importance of what's done there, I'll give you some
14 results of a strategic planning process that was done at the
15 Carderock division, as well as NSWC-wide.
16 It was determined that there were 78 technical
17 capabilities throughout the Naval Surface Warfare Center, and
18 that the Annapolis site had the lead on three of those.
19 Those three are in the top 10 of those 78. Propulsion
20 machinery is number 3, auxiliary machinery, number 7,
21 electrical systems, number 10. And the number 1 priority,
22 stealth, while the lead is at Carderock, the lead at 2 major

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1 subsets, machinery silencing, and magnetic silencing, are at
2 the Annapolis site.
3 Further indicting of the importance of what they do
4 the need for those people, was issued from a model we've
5 during this strategic planning process. The postulation
6 was that the Carderock division would have to be downsized
7 over a period of years, by 18 percent, and that model result
8 showed that during the same time period, there was a need for
9 a 4 percent increase in the machinery R & D directorate.
10 Missed cross service opportunities. During both
11 Commissioners Cox and Montoya's visits, COL Flock, United
12 States Air Force, commander of the North Spectrum Center,
13 said that he had 136 people in his headquarters route that
14 are a tenant there at the Annapolis detachment. And he has
15 an additional 600 people that are in leased space in the
16 Annapolis community, and as a consequence of the BRAC '91
17 process, there was going to be a significant exodus to other
18 sites, leaving space at the Annapolis site.
19 And it was his intent to consolidate those
20 functions at the Annapolis site. If Annapolis is closed,
21 that can't happen. The cost of moving headquarters would be
22 an added burden. Also appearing in these two visits, Dean

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1 Shapiro, the dean of the Naval Academy, pointed out the
2 significant benefits of having the Annapolis detachment in
3 such close proximity to the Naval Academy.
4 Numerous professors work at the Annapolis lab
5 during the summer, and part-time during the afternoon and
6 year, and they get direct experience on navy systems that
7 they can relate back to the midshipmen in the classroom.
8 Some first class midshipmen work on some of the machinery
9 projects, and innocents that are waiting on the beginning of
10 air flight school or submarine school class work on
11 inery and R & D projects also. The dean said it would be
12 gnificant loss if the Annapolis detachment were closed.
13 In conclusion, the Navy's 1995 proposal is both
14 costly, and, I feel, damaging to the essential capabilities
15 of the Navy. DOD recommendations for Annapolis were rejected
16 as wrong in 1993. The recommendations are substantially the
17 same, except for the moving, or abandoning of facilities. I
18 feel the 1995 recommendations should be rejected as well. I
19 want to thank you again for the opportunity to testify, and
20 if there are any questions, I'd be happy to try to answer
21 them.
22 CHAIRWOMAN COX: I just have two questions. One,

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1 the deep sea pressure lab that is proposed to be abandoned --
2 you had some figures there on what the cost would be to do
3 that kind of testing at sea, if you could do them at sea --
4 MR. CORDER: Yes, ma'am.
5 CHAIRWOMAN COX: Is there another facility
6 somewhere in the United States?
7 MR. CORDER: It's the only one like it in the free
8 world.
9 CHAIRWOMAN COX: I see. So there isn't any other
10 option except at sea testing.
11 MR. CORDER: No.
12 CHAIRWOMAN COX: And you also mentioned the CFC
13 work that you all were doing, and the concern that it would
14 be delayed.
15 MR. CORDER: Yes, ma'am.
16 CHAIRWOMAN COX: I wonder if you could just
17 elaborate on that a little bit. There are certain deadlines,
18 as I recall, that we had to meet, and how long do you think a
19 y might be?
20 MR. CORDER: Oh. The engineers, that are doing the
21 k there estimated to take as long as two years to get
22 those facilities recreated and operational in another site,

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1 even just next door. As for the schedule, I believe it's '98
2 that -- I believe it's in '96 that CFC can no longer be
3 manufactured, and the supply -- and there's been a limit on
4 how much could be produced, set out by the international
5 agreements.
6 And, the stock pile that the Navy has been able to
7 get, would, if I recall correctly, be depleted in 2001, and
8 we're expecting to start replacing some of those systems at
9 sea in '98, as I recall. Being two years removed from that
10 program, I'm not absolutely current. But I can get that
11 information.
12 CHAIRWOMAN COX: That would be helpful, and as I
13 understand it, there would be at least a several year delay
14 in the program, which is pretty close to --
15 MR. CORDEL: Best estimate was two years, and we're
16 just barely going to make this schedule as it is.
17 CHAIRWOMAN COX: As it is. And, presumably, there
18 are no other options at the moment for pulling on ships
19 except CFCs?
20 MR. CORDEL: All of the machinery has been designed
21 and developed for those refrigerants, and working fluids, and
22 it takes major redesigns in compressors, heat exchangers --

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1 to adapt to fluids that have different characteristics than
2 the CFC's the equipment was designed to use.
3 CHAIRWOMAN COX: Thank you very much.
4 MR. CORDEL: Thank you.
5 (Applause.)
6 MR. ARGIRO: Before I get started, let me just say
7 that, yes, we're working on things like thermoelectric, but
8 this is for small stuff. You're really talking about major
9 cooling in the particular submarines and surface ships.
10 Madame Chairman, members of the commission, I'm here as a
11 member of a very supportive community, as you can see from
12 the number out there.
13 I retired in June as Senator Sarbanes has
14 indicated. In '94, after spending 47 years at the Annapolis
15 laboratory. The last 9 years as head of the machinery R & D
16 directorate, and as Jim had just pointed out, this isn't one
17 that you're talking about displacing. The information that I
18 will present supports the military value of the laboratory,
19 and I can assure you that this information comes from my
20 first-hand knowledge, and is given without any Navy
21 constraints.
22 Let me say that we in the community were

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1 flabbergasted at learning that the Navy had placed this
2 laboratory on the closure list. Particularly, as Senator
3 Sarbanes had said, after BRAC had voted 7-0 to keep it open.
4 We hope that you will receive a good understanding today,
5 after, listening with Mr. Corder, and my presentation, as to
6 the role and importance of the laboratories countless issues
7 to the Navy in its future.
8 Permit me now, to sort of go on with an
9 introduction to the Annapolis laboratory. Since 1903, the
10 Annapolis laboratory has been part of the Navy. It was
11 established by call as a part - to be part of the Naval
12 Academy. Since that time it has worked to make or Navy the
13 very best in the world, and it was willing to give its best
14 to make it so. The laboratory's own responded with the
15 strength of technical knowledge, and discipline to work the
16 problems at hand with the professionalism, dedication found
17 no where else.
18 Having the responsibility of developing advanced
19 machinery systems, new technologies were conceived that
20 provided the Navy with a strategic military advantage, and
21 it's superior operational capability over its adversaries.
22 This advantage lasted for more than 40 years, and certainly

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1 has helped to win the Cold War. Contributions were numerous,
2 as dependant on this chart.
3 Now this is a very busy chart, and certainly I
4 don't want you to read it, but I will point out certain
5 factors to it. It shows, first, the wide range of
6 technologies that were developed, that certainly have made
7 our Navy the very best. For example, the ICR gas turbines,
8 that when installed on board ships will save 30 to 50 percent
9 in fuel that's being used aboard your surface ships.
10 Superconductivity, and there's no need to go into that,
11 because it has all sorts of uses, including your medical
12 fields.
13 False power. Stealth. Environmental control.
14 Future ship designs, and others as noted. Let me now show
15 you just the stealth, and what was involved in that
16 particular area. Here, we have the machinery silencing in
17 what the Annapolis laboratory has done to our particular --
18 am I out of time?
19 CHAIRWOMAN COX: We're getting close. You might
20 want to think about wrapping up.
21 MR. ARGIRO: We're getting close?
22 CHAIRWOMAN COX: Right.

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1 SENATOR SARBANES: Madame Chairman, I think we have
2 a little surplus of time at the end. I'd give two minutes
3 out of that time so Mr. Argiro could continue, and then if
4 they would give him the bell, we would know, but Larry, take
5 a couple of minutes.
6 CHAIRWOMAN COX: Okay. Thank you very much,
7 Senator.
8 MR. ARGIRO: The machinery silencing has on
9 submarines, it shows the nautilus of the top of the pyramid
10 on the left hand side. It shows the Seawolf on the bottom
11 side. Every machinery silencing feature ever installed on a
12 submarine from the Nautilus to the Seawolf has been developed
13 at the Annapolis lab. Incidently, just to give you some feel
14 as to what that is, basically, if the Nautilus was heard
15 thousands of miles, in fact, in England. The Seawolf will be
16 in hundreds of yards.
17 To accomplish these results, an outstanding team
18 was assembled that was research oriented by education, that
19 has advanced degrees, had close styles to the academia,
20 particularly, the Naval Academy, and incidently, last year,
21 there were 40 -- 36, sorry -- 36 professors working at the
22 laboratory. For just -- these special people participated in

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1 technical societies and technical exchanges at national and
2 international levels.
3 As a matter of fact, in addition to the
4 contributions shown, this small technical staff, as Jim had
5 said, has produced more patents than all the NSWC combined,
6 produced more R & D publications, 200 or more. And received
7 more awards than any other move from NSWC, and then from that
8 end, your example of its dominance in the technical world,
9 this small group typically contributes more than 25 percent
10 of the technical papers at the ASN annual national meeting,
11 and have been recognized by them as -- with every major
12 award, ASN has to offer.
13 We talked about facilities. The Annapolis
14 laboratory is the only activity in the United States whose
15 role is to develop advanced ship board machinery. Since the
16 machinery under development is usually five to ten years
17 ahead of what is installed the fleet, it's facilities are
18 unique and no where else duplicated. As a matter of record,
19 and NSWC declared that four of these facilities were golden
20 nuggets, that is, could not do without.
21 All facilities were constantly being modernized at
22 sponsor's expense. Also, these facilities are extremely

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1 important to private industry, since there are no others like
2 them in the free world. Presently negotiations -- and I will
3 stop -- are ongoing with the U.K., Australians, and others
4 for their particular use.
5 CHAIRWOMAN COX: Thank you very much, and we would
6 appreciate it if you have more of a statement, we'd love to
7 have it in the record, and it will be very helpful.
8 MR. ARGIRO: I have much more to say, and you will
9 receive it. Thank you very much.
10 CHAIRWOMAN COX: Thank you very much, Mr. Argiro.
11 (Applause.)
12 SENATOR SARBANES: Just one sentence about the
13 Annapolis facility. As you saw, in the winning of the
14 patents, this is a highly skilled, highly trained facility.
15 Very high educational level. Informal surveys that have been
16 done indicate that well under half of our force would move to
17 Philadelphia, if the move took place. You, in effect, would
18 destroy the unit which is a scientific paradigm, really, in
19 the services, and we think that's a very important point.
20 Madame Chairman, we're now going to turn to White
21 Oak, and I would suggest to the presenters, if -- you know,
22 they need to move to the podium in a hurry. Every second it

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1 takes to get there is time lost out of their presentation.
2 CHAIRWOMAN COX: You're right.
3 SENATOR SARBANES: We think the White Oak facility
4 is an extremely important facility. We thought the
5 recommendation two years ago was a very good recommendation.
6 (Applause.)
7 SENATOR SARBANES: It would retain some of the
8 unique facilities like the wind tunnel, the casino in
9 Phoenix, x-ray simulator, the hydroballistics facility, and
10 it would have shifted NAVSEA to White Oak. Now they're
11 talking about taking NAVSEA to the Navy Yard, which will be
12 brought under criticism here.
13 John Tino is our first presenter. He worked 36
14 years at White Oak, prior to his retirement two years ago.
15 He was a department head, both for the wind tunnel and the
16 hydroballistics facility. He knows all of the activities at
17 White Oak, and we're pleased that John's here, who will be
18 followed by Mike Subin, who is the member of the Montgomery
19 County Council, a naval reservist who knows this field very
20 well indeed, and chairman of the White Oak task force.
21 And then the County Executive of Montgomery County,
22 Doug Duncan, who has taken a very strong and keen interest in

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1 this issue. John?
2 CHAIRWOMAN COX: Thank you. Just before you start,
3 I think I saw all of you take the oath, but I wanted to make
4 sure that you did before we started.
5 MR. TINO: Yes, I did.
6 MR. SUBIN: Yes, I did.
7 MR. DUNCAN: Yes, I did.
8 CHAIRWOMAN COX: Thank you very much.
9 MR. TINO: Thank you, Senator Sarbanes. Good
10 morning, commission, Commissioner Cox.
11 CHAIRWOMAN COX: Good morning.
12 MR. TINO: As the Senator said, I spent 36 years at
13 White Oak prior to my retirement in February, 1993. I have
14 lead and managed three of the key facilities remaining at
15 White Oak, and am very familiar with the White Oak
16 facilities. Our community believes the recommendation
17 regarding White Oak, and the Naval Sea System Command,
18 deviates substantially from the base closure criteria in the
19 following four ways.
20 First, the recommendation to close White Oak fails
21 to take into account the extremely high military value of
22 certain, irreplaceable, one-of-a-kind, national assets at

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1 White Oak. Second, the White Oak recommendation
2 substantially understates the cost to close White Oak,
rticularly with regard to these facilities we're going to
t about. Third, the NAVSEA recommendation is founded on a
ity analysis of the cost of moving NAVSEA to the
6 Washington Navy Yard, versus the cost of moving them to White
7 Oak.
8 Fourth, and finally, the NAVSEA recommendation
9 fails to account for the fact that the land facilities at
10 White Oak are far superior to those in the Navy Yard. I will
11 present the community's position on the first two deviations,
12 those concerning White Oak. In the aftermath of the BRAC '93
13 at White Oak, there are four key facilities remaining at
14 White Oak. The hyperballistic wind tunnel, the nuclear
15 weapons effects facility, the hydroballistic tank, and the
16 magnetic synergy control R & D facility.
17 For the first three of these, the wind tunnel,
18 nuclear weapons facility and the hydroballistic tank, the
19 Navy had doctored what it called "a walk away approach".
20 That is, the Navy decided to simply abandon the place, and
21 literally walk away from them. The White Oak COBRA included
22 absolutely no cost for these facilities. Not from moving

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1 them, not from replacing them elsewhere, not even from our
2 following them, in case we needed them again.
3 I will focus only on the hydroballistic wind
4 tunnel, and the nuclear weapons facility, since these are
5 critical, multi-service national defense assets. However,
6 the other two are invaluable to under sea warfare, and our
7 world of literal warfare. The hydroballistic wind tunnel
8 represents the most noteworthy example of the Navy's
9 disregard for the base closure criteria relating to military
10 alue. The tunnel is used about one-third of the time for
Navy, and the other two-thirds of the time, by Army, Air
ce, NASA, and industry.
13 It is truly a joint cross service asset to our
14 nation. The NSWC certified response to this scenario
15 development data call refers to the wind tunnel as "a unique
16 national asset". The Military values data call response
17 states that there is no Navy, DOD, NASA, or industry
18 facility, which can approach the capability of this wind
19 tunnel.
20 The potential loss of the wind tunnel is one of
21 only three BRAC issues, where concern was publicly expressed
22 by the Chairman for the Joint Chief of Staff. And testimony

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1 on his commission his very first day appeared. As you may
2 recall, the chairman testified that the loss of the wind
3 tunnel, and I quote, "could eliminate a unique national
4 capability that serves military research and development
5 needs." He said the wind tunnel should be retained.
6 One can hardly imagine a better source to certify
7 the military value of a defense facility. Yet, the Navy
8 recommendation would not only shut down the wind tunnel
9 facility, but abandon it completely.
10 Other highly authoritative sources have been
11 unanimously reviewed -- that the wind tunnel should remain in
12 operation. For example, the Deputy Command in Chief, in a
13 memo to the Joint Chief of Staff, disagreed with the Navy's
14 recommendations to abandon the wind tunnel. He described it
15 as "vital to the continued credibility of the ballistic
16 missile force, defending our nation."
17 The GAO, in his report to the commission last
18 month, made only three recommendations on the Navy BRAC
es. One was that a way be found to keep the wind tunnel
ating. Finally, just last week, on April 25, the
listic Missile Defense Organization, BMDO, informed the
22 Navy, in writing, that continued operation of the wind tunnel

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1 is quote, "essential, since it is the only national facility
2 capable of providing the flight environment for ballistic
3 missile defects is a valued development."
4 Such as the Army BATA system, which is undergoing
5 tests in the tunnel, and the Navy's interceptor program. To
6 some, there is an overwhelming body of authority to conclude
7 that the recommendation to abandon the wind tunnel ignores
8 this high military value, as well as DOD's current and future
9 joint mission requirements, including theory of ballistic
10 missile defense.
11 I'm now going to turn briefly to the nuclear
12 weapons affects, or x-ray test facility. The certified
13 response in a scenario development data call says this
14 facility has, quote, "three of the world's largest, and most
15 capable nuclear radiation simulators. The Phoenix, the
16 Casino and the TAC Facility."
17 The sponsor in the Defense Nuclear Agency, or DNA.
18 Last year, DNA made a decision to consolidate its x-ray tank
19 in White Oak, but shutting down x-ray tank facilities at two
20 other locations. DNA included in writing that it is relying
21 on the continued operation of the facility at White Oak,
22 particularly, sought x-ray -- this Phoenix facility, to serve

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1 future electronic and interceptive systems.
2 Again, the Navy decision to abandon this facility
3 appears to disregard high military value as a national
4 defense asset, for which there is a clear, continued, and
5 essential mission, as we defend ourselves against weapons of
6 mass destruction. I would also like to point out, that the
7 Navy did not perform a military value analysis for White Oak,
8 or for the key national defense assets remaining there,
9 except for the wind tunnel, the nuclear weapons facility, and
10 the air lift facility.
11 The Navy has concluded and can see that there's a
12 response of questions from the Maryland members of Congress.
13 Our delegation here today. This is yet another indication
14 that the Navy failed to account for the extremely high
15 military value of White Oak's national assets. We had also
16 stated in our testimony before this commission on April 17,
17 that neither the joint cross service group and laboratory,
18 nor the one on test evaluation, conducted a military value
19 analysis of the inter-replaceable national defense asset,
20 White Oak.
21 In addition to this regard, in the military value
22 of White Oak's national defense asset, the second deviation

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1 from the base closure criteria accrued by virtue of an
2 incomplete analysis of the cost to close the base. I'll now
3 address that. The White Oak COBRA shows the one time cost to
4 close of only $2.9 million. However, as I mentioned earlier,
5 this figure includes no cost, whatsoever, for the wind tunnel
6 nuclear weapon facility. It also showed the recurring
7 savings of $6 million per year, and we'll show how this is in
8 fact, a vital facility.
9 The responses to the military value data call
10 estimates an optimistic cost of $143 million to replicate the
11 wind tunnel elsewhere -- no site given -- and $102 million to
12 move it. If estimation agrees with the Chairman of the Joint
13 Chief of Staff, that the wind tunnel should continue in
14 operation, then either the cost to close White Oak will
15 become enormous if the tunnel replicated or moved, or there
16 will be a continuing cost to operate it at White Oak, if the
17 tunnel remains there. Either way, the current COBRA numbers
18 just don't hold up. They are woefully inadequate.
19 For the nuclear weapons facility, data call has
20 estimated that the cost to replicate it or move it is at
21 least 37 to 40 million dollars. Clearly, it is too expensive
22 to move the critical national defense assets of White Oak.

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1 Not only must they keep operating, but they must be kept at
2 White Oak. And if this is done, then the projected recurring
3 cost of $6 million just will disappear.
4 In conclusion, the recommendation to close White
5 Oak deviated from the base closure in two ways: one, by
6 failing to recognize a high military value of critical
7 national defense assets and the continued mission
8 requirements for them in today's new world order; two, by
9 relying on the closing costs that are unrealistically low.
10 In fact, if one concedes that White Oak must be
11 retained for operation somewhere else, the cost to close will
12 skyrocket by almost $200 million. We now turn to the NAVSEA
13 recommendations, which will be addressed by Mike Subin.
14 (Applause.)
15 CHAIRWOMAN COX: Mr. Subin, I'm sorry. Before you
16 start again, if I could please ask the people in the back of
17 the room to refrain from discussions in here. Perhaps you
18 could take those outside if you do need discussion. It's
19 hard for us to hear, and we are very anxious to get the
20 information that is being offered. Thank you.
21 MR. SUBIN: Thank you. Good morning, Commissioner
22 Cox and members of the Commission. I am Michael Subin. I am

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1 chair of the White Oak Task Force. We are a group of civic,
2 business, religious, and governmental organizations focused
3 on maintaining the operational viability of White Oak and
4 looking forward to housing NAVSEA there.
5 I would first like to add to Mr. Tino's comments by
6 stating that the assets he described are national treasures,
7 both the wind tunnel and the nuclear effects facilities. If
8 we lose those scientific capabilities, we lose a major piece
9 of our industrial base. And as you are aware, industrial
10 mobilization in time of war will never be able to fill this
11 void in time. And given the current testing moratoria in the
12 air, sea, and water, we must retain those treasures.
13 As Mr. Tino also stated, while we believe the Navy
14 deviated substantially from BRAC's criteria regarding the
15 assets of White Oak, we also believe that the recommendation
16 regarding NAVSEA's relocation deviated substantially from the
17 base closure criteria in at least two ways: first, because it
18 is based on a faulty analysis of NAVSEA's relocation costs;
19 second, because it fails to account for the fact that the
20 land and facilities at White Oak are far more expandable than
21 those at the Navy Yard.
22 I would like to first discuss what we consider to

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1 be the most serious flaws in those numbers and then conclude
2 by showing how the land and facilities of White Oak are far
3 more desirous than the Navy Yard.
4 In its Culvert analysis, the Navy conceded that it
5 will actually cost almost $2 million more to relocate NAVSEA
6 to the Navy Yard than to White Oak. The one-time cost is
7 shown in back of me on these graphics.
8 I also call your attention to the MILCON numbers.
9 The stated cost to the Navy Yard is $16 million more than
10 White Oak. The covert then goes on to conclude that there is
11 annual recurring savings of $9.4 million in the Navy Yard as
12 opposed to White Oak, which, the Navy claims, more than
13 offsets the one-time cost of the move.
14 Now, the community, in all candor, has had quite a
15 bit of difficulty getting the Navy to pinpoint some of the
16 assumptions on which their conclusions are based. However,
17 we have closely reviewed all the data available and believe
18 that their numbers are very wide. We are convinced that the
19 Navy's current numbers are so erroneous that they neither
20 should nor could be used as a justification to overturn the
21 BRAC '93 recommendation to move NAVSEA to White Oak.
22 Our analysis indicates that the cost estimates for

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1 moving NAVSEA to the Navy Yard are far too low, perhaps by
2 tens of millions of dollars. And the estimate for White Oak
3 are far too high with no indication of any attempt by the
4 Navy to value engineer that entire project.
5 I would now like to regress the Navy Yard costs.
6 As stated earlier, the Culvert analysis estimates it will
7 cost $149 million in real time moneys to move 4,200 employees
8 to the Navy Yard. There are currently 5,400 military and
9 civilian employees located there. Planned relocations from
10 BRAC '93 not being implemented by the Navy would add another
11 650 employees, with the 4,200 for NAVSEA. That total comes
12 to 10,250. Even with some reorganization, that total still
13 would put 10,000 employees at the Navy Yard.
14 Now, why is that number important? Why are we
15 concentrating on that? Well, there are two fundamental
16 questions that we feel must be addressed here. The first is,
17 does the Navy Yard currently have the capacity to accommodate
18 10,000 employees? Second, are the Navy's current cost
19 estimates for moving to the Navy Yard accurate?
20 With regard to capacity, any expansion to the Navy
21 Yard must comply with the yard's master plan which was
22 approved by the National Capital Planning Commission in

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1 October 1990. That master plan makes it clear, we admit, the
2 Navy Yard can accommodate 10,00 persons. And it would do so
3 by converting high bay industrial buildings to office space.
4 However, however, there are three very critical
5 caveats to that. The first is that the Navy yard is a
6 national historic landmark. Consequently, all renovations
7 and new construction must be consistent with the
8 architectural and historic qualities of the existing
9 structures.
10 For example, exterior brick facades must be
11 renovated or made part of any new construction. Design plans
12 must be approved by the National Capital Planning Commission,
13 by the District of Columbia Historic Preservation officer and
14 the Advisory Council on Historic Preservation. It appears
15 that the Navy's covert cost estimates did not take any of
16 that into account.
17 And in response to questions from Maryland
18 Congressional Delegation, the Navy stated that its estimates
19 for renovating the industrial buildings at the yard were
20 based solely on the standard covert algorithm of 75 percent
21 of new construction. That algorithm is an overall average
22 and does not include any -- it doesn't include any of those

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1 above considerations.
2 Now, we would submit to you that there are
3 numerous additional factors, all of which add to the costs.
4 In addition to the preservation of historic qualities, a
5 second factor present at the Navy Yard that is not normally
6 found with other rehabilitation projects is that most of the
7 Navy Yard, including all five of the buildings slated for the
8 relocation of NAVSEA, lie within the 100-year flood plane of
9 the Anacostia River.
10 What does that mean for renovation projects? Just
11 one month ago the National Capital Planning Commission
12 approved preliminary preservation plans for building 33 at
13 the Navy Yard. The commission recommended that in the final
14 plan the Navy use flood-proofing techniques such as, and I
15 quote, "elevating essential equipment and services above the
16 flood level and using durable floodproof material in the
17 interior."
18 Clearly, floodproofing will add to the renovation
19 costs. Yet again the Navy does not appear to have considered
20 those costs or attributed any of those to the move.
21 Third and finally, the master plan states that
22 certain improvements should be made at the Navy Yard in order

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1 to provide a satisfactory quality of life for the 10,000
2 employees, and these considerations aren't considerations
that our group has devised. These come straight out of the
ter plan.
And they include the following: conversion of
6 building 46 from office to retail space; providing additional
7 food services; providing recreational and day care
8 facilities; adding a waterfront promenade with an
9 amphitheater and providing new landscape throughout the yard.
10 Those conditions would cost tens of millions of dollars, tens
11 of millions of dollars which would not be needed at White
12 Oak.
13 Now, the way we see it, since NAVSEA would account
14 for approximately 40 percent of the employees at the Navy
15 Yard, it would be reasonable to attribute 40 percent of those
16 additional costs to NAVSEA. However, again, again, the Navy
17 failed to have added any of those costs, and they are not
18 reflected in the standard Culvert algorithm and would not be
19 necessary without the NAVSEA location.
20 In sum, we believe the Culvert estimates for the
21 Navy Yard are seriously deficient and that they overlook
22 added costs related to historic preservation requirements,

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1 floodproofing requirements, and quality of life requirements,
2 all of which would be required.
3 The community is preparing some cost estimates for
4 the Navy Yard move with the help of planning and construction
5 experts, and we will be furnishing these to the Commission
6 along with supporting data. We will also be furnishing our
7 comments regarding additional deficiencies and the cost
8 comparisons.
9 Equally confusing to us are the recurring cost
10 comparisons. Again, the Navy claims it will realize
recurring costs savings of $9.4 million annually at the Navy
Yard which would make up for the White Oak one-time cost
13 advantage. The graph before you depicts the manner in which
14 the recurring costs were calculated. As you can see, the two
15 key differences are in civilian salaries of $3.4 million
16 which they attribute to White Oak and additional
17 miscellaneous costs of $6 million.
18 The Navy says that by moving to the yard, it can
19 eliminate 68 jobs. That is so because NAVSEA would be a
20 tenant there rather than a host activity. Therefore, so
21 their reasoning goes, NAVSEA would not have to perform those
22 functions at the Navy Yard. That explanation is contained in

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1 their response to questions from Congress and is contained in
2 your briefing book.
3 The graphic depicts how the Navy calculated those
4 miscellaneous incurred costs to White Oak. Please note,
5 please note that there are $4.5 million included for what are
6 called host costs. We would submit to you that there are two
7 problems with their number. One of them appears to be a
8 double charge for the same function.
9 I just mention that the Navy says it needs an
10 additional 68 NAVSEA employees at White Oak to perform host
11 activities. Now, in addition to the $3.4 million for the
12 salaries, the Navy is tacking on another $4.5 million for
13 host cost salaries. That cost comes to $8 million.
14 We could only conclude that this is a double cost
15 for the same functions and bring those matters to the Navy's
16 attention with the expectation that the Culvert will be
17 corrected.
18 In addition, the Navy says its recurring cost for
White Oak are based on an April 1994 study by NAVTAC, but
White Oak costs in that study are only about $2 million,
the 3.4, not the 4.5, not the 6.2. Our conclusion is
22 that the annual host functions are overstated perhaps by as

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1 much as $5 million, perhaps by more. We see numerous other
2 problems with recurring costs comparisons and will be
3 forwarding them to you.
4 The bottom line, however, is that any recurring
5 cost advantages to the Navy Yard, and we are not sure that
6 any exist at all, would be so small as to be immaterial and
7 not outweigh the one-time cost.
8 Finally, in addition to a faulty cost savings
9 analysis, we believe the NAVSEA recommendation represents a
10 deviation from the base closure criteria having to do with
11 facilities for potential receiving installations. We believe
12 any fair comparison would favor the land and facilities at
13 White Oak even without the cost comparison.
14 First, White Oak consists of over 730 acres with
15 some 400 acres available for expansion. The Navy Yard, on
16 the other hand, sits on about 70 acres, would be stretched to
17 capacity by the NAVSEA move and could not accommodate any
18 future expansions.
19 Second, White Oak has an excellent security buffer
20 with facilities set back from the perimeter. The Navy Yard
21 this year will have approximately 400,000 visitors due to the
22 museum, summer pageant, and other tourist attractions. And

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1 in case anybody needs to be reminded, in 1984 terrorist with
2 easy access to the Navy Yard blew up the Officers Club.
3 The final point I would like to make is that
4 quality of life factors clearly favor White Oak. There is
5 convenient surface parking, nearby shopping, and dining
6 facilities are plentiful. The base itself has a spacious
7 cafeteria and an auditorium that can hold 500 people for
8 classified briefings. By contrast, none of that exists at
9 the Navy Yard and would have to be added.
10 In conclusion, our presentation has shown that the
11 current recommendations on White Oak and NAVSEA deviate
12 substantially from the base closure criteria. There is
13 overwhelming evidence to the effect that certain national
14 defense assets at White Oak must remain operational.
15 According to certified cost estimates, it is too expensive to
16 move them elsewhere, and they must remain at White Oak.
17 In its flood analysis, the Navy first concluded
18 that it was going to shut down White Oak completely. It then
19 had to, as a result of that flood analysis, reverse the well-
20 reasoned BRAC '92 recommendation to move NAVSEA to White Oak.
21 Our community firmly and sincerely believes that
22 the Navy's cost analysis does not support a move by NAVSEA to

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1 the Navy Yard. What makes the most sense is to sustain the
2 BRAC '93 recommendation, keep those programs operational at
3 White Oak, and move NAVSEA there. That is the right decision
4 then, and it is the right decision now. Thank you for your
5 attention and consideration.
6 (Applause.)
7 CHAIRWOMAN COX: Thank you. We just have 11
8 seconds left on White Oak. So I know you will be --
9 SENATOR SARBANES: Madam Chairman, let me do this.
10 I give a minute to Duncan to come out of mine and I give two
11 minutes to Congressman Wynn. I don't want Duncan and Subin
12 to have a quarrel over not being heard.
13 CHAIRWOMAN COX: Thank you, Senator.
14 MR. DUNCAN: Senator Sarbanes, thank you very much.
15 Members of the Commission, good morning. I want to touch on
16 an issue related to the NAVSEA garrisons, which is the
17 enormous increase of the Navy's estimates of the cost to
18 prepare White Oak for NAVSEA. In 1993 the military
19 construction estimate for work that needed to be done there
20 was just $34.6 million. Two years later the Navy is telling
21 us it is going to cost $124.5 million to accommodate NAVSEA
22 at White Oak.

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1 Using that figure, that's a 360 percent increase in
2 the estimated cost of construction in just two years. Our
3 Congressional delegation asked the Navy that question. First
4 the Navy said that the BRAC estimates were for 3,500
5 employees and in '95 it's 4,100.
6 We would respectfully suggest that the Navy appears
7 to be wrong on both counts. We would ask you to look at the
8 figures there. Then they said because of asbestos and other
9 renovations that would increase the costs. We would again
10 respectfully suggest that you examine very closely the Navy's
11 cost estimates for NAVSEA and scrutinize them very much.
12 Thank you very much.
13 CHAIRWOMAN COX: Thank you very much. And we would
14 like to have any further information that you would like for
15 the record. Thank you. Congressman Wynn. I don't believe I
16 have the honor of swearing you in earlier, and that is
17 required by statute. So if you wouldn't mind.
18 (Witness sworn.)
19 CONGRESSMAN WYNN: Thank you, Madam Chairman and
20 members of the Commission. I appreciate this opportunity to
21 say a few words on behalf of the White Oak facility. I think
22 it's abundantly clear this morning that the facilities that

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1 have been described in some detail have essential strategic
2 military value, that the Navy's proposed walk-away strategy
3 is not really viable. I think the wind tunnel, the nuclear
4 weapons effects facility all are essential to our country's
5 interests.
6 One of the pieces of evidence that came forward was
7 the fact that the relocation and relocation costs are
8 prohibitively high. Someone will have to step up to the
9 plate and maintain these facilities in operational status.
10 Moreover, the projected cost savings from closing these
11 facilities are essentially eliminated if, in fact, you accept
12 the premise that the facilities are essential to our national
13 security.
14 I believe in this context the military's interest
15 are best served by sustaining the BRAC '93 recommendation to
16 have the Navy continue to serve as the host for these
17 facilities, these essential facilities and move NAVSEA to
18 White Oak rather than the Navy Yard.
19 I'd like to make just three quick points. First,
20 military construction at the Navy Yard is 16 million more
21 than at White Oak. Two, that the standard Culvert algorithm
22 did not consider the special costs associated with the Navy

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1 Yard which have been described in detail, the historic
2 preservation costs, the costs for floodproofing, and the
3 costs for quality of life improvements that would be
4 essential if we are to maintain the standards that we have
5 had in the past with regard to our facilities.
6 There is also, I think, a very significant question
7 that I hope the Commission will investigate with respect to
8 the possible double charging of certain expenses associated
9 with the facility.
10 And finally, I guess, the overreaching analysis is
11 that the White Oak facilities are superior, 700 acres with
12 400 available for expansion versus 70 acres, recreation
13 facilities, parking facilities, above-ground parking
14 facilities that are suitable, eating facilities all already
15 in place compared to the Navy Yard.
16 So the two elements of the equation appear to come
17 down like this: one, we have to have these facilities; they
18 are in our country's best interest; two, the best place to
19 locate those facilities are where they are currently placed,
20 at White Oak; and three, that White Oak would be a perfect
21 situation to house the NAVSEA facility.
22 I urge the Commission's favorable consideration of

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1 these points. I also want to especially thank
2 representatives from the White Oak community who, as you have
3 seen, bring a great deal of enthusiasm to this project.
4 Thank you very much.
5 CHAIRWOMAN COX: Thank you very much, Congressman
6 and everyone from White Oak.
7 (Applause.)
8 SENATOR SARBANES: Madam Chairman, I think we are
9 coming right in on the mark here. We have two more
10 presentations, 15 minutes allocated to the Army Publication
11 Distribution Center and 10 minutes to Kimbrough Hospital.
12 And that would, I think, bring us in on the mark.
13 Congressman Ehrlich will speak as part of the 15-minute
14 presentation at the end. They have, I think, a 12 to 13-
15 minute presentation. And then he will take a couple of
16 minutes to close out.
17 We think this underscores something the Commission
18 ought to be looking at, and that is interservice DOD-wide
19 consolidation in terms of savings. We think this is a
20 classic example for it. Kathy Kropp and Bill Weiman will
21 make the presentations. Kathy is responsible for maintaining
22 the center's warehouse control system. Bill Weiman is vice

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1 president of the AFG local 1409. Michael Van Biver is with
2 us, and Barry Weiss and Donald Lee Weiss, who also are
3 employees of the center. Kathy?
4 CHAIRWOMAN COX: Thank you. Before we start, and I
5 know there are a number of people coming in from other states
6 and that perhaps are not as interested in Maryland as we are,
7 but we hope as you come in you will please keep the
8 conversations down and not move around so that we can hear as
9 we go through these presentations. I know you would want
10 them to do the same for you.
11 Before we start, did I get a chance to swear all of
12 you all who will be testifying in? Okay. Thank you.
13 MS. KROPP: Madam Chairman and members of this
14 Commission, I want to make sure that my presentation to you
15 is as quick and painless as possible. I'll keep it both
16 simple and short. And you have in front of you a packet with
17 the details. To make things easy, I'm going to let you know
18 what we want from you right up front.
19 First, we want you to remove the U.S. Army
20 Publication Distribution Center from the BRAC list. Since
21 the center doesn't meet the threshold, the Department of
22 Defense can close the center at any time.

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1 Second, we want this Commission to direct that a
2 joint cross-service group conduct an independent study into
3 the feasibility of consolidating the publications
4 distribution mission throughout the entire Department of
5 Defense. We are an opportunity to just waiting to happen.
6 This Commission can be the one to take advantage of this
7 opportunity and initiate a cross service consolidation that
8 will save hundreds of millions of dollars.
9 Our objective is not to close the Army's St. Louis
10 center. They are our sister center. We are not looking to
11 put them on the list in our place. We just want to keep BRAC
12 on tack with its goals of creating jointness. We believe
13 BRAC has the right idea. Looking at cross-service and
14 intraservice opportunities is the best way to streamline
15 Department of Defense, maintain the readiness of the force,
16 and still save the taxpayers money.
17 Consolidation is a good idea, but we shouldn't have
18 tunnel vision. It is not enough to just consolidate within
19 the Army. To really produce large savings, a joint service
20 consolidation is necessary. We need to look at the big
21 picture and evaluate all of the Department of Defense
22 distribution missions. Consolidation must not threaten

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1 readiness. It must ensure all savings possible are realized.
2 It must plan for the future of the Department of Defense.
it should consider the current facilities' expandability.
ing the U.S. Army Publication Distribution Center in
le River does not meet the goals of BRAC and contradicts
6 the Commission's own selection criteria.
7 Our Publications Distribution Center is located at
8 the Middle River Federal Depot across the street from the
9 Martin Airport, home of the Maryland Air National Guard. Our
10 building was where they assembled B-26 bombers during World
11 War Two. We have a long history of service to this country
12 and continue to adapt and improve to meet the needs of the
13 changing Army.
14 Today we distribute publications worldwide ranging
15 from training manuals to survival guides, and we ship about
16 9,000 tons each year. We are very proud of our history and
17 what we know we can do. If the Army had any idea of our
18 capabilities we wouldn't be here today. We'd be at work,
19 where we belong. But it's obvious by the Army's submission
20 to this Commission that it has no inkling of what the Army
21 Publications Distribution Center is or does.
22 Let me give you the three biggest examples. First,

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1 they say consolidation will combine wholesale and retail
2 functions. That's not a new idea. We do it now. Last year
3 of the two Army centers Baltimore did 59 percent of the
4 retail distribution and 70 percent of the bulk distribution.
5 Second, they say Baltimore is manual, St. Louis is
6 automated. This is just not true. Ask your staff that
7 visited us, or take a look at our seven-minute video, and
8 we'll prove it. From the minute the stock comes through the
9 door, it is stored away, picked to fill orders, packed,
10 ted, and shipped back out the door.
The work is computer-directed, computer-controlled,
ter-monitored, and completely automated. We know what a
13 manual operation is. We used to be one. Now we are what the
14 private sector uses as their model. Your staff saw how
15 automated we were when they visited.
16 Our system is both flexible and expandable. The
17 St. Louis center is neither, which deviates from BRAC's
18 criteria number three. Our system links all of its parts
19 together but allows for replacements. That's the flexible
20 part. Right now we occupy less than one-third of the two-
21 million-square-foot facility. That is the expandable part.
22 This expandability and flexibility is what makes

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1 our center perfect for the cross-service consolidation of all
2 Department of Defense publication distribution missions.
3 Finally, they say the move consolidates two leases
4 into one lease. This is misleading. There may be one lease,
5 but there will still be two or more warehouses, and all but
6 one will be totally manual. St. Louis doesn't have the room
7 to absorb Baltimore's stock. They will have to use
8 warehouses at Granite City, 45 mile away.
9 The cost for operating these warehouses is high,
10 and transportation charges must be added to the operational
11 costs. A 1994 economic analysis warned that this type of
12 split operation can cause inefficiency, increase throughput
13 time, a degradation of customer service, and a threat to
14 readiness. This deviates from criteria one and three.
15 The Army has looked at other ways to accommodate
16 Baltimore stock. None of them are good. One proposal is to
17 destroy all stock beyond a three-year supply. They are
18 ling that economizing, even though it will destroy
ions of dollars worth of stock.
Another proposal is to add onto the St. Louis high
21 se. The Army is still paying back GSA for building the
22 tower in the first place and owes us more than $3 million.

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1 And, remember, if we close, the $10 million already invested
2 in the Baltimore facility will be lost. This deviates from
3 criteria number five.
4 The only real solution is working towards jointness
5 and using both the St. Louis and Baltimore facilities to
6 house all the DOD publications and forms. So, as you can
7 see, the Army's justification to close the Middle River
8 Center is full of errors. But that is not the only reason we
9 believe we should be removed from the BRAC list.
10 Let's take a look at readiness, your first
11 criteria. Desert Shield/Desert Storm was a good example.
12 More than 1,800 tons were shipped. Baltimore was responsible
13 for 86 percent of what was shipped but only 73 percent of the
14 cost. Even with the two fully automated centers, a backlog
15 of over 500,000 orders existed at the end of Desert Storm.
16 Baltimore's part was only 30 percent of that.
17 During this time, Baltimore's order fill time for
18 routine work increased to 20 days, while St. Louis's went up
19 to 42 days. If two fully automated centers were not able to
20 keep up with the demands of this 10-month mobilization, one
21 consolidated center will never be able to. This deviates
22 from criteria number three.

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1 Two centers are not a redundancy. They are a
2 necessity in case of mobilization of disaster like fire or
3 floods or even terrorist attack. During Desert Shield/Desert
4 Storm Baltimore developed an innovative hot pick system.
5 Picking, packing, and shipping begins seconds after the order
6 is input. This system is still used for emergencies such as
7 Operation Restore Hope and was activated again just two weeks
8 ago because of the tragedy in Oklahoma City.
9 We also modified our system to allow order picking
10 right off the receiving dock to save processing time. The
11 Middle River Center is always improving to meet the demands
12 of the changing military. We not only have our everyday
13 mission. We are ready when the forces mobilize, whether it
14 be a combat or peacekeeping mission. We support the Army
15 every day in every way and are ready to do the same for the
16 entire Department of Defense.
17 The Army's Baltimore and St. Louis Centers are two
18 state-of-the-art, automated, and cost-efficient warehouses.
19 Both have won awards for their abilities. Last year
20 Baltimore won Vice President Al Gore's Hammer Award for
21 helping make a government that works better and costs less.
22 This year Baltimore is a finalist in the Army's Communities

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1 of Excellence Award program.
2 These are not examples of organizations which
3 should be closed. These are organizations which should be
4 taking on more missions so that they are used to their
5 capacity. This Commission has the perfect opportunity to
6 consolidate DOD publication distribution in a joint manner.
7 Don't let this opportunity escape by closing us.
8 According to a 1992 Army management review, there
9 were 15 publications distribution centers in the Department
10 of Defense. Defense Logistics Agency has taken over some of
11 these sites, but reducing the number of sites even further to
12 two or three strategically located centers would
13 significantly cut costs and manpower without threatening
14 readiness.
15 We believe Baltimore and St. Louis are the centers
16 to absorb the DOD publications distribution mission. The
17 savings from closing the Middle River Center is about $35
18 million over 20 years. That's peanuts compared to what can
19 be saved by consolidating all DOD publication distribution
20 centers. Studies have estimated these savings at anywhere
21 from $114 to $257 million over just the first six year.
22 That's a real savings. This is a real opportunity. And

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that's why we need to take advantage of it.

We need you to: one, take the U.S. Army Publication Distribution Center off the BRAC list; two, take advantage of the joint cost service opportunity. We can begin by consolidating the Air Force publications already in the building with us. Then you can direct that an independent study be completed which examines the consolidation of all publications and forms distribution centers.

The Department of Defense will realize tremendous joint savings, and the Army Publications Distribution Center in Middle River will be ready, able, and waiting to provide worldwide distribution of publications for all of the Department of Defense with pride.

(Applause.)

MR. WEIMAN: Ladies and gentlemen, what you see before you is the real deal. We have no hired guns to come out and speak on subjects we know nothing about. The people you see back here at this sign that says, "We work together," that says the publication center. We support total quality management. We have implemented it completely. This committee shows it right here.

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Our turnover rate at the center is one person every 15 years. That's it. And that includes military dependents. That is the only reason it is that high. We work better, we work faster, and, most importantly, we work cheaper, and that's what this Commission is about. We'd like to thank you for taking the time. And on behalf of AFGE 1409 and the Army Publication Center we'd like to say thank you, and end it with, and the center said, "Whoo-ha."

(Applause.)

CHAIRWOMAN COX: Thank you very much. Congressman Ehrlich, I don't believe I got the honor of swearing you in, if we could do that, if you would raise your right hand.

(Witness sworn.)

CONGRESSMAN EHRLICH: Thank you, Madam Chairman. What you see here is the real thing. My staff prepared a written statement for me, but I thought I would just take 90 seconds to speak to you from the heart. I am here, obviously, I represent these folks in Middle River. But I am also here because I believe what you have seen is a real thing and constitutes a compelling case not to save jobs but to expand a mission for a real fine facility.

If I may take just one of my two minutes to tell

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you I had never heard of the Middle River facility, but the day after the election these folks called me -- I'm talking about the day after I was elected to represent Maryland's Second District.

They called me and said, "We want you down here. We want you to find out what we are about." And I went down there, and what I saw that day, and I've been through a few warehouses in my life, was a first-rate facility manned by people who really knew what they were doing and had a lot of pride. Think about that turnover rate, one every 15 years. I wish the private sector had that sort of pride and turnover rate in private business.

What I saw that day and what my staff saw in the interim has not changed. What you see is what you get at Middle River. And when you begin your deliberations, I would just ask and respectfully request you remember the three Ps.

The performance. You've heard about the awards. You know how good these people are at what they do. The second P I would like you to remember is pride. One every 15 years. That's a family up there. And that's the sort of pride that this Commission should have a lot of pride in.

And lastly, I would like you to really focus on the

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plan, the third P, to use existing technology, to use existing investment and the space to achieve what you are about, consolidation in a cost-efficient way to increase military preparedness and to keep BRAC on track. Thank you all very, very much.

(Applause.)

CHAIRWOMAN COX: Thank you, Congressman and those of you from Middle River. Thank you.

SENATOR SARBANES: Madam Chairman, our final presentation is addressed to the Kimbrough Army Community Hospital at Fort Mead. Kimbrough has a national reputation for its cost effectiveness and special care. We think, again, there has not been adequate consideration given to other activities within the Department of Defense impacting on Fort Meade that are relevant to what is happening at Kimbrough.

The final presentation will be by COL Kent Menser, whose final assignment was at Fort Meade, where he served as garrison commander from 1990 to 1993, where he provided outstanding leadership in the division plan for Fort Meade. Also, we have with us GEN Bill Eicher and COL Gorman Black, who have been very active with the Fort Meade Advocacy

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Council. And I will turn it over to COL Menser now.

CHAIRWOMAN COX: Welcome.

COL MENSER: Good morning. I represent the Fort Meade Joint Services Advocacy Group. This is our presentation. The important part is down towards the end. I will go through very quickly the first part unless you have a question.

Our objective is simple. Maintain Kimbrough as an Army hospital. Fort Meade is an Army installation. It's got a great joint mission, joint services mission. And Army, Navy, Air Force, and Marines are at Fort Meade in a very complex resourcing environment at Fort Meade with 57 tenants from all the services.

Fort Meade is continuing to grow as we speak. In each of the last three BRACs we've gotten additional tenants. People of Fort Meade, these are on your handouts, but again, you can see the jointness of Army, Navy, Air Force, and Marines. It's a large post from the population standpoint.

People support. This is a Fort Meade slide that talks about people that they touch within 25 miles of Fort Meade. Again, all services, almost -- most of the National Capital Region is in the 25 miles, and they use some part of

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Fort Meade services.

The hospital, Kimbrough Community Hospital. This is what takes place there now in terms of primary care, in-patient care, and emergency room services. This is the catchment area. And that's an area within 40 miles of the hospital that does not overlap with other hospital catchment areas. And the personnel that are presently assigned to the hospital's civilian, military, and contract.

In the BRAC we have a recommendation basically the hospital reduce to a clinic. One twenty-nine, and they show 203 in your handout, but 129 direct positions would leave Kimbrough. And the idea would be to save $50 million over a period of 20 years.

The consequences of that action is loss of the emergency room, which is very important, the loss of in-patient care, mobilization beds, and loss of the surgical clinics. Again, consequences are increased CHAMPUS costs and increased patient care costs. And I'll talk about those later in the brief.

Talk about one of our 57 tenants, and it's the biggest one, National Security Agency. It's a major 24-hour-a-day operation with 24-hour-a-day expectations on the

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1 support side, to include medical. It even has light
2 manufacturing associated with it working with different
chemicals and so on, and, in fact, our emergency room two
years ago was updated with a decontamination capability to
meet their requirements.
6 In the past 12 months 75 employees from that
7 particular tenant have had basic emergency transportation to
8 our emergency room and were treated for different things.
9 A program, not a tenant on Fort Meade, but a
10 program on Fort Meade is the Exceptional Family Member
11 program where people with special needs, family members of
12 service personnel, Army, Navy, Air Force, and Marines, who
13 have special needs come to Fort Meade, and we have the
14 largest EFMP program in DOD, 778 families are enrolled in
15 that program. And between 200 and 300 families participate
16 in some way but don't enroll for their own particular
17 reasons.
18 You can see the breakdown with adults, children.
19 Sixty-five percent, as it shows there, are chronic or
20 terminally ill. One-fifth of our housing on Fort Meade is
21 dedicated to the EFMP program families, over 418 families. A
22 post becomes special from the EFMP standpoint when it has

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1 availability of special care to treat that person, whether it
2 be a child or an adult in that family.
3 Critical also once they are in the area is the
4 availability of an emergency room, and that's what Kimbrough
5 provides, and then also military housing. What military
6 housing does, these families are challenged from the
7 financial standpoint, particularly in the Washington, D.C.,
8 area, but also with their special needs. and so putting them
9 on the base is a help to them from the financial standpoint.
Let's talk about deviations from criteria. Let's
start with military values. Number one, of course, is the
current and future mission requirements and impact on
13 operational readiness. We don't know what that is. I don't
14 think anyone knows what that is because this action was not
15 staffed with the four services on Fort Meade. The 57
16 commanders in that installation did not get a chance to
17 contribute their comments. They did not come to Fort Meade
18 for staffing.
19 Number three, the ability to handle mobilization or
20 expansion on the installation, force development. Again, it
21 was not staffed. So we don't know if it's a great deal or a
22 bad deal or a horrible deal because there wasn't input from

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1 the installation itself.
2 Again, deviation from criteria, return on
3 investment, this differs slightly from your last page in your
4 brief. Again, they talked about $50 million savings over a
5 20-year period. Most of that was due to a $3.5 million
6 savings in civilian personnel costs. There's 129 that are
7 being transferred, 129 that are leaving Fort Meade.
8 In the Army basing study documents it discusses $12
9 million that goes from the Fort Meade budget to the Walter
10 Reed budget to cover the increase in personnel going to
11 Walter Reed. A part of that $12 million is $3.1 million for
12 civilian personnel costs. So I am saying here $3.5 million
13 savings helped with this $50 million 20-year savings. We
14 find that in the Army documentation that 3.1 of that goes to
15 Walter Reed. So there is no 3.5 net savings. There is a
16 $400,000 net savings for the Army on this.
17 Additionally in our group findings the people who
18 this past year used the in-patient services were part of an
study. And they basically determined that those people,
rather than being at Fort Meade or going to Fort Meade
because the facility is not going to be there would go other
22 places in this way: 66 percent would go to Walter Reed; 24

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1 percent would be an addition to CHAMPUS; and 10 percent would
2 do third party, which is basically insurance or pay their own
3 way kind of thing.
4 Now, what does that mean? Well, we know again from
5 Army documentation that the cost per patient at Walter Reed
6 is 39 percent higher than the cost per patient at Kimbrough.
7 So when you factor that in, again from Army figures, that's
8 an additional $3.3 million for that 66 percent to go to
9 Walter Reed. The additional 24 percent on CHAMPUS, again
10 using Army figures, is another $3.6 million. The third party
11 is a 700,000, and basically that's money that will not be
12 spent by the Army.
13 When you sum these up you get an additional $6.2
14 million in order to execute this action of closing or
15 reducing the hospital from a hospital to a clinic, $6.2
16 million. When you subtract, then, that $400,000 savings on
17 personnel, you get then a net of $5.8 million a year in order
18 to execute this BRAC action.
19 Our conclusion. The evaluation criteria was not
20 met. I can't emphasize enough there was no feedback from any
21 of the 57 commanders on the installation on this. And that's
22 why the EFMP thing did not come up at the highest levels.

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1 Again, mobilization and contingency, we don't know
2 the answers. We know that the mission and people will
3 adversely suffer at Fort Meade. We just don't know how much,
4 because we ourselves didn't staff it with 57 to get the
5 feedback. But we know it will suffer. And I demonstrated
6 that with NSA and the EFMP.
7 And, again, the net savings that they had hoped for
8 by using Army figures just will not take place. And I don't
9 know what the reason is.
10 Our recommendation, straightforward, that we
11 maintain Kimbrough as a hospital, and in doing so we can
12 serve our people on the installation and all around the
13 installation, serve our special programs, and, surprisingly
14 enough, save the government money. Any questions?
15 CHAIRWOMAN COX: Thank you very much. That was
16 most helpful.
17 (Applause.)
18 SENATOR SARBANES: Madame Chairman, I think we have
19 a couple of minutes left on our time, and I'd like to just
20 make a concluding remark, and then I'll yield. I'll take
21 about a minute and yield a minute to Senator Mikulski.
22 First of all, I want to say we are very proud of

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1 our communities and the presentation they have made here
2 today. We think it has been a tough-minded analysis. I
3 think it has stuck to the criteria which the Commission is
4 required to use under the law. And I think they have raised
5 a number of possibilities or alternatives that are extremely
6 important for the Commission to consider.
7 First of all, we think we've had some excellent
8 cost analysis. You just heard it, of course, right here with
9 respect to the Kimbrough Hospital, but it's run through the
10 other presentations as well. We think the cost figures in
11 many of these instances were faulty and lacking.
12 Secondly, we believe strongly that there are unique
13 facilities here that are simply being, as it were, walked
14 away from without consideration of what should be done with
15 them. The Chairman of the Joint Chiefs of Staff has spoken
16 about the importance of the wind tunnel at White Oak. And
17 yet they are going to close that facility. And there goes
18 the wind tunnel. Now, someone needs to do that wind tunnel.
19 It is very clear.
20 So what we need from the Commission is a sort of
21 department-wide perspective and analysis. We think that this
22 world-class scientific team at Annapolis ought not to be

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1 destroyed. I mean, they are the clear patent winners within
2 the service. And we think it needs to be helped together.
3 Fort Ritchie has a site R, the unique facility
4 which the Commissioner visited when he was there. We think
5 there's a lot of opportunity here for the Commission to
6 achieve department-wide savings. That was dramatically
7 illustrated with the Publication Distribution Center. But it
8 applies to some of our other facilities as well.
9 Let me just close with this observation. As we go
10 through succeeding rounds of BRAC, the decisions get tougher
11 and tougher. I've been through these rounds, and I
12 understand that. I think what the Commission needs to bring
13 to the process is more of an interservice analysis in terms
14 of savings. The way the process works within the Defense
15 Department, although they have a cross-service task force, it
16 tends very much to be within each service.
17 So a service is taking measures to try to get some
18 cost savings which from a narrow perspective may -- may, and
19 I emphasize may -- have some logic to it. But if you broaden
20 the perspective to a department-wide view, it doesn't make
21 sense.
22 There are other alternatives. And the people who

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1 have come here today have each presented other alternatives
2 which result in cost savings. They are sensitive to the
3 considerations that are at stake. So we urge the Commission
4 to carefully examine -- we, of course, will stay in touch
5 with you and bring you further information and analysis as
6 the process goes forward.
7 CHAIRWOMAN COX: Thank you, Senator.
8 SENATOR MIKULSKI: On behalf of the Maryland
9 delegation and all of the people of Maryland who testified
10 today and who are represented at this hearing, we thank the
11 Commission for their very careful attention to the testimony,
12 the courtesies given.
13 I would just like to sum up by saying this. There
14 is a book now that has won a Pulitzer Prize called "No
15 Ordinary Time." It's about the Roosevelts but more about
16 America during World War Two and this extraordinary effort
17 that was done to organize and mobilize the United States of
18 America to meet the test in World War Two.
19 That concept of "no ordinary time" can be applied
20 to the legacy of the military facilities in this room. These
21 are no ordinary facilities. This is no ordinary work force.
22 We know that you will not make any ordinary decision. You

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1 are no ordinary Base Closing Commission. And we are counting
2 on you. Thank you very much.
3 (Applause.)
4 CHAIRWOMAN COX: Thank you very much, Senator. Let
5 me thank all of the folks who were here from Maryland. The
6 presentations were very helpful and informative and will be
7 most useful to us as we go through our process, and also to
8 thank the very distinguished group of officials from the
9 State of Maryland who have ably represented their state as
10 always. Thank you.
11 Now we will finish with the State of Maryland at
12 that point, and we will begin testimony from the State of
13 Pennsylvania. And I would like to get started with that
14 right away.
15 I realize that people from Maryland may be leaving
16 the room and folks from Pennsylvania coming in. I would hope
17 you would do that as quickly and as quietly as possible so
18 that we can stay on schedule and give everybody plenty of
19 time as scheduled. So if we could move the Pennsylvania
20 group up here.
21 (A brief recess was taken.)
22 We are ready to begin the session starting the

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1 Pennsylvania group of facilities and are very pleased to see
2 here that we have Governor Ridge, Senator Specter and Senator
3 Santorum. I'm pleased that you are able to join us today and
4 am looking forward to hearing from you all.
5 So let me turn it over to you.
6 GOVERNOR RIDGE: Good morning.
7 CHAIRWOMAN COX: Oh, I'm sorry. You're absolutely
8 right. I forgot that we are required to swear you in, under
9 the statute. So if you wouldn't mind rising and raising your
10 right hands.
11 GOVERNOR RIDGE: You want all of us, Madame
12 Chairman?
13 CHAIRWOMAN COX: Yes. If we could just do
14 everybody at once, we will not have anybody who is going to
15 testify or who might answer questions -- if you would go
16 ahead and be sworn in at this point.
17 (Witnesses sworn.)
18 CHAIRWOMAN COX: Thank you very much. Governor?
19 GOVERNOR RIDGE: Thank you. Good morning, Chair
20 Cox, distinguished members of the Base Closure Commission.
21 On behalf of Senator Specter, Senator Santorum and the 12
22 million citizens of the Commonwealth of Pennsylvania, I am

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1 honored to open Pennsylvania's portion of today's testimony.
2 As a former Congressman, I'm acutely aware of
3 Federal budgetary constraints. As a former infantry soldier
4 who fought in Vietnam, I also understand the consequences to
5 a nation that compromises its military readiness. We must
6 never compromise our capacity to respond to any threat to our
7 national security.
8 The challenge is to balance our nation's military
9 might with our nation's fiscal integrity. Pennsylvania
10 supports the BRAC Commission. It is a necessary process.
11 But in Pennsylvania, it hasn't been easy or without enormous
12 cost. In the name of Pennsylvania's communities that have
13 paid so dearly and in the interest of a strong national
14 defense, we ask you to scrutinize more carefully than ever,
15 more carefully than ever before, the recommendations
16 effecting Pennsylvania jobs and facilities.
17 As Pennsylvanians we are proud to have served and
18 to have contributed to our country in time of war and in
19 peace. We have always accepted our responsibilities and made
20 the necessary sacrifices. But ladies and gentlemen, we
21 believe this last round is flawed in its analysis in value
22 and worth and unequal, and some might argue, unfair in its

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1 share of the burden.
2 Just take a moment to examine BRAC's
3 recommendations in '88, '91, and '93. Despite Pennsylvania's
4 strategic location and military merits, we have been asked to
5 endure a disproportionate share of the cost. To date, 13,000
6 of Pennsylvania's defense related jobs have been eliminated
7 as a result of the BRAC process. If the 1995 recommendations
8 are enacted, this inequity will grow.
9 Pennsylvania will have a cumulative net impact of
10 almost 17,000 jobs lost, leaving us second only to California
11 in net jobs lost through the BRAC process. This burden is
12 even greater when we look at the proportion of jobs lost as
13 compared to the total number of defense personnel employed in
14 our state.
15 If this is the standard of measure, we've been hit
16 even harder than California. We started in Pennsylvania with
17 substantially fewer jobs, and we have given up substantially
18 more. These numbers don't just reflect our military
19 personnel, we are talking about thousands of civilians, the
20 engineers, the maintenance technicians, repair personnel, and
21 support staff who have dedicated their lives and their
22 careers to our national military interest.

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1 Pennsylvania to date has lost in excess of 10,000
2 civilian jobs, and that number is expected to grow to almost
000 if the '95 recommendations are accepted. Our state
a mere 2.3 percent of our country's defense related jobs,
almost 13 percent of the total cuts in civilian jobs will
6 be found in Pennsylvania.
7 The conclusion is clear, Pennsylvania has paid
8 dearly in comparison to other states. Faced with this fourth
9 and final round of closures, as Governor of the Commonwealth,
10 I ask you with all the sincerity, firmness, and advocacy I
11 can muster, please listen carefully to the testimony of our
12 communities.
13 Hear of the invaluable role that Pennsylvania's
14 bases play in our national defense. Examine the logic of the
15 Department's recommendations. Question the data that, in
16 many times, is flawed. Consider the inequitable consequences
17 to Pennsylvania of nonimplemented directives of prior BRAC
18 Commissions, and finally, ask do these recommendations serve
19 our country not only in times of peace but will these
20 recommendations serve our country in times of conflict as
21 well.
22 I would like to turn to my friend, Senator Specter,

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1 who would address Pennsylvania's value as a home for military
2 bases. Senator?
3 SENATOR SPECTER: Thank you, Governor Ridge and
4 Madame Chairman and members of the Commission and
5 distinguished group of concerned Pennsylvanians throughout
6 this enormous hall. It is a little hard in the course of
7 four minutes to adequately state the impact on military
8 preparedness and job losses.
9 But in the 14 years-plus in the United States
ate, serving on the Appropriations Committee and the
ense Subcommittee, and with substantial experience on the
ues of what is valuable for the nation, we will be making
13 an enormous impact on preparedness if these Pennsylvania base
14 closures are put through.
15 Letterkenny is illustrative of the valuable
16 military contributions of Indiantown Gap and the Pittsburgh
17 Reserve unit and those in Philadelphia and elsewhere on
18 contribution. It is very, very important from a national
19 security point of view, and there is a very important aspect
20 on fairness on job loss.
21 It is just fundamentally unfair to have a state
22 with a little over 2 percent of the nation's military take a

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1 hit of 13 percent, and that is a legitimate factor to be
2 concerned.
3 What is different about 1995 from 1993? It's that
4 we come to this round of hearings already having suffered
5 enormously. And if I may be just a little blunt, I think the
6 Department of Defense and the Base Closing Commission owes
7 Pennsylvania a little from what happened on the Philadelphia
8 Navy Yard last year. When we appeared before this
9 Commission, there was an expectation that we would have an
10 opportunity to present in court the evidence of fraud which
11 lead to the loss of thousands of jobs, not only in
12 Philadelphia, but spreading across the state.
13 And for technical reasons, the Supreme Court of the
14 United States -- and we took it all the way to the Supreme
15 Court -- said there was no jurisdiction on technical grounds,
16 so we can never present the evidence of fraud and Navy
17 concealment, and that cost Pennsylvania thousands of jobs.
18 So I don't think it is too blunt or too forward to say
Pennsylvania is owed a little, and I hope that you will
us that consideration, both in terms of national defense
and preparedness and also of the jobs.
22 This assembly here is a stark testament to the

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1 importance and very important impact on our state. Thank
2 you.
3 CHAIRWOMAN COX: Thank you, Senator.
4 SENATOR SANTORUM: Thank you. What I'd first like
5 to do is I'd like to thank the Commissioners and their staff.
6 From the process of going through the hearings on your
7 nominations and approvals to throughout the course of this
8 BRAC, the commissioners, and I think the public needs to
9 know, they have been accessible.
10 The staff has been cooperative. The information
11 has been shared and I want to commend you for the job you're
12 doing. It is a very difficult job under very stressful
13 circumstances, and I can only say that -- at least from our
14 perspective -- you earn very high marks.
15 What I'd like to focus my testimony on is the
16 mistakes that were made relative to each of the bases that
17 are the list from Pennsylvania. Because of these mistakes,
18 the list that the Department of Defense sent you with respect
19 to Pennsylvania will not maintain the best military readiness
20 and will not achieve the cost savings that we should get out
21 of this BRAC process.
22 The first situation I'd like to talk about is

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1 Letterkenny. The mistake there is very simple. The
2 Department of Defense continues to ignore the recommendations
3 of this BRAC Commission from 1993 and the stated purpose of
4 trying to do more interservicing and to do joint teaming
5 arrangements.
6 Letterkenny is a success story. While most bases
7 are at about 5 to 10 percent interservicing, Letterkenny has
8 already achieved 50 percent interservicing. They have an
9 innovative model of the joint teaming arrangement with the
10 United Defense on the Paladin, which you will hear from. So
11 I don't think we should punish success, an object that's
12 clearly stated with this BRAC Commission of doing more
13 interservicing.
14 Second, I'd like to talk about the mistakes on
15 Indiantown Gap, Fort Indiantown Gap. New data will be
16 presented to you today which will dramatically alter the
17 military value of the Gap and we will also have testimony
18 which -- and by the way, that military value will place them,
19 instead of ninth on the list of bases in their category all
20 the way up to third, and also the cost savings at the Gap
21 were dramatically overstated by the Army and we will present
22 evidence to show that.

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1 With respect to the 911th out of the Greater
2 Pittsburgh Airport, this is a clear mistake that the Air
3 Force has already admitted, that they input the wrong data,
4 not just on this base but on a couple other bases. They used
5 the same data for three different bases. With the new data
6 running, they go from the most cost -- highest cost operating
7 base to the lowest cost operating base for a civilian
8 airfield.
9 So this is a clear mistake that the Department of
10 the Air Force and the folks at the Air Force have admitted
11 that is wrong, and I'm hopeful that the BRAC commissioners
12 will -- the numbers that they crunch will find that that is
13 also the case.
14 With respect to the Charles E. Kelly Support
15 Center, it shouldn't be here. Charles E. Kelly Support
16 Center is 209 jobs, that doesn't qualify for the BRAC process
17 and shouldn't be on the list, and shouldn't be considered by
18 this BRAC. It should be done in the course of that
19 internally handled by the Department of the Army.
20 With respect to the Defense Industrial Support
21 Center in the city of Philadelphia, you heard Senator
22 Specter, you'll hear Mayor Rendell talk about what's happened

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1 to the city of Philadelphia in this process. What I will say
2 is that what's left in Philadelphia is not excess capacity.
3 DISC is doing a tremendous job and what was not factored in
4 the mistake is that the Department of Defense did not factor
5 in the cost to move the weapons systems support item from
6 DISC, which is an $80 million cost, which will prove that
7 this move is not a cost-effective move.
8 The Naval Aviation Engineering Service Unit and the
9 Naval Air Technical Service Facilities, both will present
10 testimony to you today to show you that closure is not the
11 best scheme there, that they will be able to downsize. We'll
12 present a plan to you to downsize, which will be more cost-
13 effective and will not compromise at all military readiness,
14 which is obviously a very important goal.
15 Finally, I just want to talk about the Naval
16 Surface Warfare Center in Philadelphia. I know that's not
17 scheduled for closure, it's scheduled for an add, and I want
18 to say that that is a very appropriate add, that this is a
19 facility that can take more capability, that the MILCON
20 dollars there are minimal and it is a very appropriate place
21 to ship that mission. Thank you.
22 CHAIRWOMAN COX: Thank you very much, both for your

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1 testimony and your hitting the time exactly on.
2 (Applause.)
3 CHAIRWOMAN COX: We're now ready to move on to the
4 presentation for Letterkenny. I see there are a number of
5 people here from Letterkenny. Welcome.
6 (Applause.)
7 CHAIRWOMAN COX: Congressman Shuster, I believe you
8 will be moderating and leading the debate here.
9 CONGRESSMAN SHUSTER: Thank you very much, Madame
10 Chairman.
11 We appreciate the opportunity to appear before you
12 today. With me are Mr. David Sciamanna from the Greater
13 Chambersburg Chamber of Commerce, Mr. John Redding, a former
14 Department of Defense employee, Mr. Bob Estep, a Letterkenny
15 union representative, and Mr. Dave Goodman, chief of the
16 Electronic Missile Shop.
17 Two of the fundamental principles that should be
18 the wave of the future for DOD to follow in accomplishing the
19 necessary downsizing of defense are interservicing, or
20 consolidation, and teaming public/private partnerships.
21 Letterkenny represents great success stories in
22 both interservicing and teaming. Despite the fact that

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1 everyone at Defense from the Secretaries of Defense to the
2 Chairman of the Joint Chiefs of Staff have talked about the
3 importance of interservicing, it never would have happened
4 because of interservice resistance, but for the BRAC
5 Commission in 1993 directing that it be done with the
6 missiles at Letterkenny.
7 And, astonishingly, forgetting Letterkenny for a
8 moment, there are no new interservicing initiatives for
9 depots in DOD's BRAC 1995 recommendations. There's clear
10 evidence to show that the interservicing of missiles at
11 Letterkenny is a great success story, thanks to BRAC's
12 directive and that interservicing of missiles at Letterkenny
13 should not only be continued but expanded and streamlined to
14 a one-stop shop.
15 And there is clear evidence to show that DOD's
16 recommendations to kill the interservicing of missiles at
17 Letterkenny is based on fundamentally flawed analysis.
18 Teaming is the second important wave of the future, and here,
19 too, the Letterkenny-United Defense teaming on the Paladin
20 program is a great success story and should be continued an
21 expanded.
22 First, the background on interservicing. In 1990,

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1 through a Department of Defense study, Letterkenny was
2 selected from 20 candidates as the site for tactical missile
3 consolidation. This plan effectively eliminated 12 sites. In
4 October of 1992 due to a separate non-BRAC action, an
5 injunction was filed to stop the consolidation by preventing
6 Anniston's missiles from consolidating at Letterkenny.
7 This was the first challenge to the tactical
8 missile consolidation. DOD overstated the threats to
9 consolidation from the Anniston injunction and questioned
10 numerous other movements into Letterkenny. This was our
11 second challenge. In 1993, the Department of Defense
12 completely reversed its 1990 position and recommended the
13 closure of Letterkenny, completely scrapping the
14 consolidation of tactical missiles. However, a good idea in
15 1990 still made sense in 1993, and in this current
16 downsizing, makes even more sense in 1995.
17 The 1993 Commission recommended the consolidation
18 of 21 tactical missile systems and the efficient elimination
19 of 12 duplicate sites. Letterkenny is the leader in
20 interservicing and while other installations talk about
21 successful interservicing, at less than 10 percent of their
22 work load, the Letterkenny consolidation will have the depots

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1 doing over 50 percent of its work on DOD systems.
2 Here you see an example of the 13 systems that
3 already have been transitioned and are being worked at
4 Letterkenny. Since 1993, the Army has spent $26 million in
5 BRAC funds implementing this decision. Expensive and
6 sensitive equipment has been relocated to Letterkenny to
7 support the consolidation. It's in place, it's up, and it's
8 working.
9 To support the consolidation and in anticipation of
10 systems to transition, Letterkenny has brought on the finest
11 DOD experts in tactical missile maintenance, experts that
12 moved from such far away places as Alabama and California.
13 And here are further examples of the state of the
14 art facilities modernized to support the new purple mission
15 at Letterkenny.
16 This next slide is a summary of the taxpayers'
17 commitment to the new purple mission at Letterkenny. The
18 projected return on their investment is an annual savings of
19 $29 million.
20 Once again, 13 of the 21 systems have already
21 transitioned into Letterkenny. Twenty-six million BRAC
22 dollars have been spent, $100 million worth of additional

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1 equipment has been transitioned into Letterkenny, 72 experts
2 have been hired, 3 construction projects have been completed.
3 Now, as our blown-up chart in front of you shows,
4 in fact, in February of this year, the Inspector General of
5 the Department of Defense conducted an audit that reported,
6 and I quote, "The transition of tactical missile maintenance
7 to Letterkenny and related military construction are
8 generally proceeding within budget and on schedule."
9 Concerns over eroding industrial base capabilities
10 combined with gross overcapacity in depots lead the
11 Department of Defense to support an innovative approach to
12 addressing both of these problems.
13 And this next slide, chart, that you're going to
14 put up shows that the teaming of public depots with private
15 defense contractors is viewed as a way to utilize excess
16 capacity, preserve the industrial base, and save taxpayers
17 millions of dollars through greater efficiency.
18 I said that DOD supported this idea that was born
19 in Pennsylvania, at Letterkenny, and the strength of our
20 partnership lead Congress to codify teaming arrangements.
21 Now, let me address how our partnership works. The
22 partnership, in the slide you see now before you, has

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Letterkenny completely refurbishing the chassis, new turrets are manufactured in nearby York, Pennsylvania, and sent to Letterkenny's United Defense plant.

United Defense stores the materials in their Letterkenny storage facility, and after rework, Letterkenny provides the chassis to United Defense. United Defense then integrates the chassis and turret, returning it to Letterkenny.

Letterkenny then performs tests and paints the vehicle, after which the Paladin returns to United Defense for the final check. The joint United Defense-Letterkenny team insures, through a series of tests and evaluations, that the new Paladin is delivered on time, below cost, and in as new condition.

This program is currently two months ahead of schedule. United Defense was so convinced that the partnership would work, that they invested over $3.4 million to join Letterkenny in this project. The efficiencies of co-location have generated taxpayer savings already of $61 million, $46 million will return to the Army budget by the program management, and $15 million have been saved by eliminating bureaucracy and waiving 27 Army and 3 DOD

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regulatory requirements.

Again, to summarize, $61 million already saved, $15 million anticipated in recurring annual savings. Based on the bang for the buck that the Army has already realized through this partnership, we anticipate the Army exercising options for additional Paladins, coupled with the anticipation of robust foreign military sales.

The Paladin line at Letterkenny has a life well beyond the six year review of the Commission. In your briefing book, we've included a letter from United Defense. observers of the BRAC process, we've been a bit astonished the number of communities stating that they are partnership ready and capable. We are the trailblazer in this effort and we know that it was not an overnight success. The wheel doesn't have to be recreated elsewhere, the people in experience for continued partnership, success, and expansion already are functioning at Letterkenny.

Now, all this success begs the question, why were we BRAC'd again in 1995? The answer lies in the Army process that grossly overemphasizes and distorts capacity while giving no credit for interservicing and penalizing -- actually penalizing -- institutions that are in transition

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from past BRAC actions.

In fact, had Letterkenny been reviewed under the Navy or the Air Force methodology, due to unique workload, Letterkenny would have been excluded from the BRAC consideration.

The Army still looked to four critical factors in 1995. However, 33 attributes were used to quantify these factors in 1993, but only 18 attributes were used in 1995. These manipulations, each one of them, drove Letterkenny to a lower score.

You are probably already familiar with the way of the four military value criteria used by the Army. Now, this pie graph illustrates that breakdown of the military value criteria.

I'd like to point out that Criteria 1 and Criteria 4 combined represent 65 percent of the Army's military value calculation. Capacity drives the value of both Criteria 1 and 4 and that capacity calculation is grossly distorted.

Under Criteria 1, we see the first problem is the emphasis the Army based on capacity. How can Letterkenny the most acreage and the second most facilities and have the lowest capacity. It doesn't make sense.

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The Army's calculation for capacity is driven by work positions. The other two variables in the equation are fixed. Now, how your square footage is broken into work positions completely drives a base's capacity.

What's a work position? Well, here's their definition for your review, "A work position is a space occupied by one worker to accomplish an assigned task on a full time basis. The work position may include more than one location if the worker moves to accomplish the assigned task."

Let me show you with this slide and two models, which I believe we are going to put up, how a textbook definition can distort the true picture. Large industrial work positions may occupy tremendous square footage, additionally, certain work positions may only be utilized at critical stages in the industrial process. These factors have a dramatic impact on capacity calculations.

The models which we're putting up here show the two installations depicted actually have equal areas, two models in front of you, there now, actually have equal areas to perform their assigned activities. But due to particular workload assigned, the depot that works on smaller work

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packages is credited with 84 work positions, the model on your left, while the depot that is working on track vehicles, the model on your right is credited with only 10 work positions. Under the distorted capacity calculations the Army used, that means that the model on your left gets 8.4 times the value that the model on your right gets.

Now, this anomaly has a tremendous impact on establishing the military value of a particular depot. This doesn't make sense. Incredibly, a depot's military value is based substantially on its assigned workload mix and not on the facilities available.

Again, capacity under the Army's procedure is driven by work positions, therefore, the entire capacity analysis is weapon systems unique.

Criteria 2 should look at land and facilities available to effectively meet any assigned mission. Again, how can Letterkenny have more land and the second highest amount of facilities and be ranked last in this category? This time the Army weighed age and permanent facilities as the basis for its ranking in this criteria.

With three of the four Army depots under discussion all being built during the same period and all having had

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extensive facility upgrades, how can the Army base 22.5 percent of its analysis on these factors.

And last, when the raw numbers for acres and facilities are considered, Letterkenny is first. However, the smallest credit at 12.5 percent of the analysis is given in this area. Letterkenny's clear capabilities in land and facilities needed to meet future mission are not given adequate weight to accurately influence Letterkenny's true military value.

Criteria 4 shows the second instance where an Army infatuation with distorted capacity drives a very questionable result. Rather than review the true cost to operate an installation, using costs divided by square footage or some other appropriate factor, such as workload, the Army chose work positions as the driver to calculate cost of operations.

Now, this Commission is privileged to have some of our nation's business leaders who will recognize that the appropriate way to calculate true costs is to divide the costs of your operation by the workload produced. The Army failed to use this common sense approach.

Commissioners present during the Dallas Regional

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1 Hearing were shown the bar graph on the left in front of you
2 coupled with the overemphasis and miscalculation of capacity.
3 Another critical factor which skewed Letterkenny's
4 profitability numbers was the transition period for the
5 implementation of BRAC 1993. The chart on the right shows
6 that during Letterkenny's period of uncertainty and
7 transition, starting in 1992, profits obviously fell.
8 To implement any new business, there will be a
9 period when your upfront costs exceed your return. But as a
10 business plan becomes fully operational, anticipated savings
11 and efficiencies will be realized. To take a snapshot at
12 Letterkenny during transition of the BRAC 1993
13 recommendations underlines all of the BRAC decisions.
14 Now, as this chart clearly demonstrates
15 Letterkenny's actual costs are not out of line with the other
16 depots in the Army. In fact, our actual cost to operate are
17 the second most of all the depots; however, as is clearly
18 shown, when rates are calculated with an unreasonable
19 emphasis on a distorted capacity figure, an accurate picture
20 of Letterkenny's true costs is not portrayed.
21 As you know, the Army process only focused on low-
22 rated installations for closure analysis. The Army moved

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1 before the analysis was run, and based on their contrived
2 criteria, Letterkenny and Red River would be their lowest
3 rated depots, and therefore closure candidates. The Army ran
4 COBRAs for only Letterkenny and Red River. All one-time
5 costs for the Letterkenny recommendation have not been
6 reported in DOD's submitted totals.
7 The actual one-time cost may be as high as $231
8 million, but as this chart shows, using a more conservative
9 figure, omitted costs were at least $187.9 million.
10 Additionally, the COBRA underestimated other significant
11 costs including those associated with transferring both
12 personnel and equipment.
13 As I mentioned, the COBRA did not analyze the costs
14 associated with the transfer of the tenants now at
15 Letterkenny. A verifiable cost figure to move tenants
16 exceeds $99 million. The true break-even point to achieve a
17 return on investment is over 100 years.
18 Again, let's revisit the proposal as submitted to
19 you by the Army and the Department of Defense. No where in
20 the proposal are significant tenants at Letterkenny accounted
21 for. We don't know where they're going to be sent and the
22 Army obviously doesn't know at what cost. None of those

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1 figures are included.
2 Now, this next complicated chart shows the present
3 proposal in contrast to the Commission's 1993 recommendation,
4 the one now before you. This is not a consolidation or a
5 streamlining of industrial operations, on the contrary,
6 inefficient separation of mutually supportable missions will
7 actually reduce efficiency, inflate costs, and increase the
8 time required to field critical mission systems.
9 Our proposal builds on the sound recommendation of
10 BRAC '93 and the creative partnering environment now already
11 present at Letterkenny. It makes sense to expand the
12 successful missile consolidation and save even greater
13 dollars by implementing a one-stop shop for all DOD tactical
14 missile systems.
15 (Applause.)
16 CONGRESSMAN SHUSTER: In addition, why would the
17 Commission put their faith in the partnering Johnny-come-
18 latelys who claim that they can develop partnerships in the
19 future when the partnership team and the experience are
20 already at Letterkenny and this is where partnering should be
21 expanded, where it is already succeeding.
22 (Applause.)

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1 CONGRESSMAN SHUSTER: When we talk one-stop shop
2 for all tactical missiles, what do we mean? It's important
3 to understand that for all efficiencies to be realized, all
4 components of missile maintenance should be consolidated in
5 one location from storage to certification to component
6 maintenance, de-mil, and all upground reconstitutions, and
7 Letterkenny is the only site in DOD which has the ability to
8 realize the efficiencies.
9 Now, despite the efficiencies realized by the BRAC
10 '93 consolidation, they're only partial, this chart shows
11 that the unconsolidated portion of tactical missile depot
12 operations is still somewhat disjointed and inefficient.
13 Unquestionably, further streamlining can achieve additional
14 savings.
15 Now, a picture is worth a thousand words, in this
16 case, less is more. A one-stop shop eliminates duplication,
17 inefficiency, and worthless expansion. I understand that
18 representations were recently made to this Commission that
19 Hill Air Force Base in Ogden, Utah, may be the most
20 appropriate place to consolidate DOD tactical missile
21 maintenance.
22 Now, they weren't selected by DOD in 1990. They

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1 weren't selected by the BRAC Commission in 1993, and once
2 again, the Hill consolidation was rejected just recently by
3 the joint cross service working group in 1995 as testified by
4 General Klugh before you on April 17th and all for good
5 reason.
6 As the blow-up on the big chart shows, Letterkenny
7 presently has the capability to work 15 interservice systems,
8 while Hill presently has the capability to work only two.
9 Any suggestion that the Air Force's capability to work on
10 ICBMs translates somehow to inefficient — to efficient
11 capabilities on tactical missile systems is simply
12 unsupported by the facts.
13 Now, the next chart there on the easel depicts a
14 side by side comparison, showing that in every critical area
15 Letterkenny is superior to Hill Air Force Base, whether it's
16 experience, present interservice work, capacity, storage or
17 dollars invested. Letterkenny is the only logical site for
18 the implementation of DOD tactical missile consolidation.
19 (Applause.)
20 CONGRESSMAN SHUSTER: Now, we understand that the
21 Hill Air Force Base community stated in its testimony that
22 Hill does 42 percent of the DOD guidance and control work.

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1 What was not stated is that that 42 percent represents only 6
2 percent of the total DOD tactical missile workload ordered to
3 be consolidated under BRAC '93.
4 Now, in this next slide, the color coding is what's
5 important. It shows that the Army tactical missile systems
6 per the 1993 missile consolidation, all the functions
7 depicted in blue would be performed at Letterkenny. Our
8 recommendation is to make a good idea even better. For all
9 the Army missile systems the functions depicted in purple on
10 the next slide could best be accomplished at Letterkenny and
11 should be consolidated. And, again, the color is what
12 counts.
13 Now, let's focus on the interservice workload.
14 Based on the Commission's recommendations in 1993, those
15 interservice depot functions colored in blue are in
16 transition to Letterkenny. A particular note are the two Air
17 Force systems, Sparrow and Sidewinder. For nearly 10 years,
18 Letterkenny has been the depot responsible for performing all
19 upground and storage on these systems. In addition, the 1993
20 BRAC Commission recommendation actually reversed an
21 inefficient practice of sending guidance and control rework
22 from Letterkenny to Hill.

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1 This optimizes the one-stop shop consolidation for
2 the U.S. Air Force Sparrow and Sidewinder missions. Now all
three functions are being consolidated at Letterkenny.
Again, the color code tells the story here. Our
5 recommendation to maximize the benefits of a one-stop shop
6 for tactical missiles is to make this entire chart purple,
7 consolidate all the tactical missile depot functions at
8 Letterkenny.
9 (Applause.)
10 CONGRESSMAN SHUSTER: Now, previous charts show our
11 vision upon the present inventory of tactical missiles can
12 and should be consolidated at Letterkenny. As this chart
13 showed, this area of weapon systems is sure to grow in the
14 near future. The highest efficiencies can be realized by
15 implementing the one-stop shop concept from the birth of a
16 system.
17 Redundant field storage certification and
18 maintenance capabilities never need to be created for these
19 new systems. All of these capabilities already are resident
20 at Letterkenny.
21 Turning again to our recommendation concerning
22 partners. Unlike what you were told in Dallas, this slide

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1 depicts a true representation of the whole family of heavy
2 Army vehicles worked at Letterkenny.
3 The skilled workforce and facilities needed to meet
4 emergent and surge requirements in track vehicles exists
5 already today at Letterkenny, and for much more than just
6 Paladin, as you can see from this slide.
7 In particular, the United Defense-Letterkenny
8 partnership stands ready to make a good program better. Due
9 to the OEM status of the United Defense on the family, the
10 whole family of Bradley fighting vehicles as well as the
11 strategic collocation of their headquarters in nearby York,
12 Pennsylvania, our team is poised to maintain an upgrade of
13 these track vehicles well into the next century.
14 As Commissioner Cornella heard during his visit,
15 that United Defense wants to consolidate their heavy
16 industrial operations in Pennsylvania. It's simple logic for
17 this Commission to take advantage of United Defense's
18 business plan and experience at Letterkenny and to bless an
19 expansion of this operation.
20 Ultimately, this Commission, of course, will
21 address the capacity of all depot operations. The Commission
22 will optimize the available facilities while most efficiently

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1 meeting the Army's ongoing and wartime requirements. It's
2 been said time and again that the optimal capacity
3 utilization for peacetime depot operations is roughly 90
4 percent. This modest 10 percent buffer allows for
5 flexibility in meeting emerging work or process modification.
6 The right mix for the Army requires the retention
7 of Letterkenny. The retention of Red River and Anniston
8 maintains too much excess capacity at a suboptimal, 80
9 percent capacity utilization as this chart shows. A loss of
10 both Red River and Letterkenny would leave Army depots in a
11 capacity shortfall situation and a critical shortfall in any
12 wartime scenario.
13 In a memo, Joe Reeder, then the undersecretary of
14 defense for logistics to General James Klugh, Secretary
15 Reeder clearly highlights the overcapacity issue that I just
16 discussed. He writes, I quote, "Closure of Red River alone
17 forces us to accept a substantial shortfall of combat vehicle
18 capacity against our full wartime requirement." In this
19 commodity area alone, additional closure of Letterkenny
20 compounds the core shortfall of commodity areas, possibly
21 requiring further expansion of Anniston's capabilities. It
22 also ranks our desired alignment with the commodity commands.

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1 I'd like to close this morning, ladies and
2 gentlemen, by quoting again from the undersecretary of the
3 Army Joe Reeder, he continues in his memo to General Klugh,
4 "Finally, closing Letterkenny would significantly complicate
5 ongoing consolidation of virtually all tactical missile
6 workloads directed by BRAC '93. As you know, this
7 consolidation was directed after DOD submitted its plan to
8 close Letterkenny. Apart from the missile consolidation,
9 arguments for closure today do not seem to be any more
10 compelling than those previously rejected, and in fact, DOD
11 would lose the synergy and efficiencies we hope to gain by
12 consolidating missile maintenance workload and missile
13 storage."
14 In fact ladies and gentlemen, we find it totally
15 astonishing that the services continue to drag their feet on
16 this issue, and that the Department of Defense has no new
17 initiatives for interservicing or consolidating of depots,
18 all at a time when our top military experts have openly
19 called for such consolidation.
20 Secretary of Defense Les Aspin, back in 1993, said,
21 I quote, "With respect to maintenance of depots, there was
22 not sufficient time for the Office of Secretary of Defense to

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1 review all potential interservicing possibilities. I suggest
2 that the Commission examine those possibilities."
3 The chairman of the Joint Chiefs of Staff then,
4 Colin Powell, said, "Unnecessary duplication exists
5 throughout the individual service depots, especially when
6 viewed across service boundaries." In addition, a depot
7 maintenance consolidation study found that the current depot
8 structure in DOD and the services has not resulted in
9 substantial interservicing.
10 Ladies and gentlemen, it's never going to result in
11 substantial interservicing because of service rivalries
12 unless this BRAC Commission acts as it did previously. Just
13 last month current Secretary of Defense William Perry
14 reiterated the same thing of increased jointness among the
15 services in a Washington Post article.
16 And last but perhaps most importantly the future of
17 interservicing is largely in your hands as a member of this
18 Commission, as a matter of fact, a former chairman of the
19 BRAC Commission stated, "There won't be any interservicing
20 unless BRAC directs it."
21 With these thoughts in mind, I would hope that you
22 would look very closely at the tremendous success story that

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1 is taking place at Letterkenny and reject the fundamentally
2 flawed military worth and cost analysis made by the Army, and
3 I ask that you continue to support interservicing and public-
4 private teaming that's being accomplished right now at
5 Letterkenny Army Depot.
6 Thank you.
7 (Applause.)
8 CHAIRWOMAN COX: Thank you very much, Congressman.
9 I have just one question, and you sort of covered it, but our
10 concern is, you know, in 1993, was to consolidate the missile
11 work and that's why we ended up at Letterkenny and I know
12 that the DOD understands that you can't do the disassembling
13 and storage at Tobyhanna and that's why the recommendation
14 this year -- and you did mention the Hill capabilities, but I
15 wonder if you know if Hill can do the disassembly and storage
16 at Hill?
17 CONGRESSMAN SHUSTER: I am told that they cannot.
18 I would call on Dave Goodman who is our missiles expert on
19 that.
20 MR. GOODMAN: I have to agree with Congressman
21 Shuster. It has been identified to us that they do not have
22 the capability to do the ground support equipment associated

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1 with our product line.
2 CHAIRWOMAN COX: I see.
3 CONGRESSMAN SHUSTER: I might also point out that,
4 of course, the Army has been very cooperative in moving.
5 Already 13 of the missile systems have moved in. The Navy
6 has been very cooperative. But some of the other services
7 really have been dragging their feet, and one of the reasons
8 all of the missiles aren't in yet, even though they were on
9 schedule as the audit says, it's really been -- it's been
10 like pulling teeth to get cooperation elsewhere.
11 CHAIRWOMAN COX: I see. Thank you very much.
12 CONGRESSMAN SHUSTER: Is that it? Thank you.
13 CHAIRWOMAN COX: Thank you.
14 (Applause.)
15 CHAIRWOMAN COX: Thank you very much. We are now
16 going to go into the public comment section. As I mentioned
17 earlier, there will be 30 minutes for both Maryland and
18 Pennsylvania public comment. There will be further
19 Pennsylvania public comment after this afternoon's session.
20 People who have -- who are interested in doing this
21 should have already signed up this morning, and I have a list
22 of those who are willing to do it. And what I'd like to do

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1 is have everyone -- all of the people who are going to be
2 doing the public comment come forward at this time. I'll
3 read off your names so that we can swear everyone in
4 together. I apologize if I massacre your name in reading it
5 off.
6 William Hughes from Maryland, Robert Boehman from
7 Maryland, Greg Delauter, Maryland, Delegate Ken Holt, Middle
8 River, Senator Ida Rueben from White Oak, Henry Grierson from
9 Annapolis, Patricia Field from Annapolis, and Karen Lewis
10 from Fort Meade. That should be the Maryland delegation for
11 the public comment.
12 And then from Pennsylvania, Stephen George, Lance
13 Shaeffer, Michael Morar, Jason Morar, Michael Robeson, David
14 Goodman, Jerry Wittenhouse, and John Brosky. It should give
15 me 16 people standing right up here at front. Can we come
16 right up so we make sure we have everyone?
17 I can identify the Letterkenny folks in any case.
18 One, two, three, four, five, six, seven. Pennsylvania?
19 Maryland. Okay.
20 (Witnesses Sworn.)
21 Thank you very much. And we will start with
22 William Hughes from Maryland. Mr. Hughes?

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1 MR. HUGHES: Yes. Good afternoon.
2 CHAIRWOMAN COX: Before we start -- please, I know
3 that people are leaving the room, but this is very important,
4 we want to hear from these folks. Please do it quickly and
5 quietly. Thank you, Mr. Hughes.
6 MR. HUGHES: Good afternoon. My name is Bill
7 Hughes. I'm the deputy director of the Defense Investigative
8 Service. I am hear to voice support for the realignment from
9 the Fort Hollabird complex to Fort Meade. We have 450
10 people, who I believe still very much believe in the American
11 work ethic. They're highly unique, highly specialized, and
12 we're the only ones in the entire United States Government
13 that performs the function in our like business.
14 The building we are housed in was built in 1954, it
15 was built as a counterintelligence school. In short, it's
16 shot, it's worn out. The infrastructure is caput. What we'd
17 like to do is that we believe this realignment to go to Fort
18 Meade and to a structure out there supports the edicts of the
19 BRAC Commission while it also does not destruct the readiness
20 and the wartime capabilities of the Defense Department.
21 It also has the support of the community. As best
22 I can determine, there has been absolutely no opposition by

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1 anyone to this initiative. We thank you very much for your
2 difficult task and for your efforts.
3 CHAIRWOMAN COX: Well, Mr. Hughes, thank you very
4 much. You're an unusual testimony.
5 MR. HUGHES: Yes, ma'am.
6 CHAIRWOMAN COX: Thank you. Mr. Boehman, am I
7 pronouncing that right?
8 MR. BOEHMAN: Good morning. You pronounced it
9 correctly.
10 CHAIRWOMAN COX: Good. Thank you.
11 MR. BOEHMAN: My name is Robert Boehman. I'm a
12 retired Army Lieutenant Colonel. I have served as the deputy
13 commander in and as the commander of the United States Army
14 Garrison at Fort Ritchie, Maryland, from July '90 to January
15 of '93.
16 Two specific issues, security and safety stand out
17 at Fort Ritchie at the Site R relationship. Site R, first,
18 security. Site R houses key Department of Defense
19 organizations during times of national crisis. The Fort
20 Ritchie military police company is a well-equipped, combat
21 capable unit whose mission is the armed security of Site R.
22 During the Gulf War, Site R was heavily guarded by

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1 the MP company ready to repulse or destroy any threat.
2 Security provided is not just gate or entrance security, the
3 military police company provided perimeter security, internal
4 security, security from the transmitter towers on top of Site
5 R, as well as the capability to stop aerial intrusion. And,
6 by the way, intruders would have been warmly but not
7 graciously received.
8 Second, safety considerations are the Fort Ritchie
9 fire department is specifically trained for fire and rescue
10 work in underground structures. They are very knowledgeable
11 of the Site R underground complex, and contracting this
12 service out equates to accepting a lesser safety standard.
13 Security and safety cannot be measured in dollars
14 but in terms of effectiveness and responsiveness. Either of
15 these services located outside of Fort Ritchie places Site R,
16 a vital defense contingency resource, at unacceptable risk.
17 Thank you.
18 CHAIRWOMAN COX: Thank you very much. Mr.
19 Delauter?
20 MR. DELAUTER: Yes. Hello. I'm Greg Delauter. I
21 speak to you today as a farm boy and a small business owner
22 and someone that really cares about the fate of this

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1 community. I own a convenience store in Cascade, Maryland, a
2 town without any formal local government. I am a
3 representative of a hundred family owned businesses that
4 would be devastated if this Commission endorses the closure
5 of Fort Ritchie.
6 My wife and I have built our business on hard work
7 and common sense. I ask you to give proper consideration to
8 an economic catastrophe that would be created in an
9 economically depressed area if you support the closure of
10 Fort Ritchie.
11 In closing, I speak to you as a taxpayer that wants
12 my money's worth. Are we meeting the taxpayers' needs by
13 closing Fort Ritchie, then trying to duplicate those same
14 services elsewhere. I do not see any real savings in closing
15 Fort Ritchie. Please listen to the facts and maybe even use
16 some good old farm boy common sense in your recommendation on
17 Fort Ritchie. Thank you.
18 CHAIRWOMAN COX: Thank you very much. Delegate Ken
19 Holt, welcome.
20 DELEGATE HOLT: Good afternoon, Madame Chair and
21 members of the Commission. My name is Ken Holt. I'm a
22 member of the Maryland House of Delegates representing Middle

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1 River, Maryland, and the employees of the Army Publication
2 Distribution Center at Middle River.
3 This may be a small facility in terms of numbers,
it looms very large in the history of our nation's
tary and the future of our nation's security. Here in
ld War II, the parents and grandparents of these folks
built the B-26 bomber known as the Liberator of Europe. They
turned out a bomber almost in 24 hours every day.
9 For the next 50 years to this day, the employees of
10 this facility have been unrivaled in their efficient
11 commitment to the country, doing whatever the commander in
12 chief asked, doing it better than anyone else. What we have
13 at this little center is essentially the soul of America's
14 military reflected in human terms, not in smart bombs or in
15 electronic warfare.
16 We're talking about can-do hustle, devotion to duty
17 and success. They are the best DOD publications distribution
18 center in the nation. The presentation earlier this morning
19 showed this in numbers and Vice President Gore's Hammer Award
20 for efficiency in government confirms it.
21 Middle River was born out of military necessity.
22 Lockheed Martin-Marietta, the Maryland Air National Guard,

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1 the Air Force and Army publication distribution center
2 operates side by side there and they should remain side by
3 side. This is where the talent is.
4 I am confident that your careful examination will
5 determine that we can't do without our best people in our
6 best facility, and that all publication distribution work
7 should be consolidated in Middle River, Maryland, and St.
8 Louis, Missouri. There is no gray area, it makes the most
9 common and economic sense.
10 Thank you.
1 CHAIRWOMAN COX: Thank you very much, Delegate
. Senator Ida Rueben, welcome.
13 SENATOR RUEBEN: Thank you, Madame Chair and
14 members of the Commission. I appreciate the opportunity to
15 be able to speak on behalf of the White Oak-Hillandale
16 Community. I am Ida G. Rueben a state senator from that
17 area. I represent the local community in the state
18 legislature and I have lived in the neighborhood immediately
19 adjacent to the facilities for the past 33 years.
20 I am also a member of the Montgomery County NAVSEA
21 task force. Since the BRAC '93 decisions to move NAVSEA to
22 White Oak, the community has worked very hard to put out the

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1 welcome mat. The Government in Montgomery County had been
2 concerned about making the pending NAVSEA move a smooth one.
3 They appointed a task force to facilitate the transition and
4 work with the local community. The task force has been
5 meeting and working for over a year to be sure that all areas
6 of need for the NAVSEA move were addressed.
7 The local community has been extremely enthusiastic
8 in support of the move of NAVSEA to White Oak. For example,
9 a member of the task force who lives in the community, Betsy
10 Bretz, and the members of the Hillandale Citizens Association
11 have worked with NAVSEA since 1993. They have collected
12 information for NAVSEA on schools, babysitters and spousal
13 employment opportunities and have met with NAVSEA
14 representatives on numerous occasions, including one with
15 you, Madame Chairman.
16 They have conducted an open house for the community
17 to review NAVSEA construction plans and have invited NAVSEA
18 employees to join in neighborhood social functions. Ms.
19 tz lead the community in collecting petitions in support
AVSEA from the local citizens and approximately 2,000
atures have been collected over the past from Silver
22 pring residents expressing their wholehearted support for

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1 having NAVSEA move to White Oak.
2 We have the petitions and we will present them to
3 you. The Navy at White Oak has always been a good neighbor
4 and we've been proud to have them. You can tell from my
5 comments that the neighborhood is --
6 CHAIRWOMAN COX: I'm sorry, Senator. We will have
7 to end, but we would love to have any more of your thoughts
8 in writing and I thank you for your hospitality when I was
9 there.
10 Mr. Grierson?
11 MR. GRIERSON: Good afternoon. My name is Henry
12 Grierson. I'm the first vice president of our union, the
13 National Federation of Federal Employees. I represent 92
14 blue collar support personnel mostly in direct support of the
15 machinery R & D record. I would like to talk about excess
16 capacity related to man years.
17 This directly concerns me because of the shop
18 support numbers. Over 45,000 hours of overtime were worked
19 in Fiscal Year 94 by the shop support personnel of the
20 Carderock Division.
21 Of this number, about 30,000 hours were worked at the
22 Annapolis site, mostly in direct support of sponsor funded

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1 projects.
2 The reason for this high number is simple. In 1991
3 there were 168 shop support personnel in Annapolis compared
4 with 92 today, a reduction of 45 percent. Our workload has
5 increased yearly and is projected to increase through the
6 turn of the century. This work, by the way, cannot be done
7 cost efficiently by outsourcing. By adding a lower number of
8 employees to the increased workload and throwing in a hiring
9 freeze, we're approximately 15 man years understaffed.
10 If not for some excess employees from Philadelphia
11 being detailed to the Annapolis site to perform the facility
12 with maintenance and general support, the 15 man years would
13 be greater. The result, no or negative excess capacity at
14 Annapolis.
15 In closing I would like to call your attention to a
16 letter sent to Chairman Dixon by the Philadelphia
17 Congressional delegation dated April 5, 1994. Part of this
18 letter addressed the overhead costs. Currently, overhead
19 costs in Annapolis per person are slightly higher because
20 Annapolis is the host activity.
21 I suggest to you that when the shipyard closes in
22 the Fall of 1995 when NAVSES Philadelphia loses its tenant

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1 activity status and becomes host, their overhead costs would
2 be significantly higher than that of Annapolis.
3 We at Annapolis take pride in our work and the fact
4 that the revenues generated in our lab makes us self-
5 supported. Thank you very much for your time.
6 CHAIRWOMAN COX: Thank you very much, Mr. Grierson.
7 Ms. Fields?
8 MS. FIELDS: Yes. My name is Patricia Fields and I
9 am recent retiree from Annapolis Laboratory. I was employed
10 there as a physicist managing R & D programs approximately 30
11 years, and what I have to tell you today is that Annapolis is
12 not just a job, it's a way of life.
13 I came there 30 years ago. I raised my family
14 there. I fit in. You have an identity there and an
15 atmosphere of the community in the lab. In fact, one of my
16 sons is now an electrical engineer at the lab. I'm very
17 proud of him, of course.
18 But one of the things that I want to emphasize here
19 is that what this continuity brings to the Annapolis site is
20 the effectiveness of our job, the fact that we have the
21 publications. We have the inventions. We have the
22 expertise, because people come, people stay and spend their

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1 entire careers there, because of the atmosphere that's been
2 created there.
3 This, of course, has been over -- you know, the
4 place has been there 90 years. I haven't been there the
5 whole 90 years, just 30. But what I would like to emphasize
6 to the Commission is that we can move machinery and we can
7 move billets, okay, you cannot move identity, you can't move
8 atmosphere, you can't move a way of life, and this is what I
9 think is threatened. Thank you.
10 CHAIRWOMAN COX: Thank you very much, Ms. Fields.
11 Ms. Lewis, Karen?
12 MS. LEWIS: My name is Karen Lewis. My family has
13 been living at Fort Meade for the past 12 years. The Army
14 has stabilized our family there because we have a chronically
15 ill child. Her needs are very severe, but her most severe
16 needs are respiratory. She breathes through a tracheostomy,
17 has asthma, has frequent bouts of pneumonia.
18 Now, when Elizabeth needs care, we need to use the
19 emergency room at Kimbrough Army Hospital. Walter Reed and
20 Bethesda are about 45 minutes from us during good travel
21 time. Our nearest civilian facility is about 20 minutes
22 during good travel time. In order to use the civilian

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1 community hospital, we would also be required to use CHAMPUS.
2 This is an expensive cost to CHAMPUS among other
3 things, plus, CHAMPUS does not totally cover the emergency
4 room situation for us. Therefore, it adds an additional
5 financial burden to our family along with the burden of her
6 illness.
7 Now, as a citizen, I understand the need that we
8 need to cut back for the Government. I also as a military
9 spouse I understand that we will probably be losing some of
10 our benefits over the next few years as the military
11 completes its drawdowns. But I'm here today as a mom, and as
12 a mom, I urge you to remember that saving lives, especially
13 my daughter's life, to me, is much more important than saving
14 money.
15 Once again while you reconsider everything that you
16 have to do, please remember that Fort Meade has a high
17 percentage of children and adults who are special needs, and
18 we have the highest percentage of those in the military.
19 We need a Fort Meade community hospital. We need
20 Kimbrough. We need the emergency room. We need to maintain
21 it as it is. Please don't discount our children. Thank
22 you.

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1 CHAIRWOMAN COX: Thank you very much. Mr. George?
2 MR. GEORGE: My name is Steve George. I am the
3 former director of aviation for Pittsburgh International
4 Airport. Shortly, you will hear a very impressive
5 presentation by the 911th Air Lift Wing, which is located at
6 Pittsburgh International Airport, and therefore benefits from
7 the phenomenal resources this airport offers.
8 This is no ordinary airport. Please make note of
9 the fact that Pittsburgh International is the largest land
10 mass airport in the Mid-Atlantic and Northeastern United
11 States with over 12,000 acres, larger than JFK, Newark, La
12 Guardia, Boston Logan, and Washington National combined.
13 Also focus on the runway system that few airports
14 in the country can match. The 911th can utilize anyone of
15 four major runways ranging in length from 8100 feet to
16 11,500, the later in fact, is a designated emergency landing
17 strip for the space shuttle.
18 By 1998 we shall have a fifth runway in operation,
19 which will give the airport simultaneous triple arrival and
20 departure capability. Only Denver and DFW can do that, one
21 runway airports can't. After the year 2000, a sixth runway
22 can be built when necessary without the need to purchase a

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1 single additional acre of land.
2 Time will not permit me to enumerate the many
3 additional benefits that the 911th enjoys at Pittsburgh
4 International at virtually little or no cost. I underscored
5 the runway system because it exists today. It would cost the
6 Federal Government hundreds of millions of dollars to
7 duplicate such a resource elsewhere. Why would the
8 Government want to close down the 911th and lose this
9 capability. It just doesn't make any sense.
10 The most cost-effective way is for the 911th Air
11 Lift Wing to continue its operation at Pittsburgh
12 International Airport and thus provide the Air Force and our
13 country unmatched and unsurpassed capability in carrying out
14 its mission. Thank you.
15 CHAIRWOMAN COX: Thank you very much. Mr.
16 Shaeffer?
17 MR. SHAEFFER: Good afternoon, members of the
18 Commission, Madame Chair. I am Lance Shaeffer, executive
19 director of the Greater Pittsburgh Chamber of Commerce, which
20 is the regional or metro chamber in greater Pittsburgh, and
21 I'm here to speak on behalf of the 911th Air Lift Wing.
22 We know that the nation's debt is in trouble. Your

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1 work on the BRAC Commission is very, very important to
2 reducing the nation's debt and our nation's defense expense
3 and it can be a serious enemy as any we might face, and your
4 work is a very important part of that effort. But another
5 vital part of what you're doing is to make sure that the
6 closures and realignments truly save our country money while
7 not jeopardizing the present and future military capabilities
8 I join every business person here and in the
9 country supporting our country's need to balance our budget,
10 but the important operative word is balance. Will closing
11 the 911th improve our military readiness and save our country
12 money? You'll see a little later in our presentation that it
13 will not.
14 To take a military operation worth hundreds of
15 millions of dollars, strategically placed in the midst of the
16 largest most modern airport in the eastern United States,
17 designated by BRAC's own analysis as one of the two top C-130
18 installations in Criteria 1, and to disperse this elite unit
19 to other lesser facilities makes no sense.
20 We believe that the case of the 911th Air Lift Wing
21 will speak for itself in our presentation later. The facts
22 will show you that keeping the 911th operation saves our

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1 country money, improves our military capabilities now and in
2 the future. We ask that you will seriously consider our
3 recommendation and our response that the data and the
4 conclusions are flawed. We think the evidence will present
5 our conclusions the 911th Air Lift Wing should be kept open.
6 Thank you.
7 CHAIRWOMAN COX: Thank you. Michael Morar?
8 MR. MICHAEL MORAR: Yes.
9 CHAIRWOMAN COX: Are you related to Jason?
10 MR. MICHAEL MORAR: Good afternoon, Commissioners.
11 My name is Michael Morar. I am a missile systems technician
12 at Letterkenny Army Depot. As a factory trained technician
13 at NAS in Alameda, California, we and others were tasked to
14 train Letterkenny personnel for six months total on Sparrow
15 and the Phoenix test systems due to BRAC '93 decisions.
16 This just gets the technician barely familiar with
17 the missile and equipment. Many of us were offered positions
18 at Letterkenny to help get the Navy's expensive sensitive
19 equipment back on line to produce missiles after the move to
20 Letterkenny, but only a few experienced experts went.
21 With great difficulty, my family and I chose to
22 transition with the tactical missile workload. With that

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1 decision came separation from family and friends to come to a
2 strange land. After working at Letterkenny for a few months,
3 [illegible] of us found that some equipment was broken or lost in
4 [illegible]sit from California.
5 It took several months to get these test systems
6 operational again. With BRAC '95 hanging over us, if all
7 this equipment were to be moved again, more equipment would
8 get broken or lost, but more importantly, even more of the
9 expertise would be lost, because not everyone would be
10 willing to move again.
11 As a taxpayer I am concerned about using BRAC '95
12 funds to tear down, ship, and get tactical missiles systems
13 operational again somewhere else. Thank you for allowing me
14 to speak.
15 CHAIRWOMAN COX: Thank you very much. And Mr.
16 Jason Morar?
17 MR. JASON MORAR: Good afternoon, Commissioners.
18 My name is Jason Morar. I am 15 years old and I am a student
19 at Krauss Junior High in Chambersburg. I represent all the
20 kids whose moms and dads work at Letterkenny. I asked my
21 classmates if they want me to say something today.
22 Basically, they all said, "I don't want to leave home." I

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1 myself as well as a few others already moved from NAS
2 Alameda, California, as a result of BRAC '93.
3 I miss home and I don't want to miss my second
4 home, Letterkenny, either. Opportunities to better ourselves
5 as students have and will pass us by as a result of being
6 relocated. For example, because of moving, I am repeating
7 the ninth grade for a second year. This happened because I
8 didn't have requirements I did not have, nor was needed,
9 living in California. I will have a dilemma in 23 years. My
10 [illegible]lemma is which high school reunion should I go to, where
11 [illegible] my friends, where is home?
12 If Letterkenny closes, Chambersburg's main industry
13 [illegible]l be gone and not only will Chambersburg take an economic
14 plunge now, but the future of Chambersburg will be no more.
15 The future for me and my fellow students. I do not want to
16 go through this emotional roller coaster again, nor do
17 anybody else. Thank you for allowing me to do my speech.
18 CHAIRWOMAN COX: Thank you very much, and you have
19 certainly admirably represented the other students.
20 Mr. Robeson?
21 MR. ROBESON: Yes. Good morning. My name is
22 Michael Robeson. I'm an instrument mechanic from Letterkenny

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1 Army Depot. I work with the Sidewinder missiles. My wife
2 along with my three children and I transitioned from Norfolk,
3 Virginia, recently. We sold our home, left our friends and
4 family there, and have since purchased a home in
5 Chambersburg.
6 The major reason we decided to relocate was the
7 BRAC '93 decision to consolidate tactical missiles at
8 Letterkenny Army Depot. We were lead to believe that this
9 was a good choice, and I believe it was the right choice.
10 If all of the missile systems are transitioned
11 again, the readiness of all the branches of military would be
12 jeopardized due to the down time moving these various systems
13 along with the irreplaceable expertise that is lost due to
14 transition after transition.
15 Letterkenny Army Depot is the only place a true
16 one-stop consolidation can occur. To stop the progress that
17 is made
18 would be a terrible mistake. Thank you.
1 CHAIRWOMAN COX: Thank you very much. Mr. Goodman?
[illegible] MR. GOODMAN: Commissioner Cox, distinguished
[illegible]missioners, my name is Dave Goodman. I am chief of the
22 Electronic Shops Division at Letterkenny Army Depot. In

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1 1990, I participated in a joint services study of tactical
2 missile maintenance for the Defense Depot Maintenance Council
3 which identified Letterkenny as the only site which provided
4 the necessary infrastructure to accommodate tactical missile
5 maintenance consolidation.
6 The merits of this study were recognized and
7 incorporated into the corporate business plan of 1991 and
8 consolidation planning was started. In BRAC '93, the
9 Commission validated the need for consolidation throughout
10 the services and gave renewed credibility to the ongoing
11 efforts at Letterkenny.
12 We have successfully transitioned 13 of 21
13 designated systems. This effort has been timely and within
14 budgetary guidelines. The current 1995 recommendation for
15 alignment will fragment true consolidation, increase costs,
16 delay the organic capability and substantially reduce the
17 readiness due to the loss of training of artisan personnel.
18 Letterkenny provides a unique opportunity to the
19 DOD community, one-stop shopping. It can store, repair,
20 overhaul, and test its current and future workloads
21 efficiently. The 1993 BRAC Commission recognized the merit
22 of consolidation well in the planning phase.

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1 I ask you, the commissioners of the 1995 BRAC
2 Commission, to sustain your vote of confidence in Letterkenny
3 as the plan has been executed on time and on cost. Insure
4 DOD readiness, vote yes to save Letterkenny Army Depot and
5 continue consolidation. Thank you for your consideration.
6 CHAIRWOMAN COX: Thank you, sir. Mr. Nittenhouse?
7 MR. NITTENHOUSE: Good afternoon, Madame Chairman.
8 CHAIRWOMAN COX: Good afternoon.
9 MR. NITTENHOUSE: I am the Paladin partnership
10 champion at Letterkenny, and I'm going to share with you
11 today a real success story about governmenting those reform
12 operations. Letterkenny and United Defense conceived the
13 Paladin-Howitzer enterprise to be collocated on the depot
14 back in 1991. It remains the only such situation within the
15 DOD even today. This pioneering of partnership has saved
16 many tens of millions of dollars through the waiver of
17 regulations and through the implementation of real
18 streamlining.
19 The Paladin program is currently two months ahead
20 of schedule, under budget, and all the vehicles have been
21 accepted unconditionally, that evidences the high quality.
22 In acquisition I would tell you that is world class

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1 performance. United Defense is the developer and producer of
2 all track compact vehicles within the DOD inventory with the
3 exception of the main battle tank.
4 United Defense is consolidating their California
5 production operations in south central Pennsylvania, that
6 includes their $3.4 million facility at Letterkenny. This
7 Commission has the unique opportunity to serve the best
8 interest of the soldiers, the taxpayers, and the industrial
9 base by consolidating all light and medium combat vehicle
10 workloads at Letterkenny -- that would be depot workloads,
11 excuse me -- building upon the established partnership with
12 United Defense.
13 The bottom line here, I think, is what I'd like to
14 get across is, ladies and gentlemen, the future is available
15 today at Letterkenny Army Depot. Thank you.
16 CHAIRWOMAN COX: Thank you, and our final witness
17 today, Mr. John Brosky.
18 MR. BROSKY: Madame Chairperson and honorable
19 commissioners, I am Judge John G. Brosky of the appellant
20 court of Pennsylvania. I am also a retired major general of
21 the Pennsylvania Air National Guard, and I am the chairman of
22 the Western Pennsylvania Coalition in the tri-state area to

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1 save the 911th Air Lift Wing and the Kelly Support Facility.
2 First as to the Kelly Support Facility, our
3 briefing this afternoon has been allocated ten minutes. It
4 appears to be minimum, but really, it's sufficient time to
5 show to you the shocking revelation that in the document
6 given to the Commission, there is nothing but error after
7 error after error and those are substantial.
8 Our actual figures and calculations will show that
9 at the end of 20 years if you accept the program given to
10 you, at the end of 20 years, the United States Government
11 will still be in the red by 14-plus million dollars. And
12 then there is another shocking revelation, on March 31st, the
13 Department of Army announced, they want to keep the Kelly
14 Support Facility and 85 percent of the complement of those
15 folks that are there. Now, that is an interesting
16 revelation, again, to 41,000 retirees from Western
17 Pennsylvania, West Virginia and Ohio who use that facility.
18 Honorable commissioners, if this case were in my
19 court, I would remand it right back to the parties and so I
20 respectfully request that you, honorable commissioners, send
21 it right back to the Department of the Army and let them
22 resolve the problem.

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1 Now, as to the 911th Air Lift Wing, you're going to
2 hear a lot about military -- is that my two minutes?
3 CHAIRWOMAN COX: I'm sorry. But we would love to
4 have your thoughts on it in writing, if we could.
5 MR. BROSKY: I will do that, but let me just close
6 by saying, for the courtesy extended me here, if any of you
7 should ever come into my court, I'll give you the same fine
8 reception and I'll give you a pass to get free you from any
9 jail in Pennsylvania.
10 (Laughter.)
11 CHAIRWOMAN COX: Thank you very much. I hope we
12 won't need it. This concludes the morning session of the
13 hearing today. We will begin promptly at 1:30 this
14 afternoon. Thank you.
15 (Whereupon, at 12:20 p.m., a luncheon recess was
16 held.)

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1 A F T E R N O O N S E S S I O N
2 CHAIRWOMAN COX: Good afternoon, ladies and
3 gentlemen, and welcome to the afternoon session of the
4 regional hearing of the Base Closure and Realignment
5 Commission. This afternoon we will hear presentation from
6 the state of Pennsylvania, which will last for 110 minutes; a
7 presentation from Virginia, which will last for 100 minutes;
8 and a presentation from North Carolina, which will last for
9 20 minutes.
10 As is the case with all of our regional hearings,
11 the Commission has given a block of time to each state, based
12 on the number of installations and the jobs lost. We have
13 left it to the elected officials in each of the communities
14 and the communities to decide how to fill that block of time.
15 After we finish with the North Carolina presentation, there
16 will be 30 additional minutes from this morning for public
17 comment from Virginia, North Carolina and Pennsylvania.
18 People who wish to speak at that time should have
19 already signed up now, out in the lobby, and are asked to
20 limit themselves to two minutes, which will be very strictly
21 enforced. We will be ready to begin the Pennsylvania
22 afternoon presentation as soon as I have sworn in the

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1 witnesses. And as you all know, this is required by statute,
2 so if you wouldn't mind raising your right hands.
3 (Witnesses sworn.)
4 CHAIRWOMAN COX: Thank you very much, we're ready
5 to begin. Congressman? Thank you.
6 MR. VEGOE: I'm Stephen Vegoe, President of the
7 Lebanon Valley Chamber of Commerce, and a member of our Fort
8 Indiantown Gap coalition. Before I introduce our three
9 speakers, let me briefly set the stage for you. Fort
10 Indiantown Gap has been a military training installation
11 since 1932. The Gap is located in the Blue Mountains of
12 Pennsylvania, 20 miles northeast of the capital of
13 Harrisburg.
14 It has served as mobilization and training site for
15 every war beginning with World War II, and is now primarily
16 training base for the Department of Defense. Of the 10 major
17 training areas in the United States, Fort Indiantown Gap is
18 the second most heavily used. In 1994, we supported 780,000
19 man days of training. The Gap is a no-frills, low-cost,
20 ideally-located and essential major training base. The Gap
21 is not redundant and not replaceable. It is, in fact, one of
22 the Department of Defense's well-kept secrets.

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1 The Gap is an ideally-located place to train
2 soldiers. As we will show you in the next few minutes, it is
3 extremely cost-effective. Now, let me introduce you to the
4 members of our delegation. First, Congressman George Gekas,
5 representing the 17th District of Pennsylvania. Congressman
6 Gekas will discuss the Army's recommendation and his
7 perspective on what the Army is needlessly giving up.
8 Next, Pennsylvania's new Adjunct General, Brigadier
9 General James MacVay will thoroughly review the military
10 value of Fort Indiantown Gap, and review how the Army's
11 analysis differs from what we believe is reality. GEN MacVay
12 will also discuss the Army's enclave theory and compare it,
13 as well, to reality. Next, I'm pleased to introduce
14 Congressman Jim Holden, from Pennsylvania's 6th District.
15 Congressman Holden will review how the Army's analysis is, in
16 fact, so seriously flawed that it no longer passes the common
17 sense test.
18 The Army claims, for instance, they can save twice
19 what it costs to operate the base. We doubt it, and think
20 you will as well. Finally, if we have any time left at the
21 end, I'll come back with a quick wrap-up and conclusion.
22 Now, Congressman George Gekas.

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1 CONGRESSMAN GEKAS: I thank you. Good afternoon to
2 the members of the Commission.
3 (Applause.)
4 CONGRESSMAN GEKAS: On behalf of Central
5 Pennsylvania, we greet you.
6 CHAIRWOMAN COX: Which seems to be here with you.
7 CONGRESSMAN GEKAS: All but three people from
8 Central Pennsylvania are here today. My initial task is to
9 review with you the value of Indiantown Gap as a training and
10 readiness center for the United States Army Reserves. And so
11 if you will follow along as we exhibit up here, that will be
12 the initial stage of our presentation. Pennsylvania has one
13 of the largest Guard and Army Reserve populations in the
14 nation.
15 For these dedicated men and women, proximity to
16 Fort Indiantown Gap is not just a convenience, but rather, a
17 necessity, if they are to remain in the Reserve. Within the
18 200-mile radius of the Gap, there are nearly 57,000 Reserve
19 component members. The Gap is the only training facility in
20 Pennsylvania for these units. The Gap's location and
21 accessibility make the base indispensable to the large
22 training population that does now rely on.

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1 The Gap has been compared, of course, with bases
2 throughout the nation. Unlike its active Army counterparts,
3 the Gap's reserve force structure is located in Pennsylvania,
4 cannot be moved. These forces must be supported from and
5 based near their homes. That goes without saying. The Gap
6 is one of the most cost-effective Department of Defense
7 installations in the nation. As the slide indicates,
8 accurate cost data shows that over 783,000 military training
9 days -- that's an astounding figure -- the Gap is the Army's
10 best bargain.
11 The Secretary's recommendation is to "close Fort
12 Indiantown Gap, except for minimal essential facilities as a
13 Reserve component enclave." That's perplexing. A careful
14 analysis of the facts demonstrates that Fort Indiantown Gap
15 cannot be placed within the context of this definition. The
16 essential units and training institutions would still be
17 stationed at the Gap after the active component garrison
18 leaves. The Army itself concluded that it would be cost-
19 prohibitive to relocate all the training facilities currently
20 managed at the Gap to other DOD installations.
21 Thus, even if the active component garrison leaves,
22 the overhead cost of running the post and its infrastructure

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1 would still be there. That's what's odd about the situation.
2 I repeat, the costs will still be there. This undermines the
3 Department of Defense, its main argument in this regard. A
4 National Guard Bureau team has recently studied the post and
5 concluded, first, Fort Indiantown Gap is the second most
6 heavily used major training center for Reserve components in
7 the United States.
8 Second, the entire post must be retained after your
9 work has been completed. Third, the essential infrastructure
10 and base operations functions of the post must be retained.
11 Even some barracks areas can be eliminated, no significant
12 savings would result. I'd like to repeat that -- no
13 significant savings would result. We believe that, and we
14 believe we'll be able to prove that to you.
15 In addition, the Army Reserve's BRAC '95 data call
16 stated, "closure of Fort Indiantown Gap will result in a
17 substantial increase in the cost incurred for Reserve units
18 to reach the training area at Fort Dix." And so there we
19 have it. We have shown in many different ways that Fort
20 Indiantown Gap is of high military value. One of the ways we
21 show it is to have you review the record of one of your
22 predecessor BRAC Commissions, which so found, four years ago.

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1 And followed up by which was additional funding,
2 additional investment in Fort Indiantown Gap, based on the
3 military value. Thanks very much for the brief time you've
4 given me.
5 (Applause.)
6 CHAIRWOMAN COX: Thank you very much, Congressman,
7 for your remarks. General.
8 BRIGADIER GENERAL MacVAY: I'm Brigadier General
9 MacVay, the acting adjunct general of the Commonwealth of
10 Pennsylvania. And our governor, Tom Ridge has asked me to
11 appear before you on behalf of the Commonwealth and on behalf
12 of the more than 30,000 Guardsmen and Reservists stationed in
13 our state for training at the Gap.
14 The Commonwealth vigorously opposes the
15 recommendations of the Secretary of Defense to close
16 Indiantown Gap because we regard its present operations as
17 essential to training and the readiness of these soldiers.
18 We are the nation's strategic insurance and must be
19 prepared to carry out that mission. The Secretary's military
20 attributes and selection criteria place the greatest value on
21 land, the number of acres. Clearly, if the land is not
22 accessible to the force structure to be supported, then it

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1 has no value. That is why comparison with distant places has
2 no relevance. To us, accessibility is the prime value. It
3 comes from the old adage that there are three things that
4 gives value to real estate -- location, location and
5 location.
6 The Gap is a very accessible base, located in the
7 center of a large DOD military population; easily reached on
8 an excellent interstate highway system; and the least travel
9 time and the least travel cost. To the Reserve components,
10 accessibility, suitability for mission and central training,
11 and affordability are what passes muster and gives the Gap
12 the highest military value of any Reserve component training
13 base in the United States.
14 The Gap is also a very suitable base. The training
15 which support structure conducts here is wide-ranging,
16 diverse, and mission essential. Fort Indiantown Gap has been
17 the key to the readiness of military units in the 13-state
18 area. At Fort Indiantown Gap, we can fire all of the weapons
19 of a mechanized infantry division. We have one of the three
20 tank table VIII ranges in the Northeast, upon which we can
21 qualify our tank and Bradley crews. We can fire 155
22 millimeter, self-propelled, provision artillery time-on

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1 target simultaneously.
2 We have an 11-mile training corridor on which an
3 entire dismounted brigade can maneuver. We conduct platoon
4 mechanized and armored drills. All of the training our
5 forces require can be conducted at Fort Indiantown Gap. The
6 28th Division converted from a walking infantry division to a
7 mechanized division, and is the readiest of the eight
8 divisions in the Guard, due to the suitability and
9 accessibility of the Gap.
10 We have the second largest Army aviation training
11 site in the nation, with six helicopter simulators. It is a
12 simulator complex for all Army aviation in the Northeast,
13 including component units, such as the 10th Mountain
14 Division. In addition, we have the largest National Guard
15 aviation support facility for aircraft maintenance. We have
16 710 contiguous square miles of uninhabited, state-owned
17 terrain, through which our helicopters can fly the contours
18 of the earth and at night, conducting essential night vision
19 flying.
20 This is a national asset for Army aviation, the Air
21 Force, as well as Navy and Marine Corps flying units. In
22 vital aviation -- this vital aviation training area was not

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1 considered in the past military value assessment. Our
2 bombing and strafing ridge can be restored. It is one of 15
3 in the nation, and is used day and night throughout the year,
4 with over 1,300 sorties annually. This range is in a
5 military operations area that covers most of the Eastern part
6 of the state, and is used on the National Guard and Reserve,
7 as well as the active Air Force, Navy and Marines.
8 Both the range and the military operations area are
9 national assets. The Gap is also the most affordable base to
10 the force structure. It is the most cost-effective of the
11 bases with which it was compared. It is a bare-bones, no-
12 frills, only essentials place. Situated in the center of the
13 state, it is the most affordable in travel time and dollars.
14 The garrison staff at minimal levels, it is the Army's best
15 bargain. The Gap is the second most heavily used major
16 trading area by the Reserve component in the nation.
17 Heavy use, I submit, is evidence of high value.
18 Unlike other Reserve component training bases, every day of
19 the year, we have almost 3,000 people on post, the equivalent
20 of a brigade, who are either working, stationed or training
21 here. There are several active component tenants, and many
22 Army Guard, Air Guard and Reserve units are stationed here as

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1 well.
2 There are several Reserve component institutions,
3 or schoolhouses, that operate at Fort Indiantown Gap --
4 probably more than on any other installation in our category.
5 This training is year-round, and all together, some 15,000
6 students are trained at the Gap school. Weekend and annual
7 training is conducted at the Gap all 12 months of the year.
8 Each Thursday, we see the arrival of our advanced detachments
9 of brigade-sized task forces, which come for weekend training
10 on Friday.
11 On some weekends, as high as 9,000 soldiers are
12 here. Our annual weekend usage is 288,000 military training
13 days. 32,000 soldiers also attend annual training here,
14 comprising 494,000 military training days. They are not just
15 from Pennsylvania. They come from 13 other states. This is
16 a map of the cantonment area of the Gap. What you see in
17 yellow indicates daily occupancy. These are the
18 headquarters, the administrative buildings, the maintenance
19 shops, warehouses, storage compounds, schoolhouses and units
20 stationed at the Gap.
21 All these activities and facilities will still
22 function, regardless of who operates the installation. The

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1 red area shows those areas being demolished, or those that
2 have been demolished. We are all over post-modern charity.
3 The infrastructure is under and on top of us, and thus the
4 cantonment area cannot be possibly be enclave. It just
5 doesn't make sense. That's why the National Guard Bureau, in
6 its study, has concluded that the entire post must be
7 retained.
8 The enclave idea is not only an impractical one,
9 but it's a bad idea. Conversion to an enclave will mean what
10 is stated on this slide. We emphasize three things -- first,
11 the cantonment area will be abandoned; second, irrespective
12 of whether all troops come for training go directly to and
13 will live in the field; and third, the proposed action will
14 have an adverse impact on morale, training and readiness.
15 The quality of life of our soldiers and airmen is a readiness
16 issue.
17 In fact, the Secretary of Defense has made it the
18 number-one priority. This proposal would take from the
19 soldiers all the quality of life facilities we have for them.
20 The soldiers work all week, and on Friday evening, travel an
21 hour or two to the Gap, arriving at 2100 to 2300 hours, and
22 must go directly to the field and remain there until loaded

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1 up for the truck drive home. I can tell you, the morale will
2 immediately be affected. Our reenlistment rate will go down,
3 and we will lose a lot of good soldiers.
4 We cannot treat soldiers and airmen this way.
5 Lacking a good night's rest will also increase risk and
6 safety concerns. I cannot see myself or any good commander
7 taking away what little quality of life we have for our
8 soldiers, and I tell you it will not be done. This simply
9 won't happen. If the infrastructure is not manned and
10 working to provide all the required supporting services, then
11 the training operations will noticeably suffer in the
12 quality, again adversely affecting readiness.
13 If the logistics operation, supply and maintenance
14 are disrupted, there will be reduced readiness and increased
15 repair times and delays in the delivery of supplies.
16 Taxpayers of the nation have made a large investment in the
17 organization, equipment and training of these forces to bring
18 them to high standards of readiness. Every aspect of
19 training and readiness will suffer under this proposal.
20 The Secretary's enclave recommendation to close the
21 Gap and all annual training, and would send 32,000 soldiers
22 who come there to far, distant posts for training. I will

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1 briefly critique each post to which the Army proposes to move
2 the Gap's annual training. Fort A.P. Hill, Virginia, is
3 totally unsuitable for mechanized or armored maneuver
4 training. It has no tank ranges, has poor artillery firing
5 force, and we only use it for the helicopter gunnery.
6 Fort Dix, New Jersey, is very limited in available
7 mechanized maneuver space, so that only one central battalion
8 can train there at a time. It is already heavily used, lacks
9 in tank qualification range. It is doubtful that any time
10 would be available during the few summer training months for
11 additional forces. I would also note the New Jersey Army
12 National Guard -- their brigade does not conduct its annual
13 training at Fort Dix, provides the training at Fort Drum, New
14 York.
15 Fort Pickett and Fort Drum offer the better
16 alternative sites for training. But obviously, they cannot
17 satisfy the requirements of the Gap's daily or weekend usage,
18 which I have outlined in some detail. As you know, Fort
19 Pickett is also on the closing list and could be unavailable,
20 or much less desirable than enclave. Fort Drum has a
21 capacity for annual training, and would be overtaxed with
22 additional troops if a war started.

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1 Budget constraints determine how much of the force
2 could travel to these distant posts. Our Guard trains a
3 significant part of its forces at the Gap because of lack of
4 travel funds, because the Gap is a better suitable -- it's
5 much more suitable for training requirements. The cost of
6 travel to move a 3,500-man brigade task force, with its
7 vehicles and equipment from Pennsylvania to Fort Drum, Fort
8 A.P. Hill or Fort Pickett is five times or more the cost to
9 move the Fort Indiantown Gap.
10 Sometimes brigades will have to make a two-day
11 journey, which reduces a 15-day training time by four days,
12 or 26 percent, and which further increases our cost. If we
13 must move the entire force out of state, it could cost an
14 additional $2 million to $4 million more at a time when
15 travel budgets are being cut.
16 The training load model used by the Army in its
17 analysis considered only through-put and not the additional
18 cost of traveling elsewhere. I would point out that this is
19 the only military training installation in the nation that is
20 owned by the state and leased to the federal government.
21 Clearly, you cannot establish a federal enclave
22 without the consent of the state. The unique relationship

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1 was not considered by the Army's analysts, nor were the
2 exceptional costs that could flow from taking it into
3 account.
4 This lease places a burden on the federal
5 government to restore the lands to a safe condition and to
6 comply with various statutes and regulations. If the lease
7 is terminated, the state may not wish to assume regional
8 liability or responsibility for the base unless and until the
9 lands are restored and the outstanding legal issue is
10 resolved.
11 The lease could significantly alter the timetable
12 for completing the proposed action. The post must be
13 operated to satisfy the daily, weekend operational and
14 training requirements of the force. Therefore, there is no
15 sensible why annual training should not continue to be
16 conducted at the Gap. To operate enclave, with all the
17 turbulence and degradation it would cause, and then pay to
18 move all of the force out of state for annual training makes
19 no sense.
20 It is far more expensive, much less effective and
21 is unaffordable. If the Commission determines to adopt the
22 Secretary's recommendation, I tell you, this is what will

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1 happen. There will be a very reduced and less certain
2 federal income stream. The workforce will be dismissed, and
3 hired to replace it. There will be a rapid deterioration
4 ll facilities. There will be a lack of funds for capital
5 rovement. There will be a degradation in necessary
6 aintenance and training support. And all of this will have
7 an immediate and adverse impact on soldier morale and
8 readiness.
9 This is why we strongly urge you to continue the
10 operations of this small but superb post as it is. The
11 recommendation before the Commission does not pass the common
12 sense test. We've had a very successful partnership with the
13 Gap, active Guard, and Reserve for 50 years. We have
14 customers -- the Guard, the Reserve and all who train at the
15 Gap have received quality service from a quality workforce.
16 This base must come off the list, Madame Chairman.
17 The successful partnership must remain in place,
18 continuous for our troops and keep us a trained and ready
19 force. Thank you very much. (Applause.)
20 CHAIRWOMAN COX: Thank you. Congressman Holden.
21 CONGRESSMAN HOLDEN: Good afternoon, Commissioners.
22 I appreciate the opportunity to present testimony today,

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1 because many of the employees at the Gap are my friends and
2 neighbors. I would like to continue our discussion by
3 turning to the financial side of the closing. The Army, in
4 its program analysis, claimed that it would save $23.8
5 million a year by closing and enclaving the Fort, despite the
6 fact that the Fort only has an annual budget of $13.5
7 million.
8 This may have misled the decision-makers in
9 proposing this closing action. We challenged this figure,
10 ave them our review and as a result, the Army base study
11 ducted a sensitivity analysis. That analysis projected an
12 .2 million annual savings out of the installation's $13.5
13 illion budget. We believe this analysis is also seriously
14 flawed, and we hope that claim will not mislead this
15 commission.
16 Specifically, the scenario fails to provide for the
17 cost of the post infrastructure, the necessity of which has
18 been presented to you. It also failed to consider the
19 substantial cost of travel, which the proposal requires.
20 Fort Indiantown Gap is the home of many facilities,
21 activities, Reserve units and other users. These activities
22 would not leave. The Army has said these activities must

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1 remain, and has recommended they be enclaved.
2 As you have heard, the facilities are spread
3 throughout the post. The Army has also stated that the
4 training areas and ranges are still needed for the large
5 population of Reserve component use. The National Guard
6 Bureau has recommended that the entire installation be
7 retained. The natural question that follows is, what would
8 be the result of pulling out the Army garrison, as the
9 Secretary proposes?
10 Fort Indiantown Gap could be compared to a large
11 office building. All the users of the installation are the
12 renters in the building, while the regular Army is the
13 management. The Army, by recommending this closure, has said
14 the occupants will stay, but the management and staff who run
15 the building will be dismissed. Imagine that you were an
16 occupant in the building and went to work to find the water,
17 electricity and sewer turned off, and all other essential
18 services discontinued.
19 What would you do? Naturally, you would relocate.
20 the Army has said no, it will cost too much for you to
21 ve. The Army has estimated that moving these functions to
22 another installation will cost in excess of $300 million.

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1 Now, let us return to the $11 million in annual savings the
2 Army has claimed it will achieve by closing the post
3 infrastructure and dismissing the employees. Will there
4 really be a savings? Someone would need to take over the
5 infrastructure.
6 The new infrastructure would, again, be federally
7 funded. The Army has said the responsibility to support the
8 many facilities on the installation which, although Reserve
9 components, are federal missions. Therefore, it is not
10 practical to expect any savings. You can't save money simply
11 by saying you're going to stop paying the bills. The Army is
12 simply shifting the bill from the regular Army to the Reserve
13 component. This is not surprising, however, based on the
14 guidance the Army base study was given.
15 The Army instructed its analysis to "minimize the
16 number of major training areas focused primarily on Reserve
17 component training support." And in its directions to its
18 analysis, it further stated, "considerable overhaul of DOD
19 savings could be realized by maximizing the use of Reserve
20 component enclaves. The reality of the situation shows that
21 the Secretary's enclave proposal is operationally not
22 practical, and that the client savings cannot be realized.

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1 In light of these facts, I would ask you to
2 consider the logic behind disrupting an efficient and cost-
3 effective workforce, who selflessly serve their nation --
4 some for their entire working life -- for the sake of a paper
5 savings that will never materialize. What is the point of
6 spending millions of dollars to dismiss these employees, only
7 to hire replacements?
8 The turbulence and inefficiency that would
9 inevitably result from change in the present garrison
10 operations would undoubtedly impact on the readiness of the
11 thousands of soldiers who train at the Gap throughout the
12 year. I would further ask you to specifically request that
13 the GAO look at Fort Indiantown Gap analysis. Thank you very
14 much. (Applause.)
15 CHAIRWOMAN COX: Thank you very much.
16 MR. VEGOE: In the very short time remaining, let
17 me put what we have told you in perspective. The Army has
18 recommended closing Fort Indiantown Gap. However, as we made
19 clear this afternoon, the Gap is not redundant, and certainly
20 not replaceable. Its military value is far too high. As
21 part of the Army's close recommendation, we all know the Gap
22 will continue to operate as a major training base because of

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1 its location in the Northeast and its proximity to 57,000
2 Reserve component soldiers.
3 Those soldiers simply must be trained, and they
4 must train and the best and most cost-effective training base
5 available at Fort Indiantown Gap. Also, it's clear that the
6 federal partnership that has existed at the Gap for more than
7 50 years, through a very favorable lease arrangement, is the
8 best option for the Department of Defense, the Army, and
9 their partners in the Reserve component. Clearly, if you
10 realign the base to another management structure, you give up
11 too much, and you spend too much money doing it.
12 The federal partnership in place today works; it is
13 not broken; it does not need to be fixed; it is a model of
14 training efficiency. On behalf of everyone in the Fort
15 Indiantown Gap coalition, please take Fort Indiantown Gap off
16 the list. (Applause.)
17 CHAIRWOMAN COX: Thank you very much. I believe
18 there are a few questions, if you all have a few more
19 minutes. Commissioner Robles.
20 COMMISSIONER ROBLES: Yes. I have a question. You
21 made a very good argument about Fort Indiantown Gap being a
22 good place to train. And in this day of downsizing, I assume

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1 that the Army's proposal was put forth to save the base
2 operations cost by moving that garrison out of there. And
3 you also stated that the National Guard Bureau thinks highly
4 of Fort Indiantown Gap. So my question to you is, have you
5 asked, either through the Adjunct General or through other
6 terms, whether the Guard would consider running it
7 themselves, funding it; and to get the required dollars to do
8 that, they would close some of those other alternative sites
9 you said aren't very good places to train?
10 That would seem like, to me, a proposal. You
11 wouldn't have to fire anybody. You would take AGRs and
12 Reservists to run it -- and there's a precedent for Reserve
13 running installations -- and let you continue operating
14 Indiantown Gap just the way it is.
15 BRIGADIER GENERAL MacVAY: Sir, let me answer the
16 first part of it by saying that Governor Ridge is looking at
17 that. We don't have any closure on what the backfill would
18 be, if any, at this point. But that is being studied. One
19 correction, if I may. I did not say that the other
20 installations were not good places to train. They were just
21 not suitable for those soldiers that have to train at Fort
22 Indiantown Gap, either due to the type of terrain that is

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1 there, or to the travel distance and cost to travel to get
2 there. Those installations are good training installations.
3 It's just that we can't get to them.
4 COMMISSIONER ROBLES: I understand that, because
5 geography and other things. But a couple of your
6 alternatives — and there's another list you could put up
7 there -- they're not optimal training installations. You
8 can't train heavy; you can't train light.
9 BRIGADIER GENERAL MacVAY: That's right.
10 COMMISSIONER ROBLES: Why can't we do a reverse
11 logic and move them to Fort Indiantown Gap, and have the
12 Guard Bureau look at that. And that would generate
13 sufficient savings to pay for the garrison. And then you all
14 could run the installation, and everybody would be happy.
15 BRIGADIER GENERAL MacVAY: I don't have an answer
16 to that particular proposal, but its certainly one that could
17 be looked at, I would imagine.
18 CONGRESSMAN GEKAS: One answer that I come up with
19 viscerally to that, Commissioner, is that in the BRAC
20 Commission that reviewed Indiantown Gap four years ago, it
21 was determined that the military value in place at that time,
22 which is still the case, was so valuable that it was taken

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1 off the list. And then, increased investment was made by the
2 very individuals who now say it should be placed on the list
3 again.
4 That, to me, is, like we were saying, an exercise
5 in futility. Here we substantiate the military value,
6 increase the investment, and now pub it back on the list.
7 That's crazy.
8 COMMISSIONER ROBLES: Well, Congressman, I
9 understand that, I just --
10 CONGRESSMAN GEKAS: What I'm saying -- that answers
11 your question completely, because it has already been
12 established and reestablished.
13 COMMISSIONER ROBLES: Well, I'll just say that four
14 years ago, I was still on active duty. And since 1991 to
15 now, the Army, I think, last time I remember at the back of
16 my head, as the budget director, lost about 40 percent of its
17 purchasing power. And so I think there's a completely
18 different environment today --
19 CONGRESSMAN GEKAS: But all the more reason,
20 Commissioner, if they lost that, then the military value for
21 a training facility becomes even more valuable. The more you
22 downsize the entire armed forces structure, the more

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1 important training becomes in a place where that training has
2 been historically valuable. That's what I'm saying. All you
3 have to do is conjure up the vision, the idea of the
4 mobilization that took place at Indiantown Gap for Desert
5 Storm, and then you know the immediacy that is provided by
6 Indiantown Gap.
7 COMMISSIONER ROBLES: I guess my final comment is,
8 I don't dispute that. I'll just say, I agree with you -- I
9 think it has great military value, from what you laid out.
10 But it's a matter of who pays for it. I'm just saying there
11 are other proposals. You could get the National Guard Bureau
12 to step up and pay for it and run it, and you would save the
13 military value of that installation.
14 CHAIRWOMAN COX: Thank you. Congress --
15 Commissioner Cornella.
16 COMMISSIONER CORNELLA: I've been promoted. I've
17 got a couple questions. I visited the fort, and the day I
18 was up there, I saw A-10s coming in and bombing and tanks
19 firing, and it was rather impressive. You said that there
20 are 15 other ranges that the A-10s -- you didn't say A-10s --
21 but evidently, that the A-10's could use. Where would other
22 locations be in that region, within the Northeast region?

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1 Are there quite a few in that area?
2 BRIGADIER GENERAL MacVAY: Some in New Jersey, sir,
3 Virginia, and out towards Indianapolis, are the three that
4 are nearby.
5 COMMISSIONER CORNELLA: Okay. Would they be at any
6 other Army forts?
7 BRIGADIER GENERAL MacVAY: I'm sure there are. I
8 could call on installations. I'm sure there are others in
9 the United States. I can't answer exactly where they are.
10 But I don't know -- one of the great advantages we have is,
11 we're tied into the military operations area that's already
12 been approved by the FAA.
13 And these pilots could do much more training than
14 just -- approach training, low altitude pop-up training, and
15 that sort of thing. So it's just a perfect combination for
16 us to use. And the computerized --
17 COMMISSIONER CORNELLA: You want tanks and A-10s to
18 train together. They normally work together on a
19 battlefield, right?
20 BRIGADIER GENERAL MacVAY: Yes, sir, they sure do.
21 COMMISSIONER CORNELLA: I know that at Fort Dix, I
22 don't believe that A-10s train with tanks at Fort Dix.

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1 BRIGADIER GENERAL MacVAY: I don't believe so, sir.
2 COMMISSIONER CORNELLA: I'm not here to talk about
3 Fort Dix. I'm here to talk about For Indiantown Gap, but I
4 want to understand that, because you brought it up. You said
5 that, if I remember, that you go up to a table VIII on tank
6 training.
7 BRIGADIER GENERAL MacVAY: That was tank primary
8 qualification training, yes sir. That's --
9 COMMISSIONER CORNELLA: Well, you know, and I
10 believe Fort Dix goes to a table VIX.
11 BRIGADIER GENERAL MacVAY: No, sir. They have a
12 table VIII course that is not two standard at this time.
13 There is not a two standard radius.
14 COMMISSIONER CORNELLA: Okay. There's a
15 qualification -- you said they have not tank qualification
16 range.
17 BRIGADIER GENERAL MacVAY: That's right.
18 COMMISSIONER CORNELLA: Does that play into the
19 table?
20 BRIGADIER GENERAL MacVAY: Yes, sir, it does.
21 COMMISSIONER CORNELLA: Okay, so explain that just
22 briefly for us.

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1 BRIGADIER GENERAL MacVAY: Sure. Table VIII
2 qualification course is one that has a standard set port,
3 [illegible]r -- specific target range, specific opening and firing
4 [illegible]. And there are a lot of ranges on a lot of
5 [illegible]allations that approach that sort of a thing that you can
6 train crews on, but you can't qualify them because they don't
7 meet the standard qualification requirement that Department
8 of the Army says our crews must have. That's a very rigidly
9 prescribed range.
10 COMMISSIONER CORNELLA: When you use that tank
11 range, do you have to shut down any other ranges?
12 BRIGADIER GENERAL MacVAY: No, sir. Right now, the
13 safety pen does not affect any other range. But you may have
14 displaced some indirect fire units, but it does not impact on
15 training installation at all.
16 COMMISSIONER CORNELLA: Okay, thank you.
17 CHAIRWOMAN COX: Thank you very much for your
18 presentation. (Applause.) We'll hear next from the
19 representatives of the Pittsburgh Air Reserve Station. We're
20 ready to begin, if you all are ready. Before we begin,
21 however, we are required by statute to put you all under
22 oath. So if you wouldn't mind raising your right hand.

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1 (Witnesses sworn.)
2 CHAIRWOMAN COX: Thank you very much. Congressman.
3 CONGRESSMAN MASCARA: Good. I would like to thank
4 my colleagues from the Pennsylvania congressional delegation.
5 CHAIRWOMAN COX: If we could please have as much
6 quiet as possible. I know people are moving around, but it's
7 very important that we hear. Thank you.
8 CONGRESSMAN MASCARA: Thank you. I would like to
9 thank my colleagues from the Pennsylvania congressional
10 [illegible]egation for allowing me to be here today, representing all
11 [illegible]outhwestern Pennsylvania, for our support of the 911th
12 [illegible]lift Wing. We have vital military reasons for the BRAC
13 Commission to reconsider the Department of Defense
14 recommendation to close the 911th Airlift Wing.
15 These reasons are based on hundreds of voluntary
16 man hours of research and analysis from the 911th Wing,
17 Carnegie Mellon University, Robert Morris College, and
18 Pittsburgh's major corporations. For this briefing, we are
19 not going to burden you with the economic hardship the
20 closing of this base will have upon the people of our
21 community. The analysis of financial data used to arrive at
22 the decision to close the base is simply incorrect.

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1 The 911th Wings base operating support is half as
2 much as briefed by the Air Force when making its closure
3 decision. Its actual predicted military construction is only
4 one-eighth that which was given to me in answer to may
5 questions to the Pentagon. The errors go on. This
6 installation has the assets necessary to expand its existing
7 facilities at no cost to the United States.
8 These expansion capabilities include additional
9 ramp space and acreage. The Air Force Reserve presently
10 enjoys military benefits and special facilities at the
11 Pittsburgh International Airport Air Reserve Station that do
12 not exist and cannot be duplicated elsewhere, without
13 enormous military construction costs. This duplication cost
14 was not considered during the Air Force analysis. Our
15 research clearly shows flaws, as Charles Holsworth, President
16 of Holsworth & Associates and President of the South Hills
17 Chamber of Commerce is now going to show you, that the
18 [illegible]iginal analysis has resulted in substantial deviation from
19 [illegible] DOD selection criteria and force structure plan.
20 [illegible] Our analysis further shows that the 911th Air Wing
21 [illegible] the finest Air Reserve facility in the command today. Mr.
22 Holsworth.

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1 MR. HOLSWORTH: Thank you, sir. Good afternoon,
2 Commissioners. I would first like to introduce you to
3 representatives and members of the Western Pennsylvania
4 Coalition who have accompanied me here today. Sitting to
5 Congressman Mascara's right is Judge John Brosky, Major
6 General, Pennsylvania Air National Guard, chairman of the
7 Western Pennsylvania Coalition. Next to him is Lance
8 Schaeffer. Steve George is an architect, former Director of
9 Aviation, Pittsburgh International Airport. Joe Knapick, at
10 the next table is a Westinghouse engineer, and certainly a
11 COBRA data analyst; Joe Poznick, another Western Pennsylvania
12 Coalition data analyst; and Bob Moseline on the end, a
13 Western Pennsylvania Coalition analyst.
14 If I may, my 25 years of experience in the Air
15 Force, from Vietnam to Haitian relief has enabled me to see
16 many facilities, land on many runways at a variety of
17 airports, military and civilian. I have seen good
18 facilities, I've seen bad facilities. And today, we're here
19 to tell you about a truly one-of-a-kind, remarkable facility.
20 The story in the numbers are, without a doubt, substantially
21 different from that given by the Department of Defense.
22 Located on the Pittsburgh, International Airport,

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1 the fourth largest land mass in the entire country, the 911th
2 Airlift Wing flies and maintains C-130 H aircraft. Its
3 mission is to provide Reserve forces ready to go at a
4 moment's notice, providing airlift and aeromedical evacuation
5 crews anywhere in the world. The 911th Airlift Wing employs
6 over 1,300 Reservists, with an additional 357 full-time
7 employees.
8 Almost all are from the local area. In fact, 80
9 percent of them live within a 50-mile radius of the base.
10 The major airline hub at Pittsburgh International Airport
11 makes it a valuable hub for experience, personnel and air
12 crew recruiting. Our people live here; we do not need to go
13 out and bring them in. The 911th is continuously manned at
14 over 100 percent. The Wing currently has eight aircraft
15 assigned 1987 models C-130 Hs.
16 Presently, there are two more being operated and
17 maintained by the 911th in a sort of temporary custody
18 arrangement, until the unit in Youngstown, Ohio, recruits
19 enough personnel and raise enough concrete as part of their
20 costly expansion program. Another aircraft is on station as
21 part of a several-year modification program, run by the
22 Lockheed Corporation, which is using one of our three hangers

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1 to work on all Air Force Reserve and Air National Guard
2 C-130s.
3 The Wing, at no cost, maintains two environmentally
4 approved drop zones within 25 miles of the airport, allowing
5 the air crews to perform combat training immediately after
6 take-off -- a benefit not found most other places, especially
7 at civilian airfields. The 911th communications facility is
8 one of the most advanced in the country. This $15.1 million
9 dollar investment is the only operational fiber optic network
10 in the Air Force Reserve.
11 The center serves more than 50 federal and
12 community facilities in the area, including 100 percent of
13 the Air National Guard requirements. There is no question
14 that this system improves the efficiency and readiness of the
15 911 and all its users. And yet, this center was completely
16 overlooked by the Air Force when it came to base closure
17 selection. If the 911th is closed, this communication system
18 is lost.
19 The Air National Guard and other agencies will have
20 to replace it with their own costly systems. The Pittsburgh
21 Guard unit also depends on us for credit union, BX,
22 gymnasium, club and building facilities. They have none --

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1 another factor completely overlooked when the Air Force said,
2 clean kill with no impact on the Pittsburgh International
3 Guard.
4 Just as you heard from Fort Indiantown Gap, this is
5 not cost avoidance, this isn't savings. This is merely
6 shifting the cost elsewhere in the government, and spending a
7 heck of a lot to do it. The state of the art de-icing
8 facility with all new environmental standards has just
9 recently been completed on the Air Force Reserve round. It
10 greatly extends the 911th's operational capability. It is
11 the only one available anywhere in the Air Force Reserve, and
12 one of only three in the entire active duty Air Force.
13 Eventually, every other base with any threat of
14 freezing will be forced to build one. I'd like to point out
15 another military value that cannot be overlooked, yet one not
16 even contemplated by the Air Force -- our close proximity to
17 the extensive Pittsburgh medical complexes. Our government
18 has established the NDMS at Pittsburgh, the fourth largest
19 such system in the entire country, and something not
20 available at many other locations.
21 The planned use of this system will bring airlift
22 medical evacuation of casualties to the 911th, where they

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1 will then be handled and processed by our own aeromedical
2 staging facility, and transported to the extensive civilian
3 care providers just minutes away. This system is practiced
4 regularly, and was fully operational, ready to go if needed,
5 during Desert Storm. It is here now, ready to go in any
6 emergency or disaster.
7 To remove the airlift wing would break this system
8 in half. And yet this disruption was not even considered by
9 the Air Force. Commissioners, the 911th Wing will set an
10 unprecedented standard of Reserve volunteerism. It is no
11 wonder the Air Force relies so heavily on the 911th to
12 fulfill its mission requirements. The 911th forces were
13 there in Desert Shield and Desert Storm, from deployment of
14 aircraft and volunteer crews a few days after Kuwait was
15 invaded, until the withdrawal of our aeromedical evacuation
16 crews and area port volunteers after actions were concluded.
17 The volunteer Reserve forces from Pittsburgh have
18 carried the lion's share of the Bosnia relief efforts, from
19 middle of the night air drops over the flashes of traces from
20 ground fire below, to repeated missions in and out of
21 Sarajevo Airport. A whopping 30 percent of the total airlift
22 effort and relief efforts of Hurricane Andrew were carried by

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1 the 911th Airlift Wing Reserve volunteers, responding to the
2 request for help; to say nothing of the 500-plus Reserve
3 volunteers assisting with the U.S. Air flight 427 disaster.
4 And this is only the beginning. Commissioners, the
5 figures show that the 911th has responded to higher
6 headquarters requests on a level unequaled by any other base.
7 Let's take a look at criteria one, two and three. Criteria
8 one, looking at the 911th Wing, speaks for itself. The
9 operational effectiveness of this unit, its missions, its
10 flying requirements, are already rated the best in the Air
11 Force Reserve.
12 Furthermore, the airfield characteristics and the
13 capabilities of the 911th Wing at this airport in Pittsburgh
14 are unmatched. The alleged limited expansion capability
15 attributed to this air base by the Air Force BRAC data is,
16 quite frankly, wrong. Its compact physical lay out is very
17 cost effective. Everything is within walking distance,
18 buildings well maintained. Right now, the 911th is located
19 on 115 acres of land, and can handle 13 aircraft without any
20 expansion necessary, and most importantly, at no cost.
21 In 1983, the Air Force Reserve began a master
22 planning process to ensure any required future expansion

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1 could be met at Pittsburgh. This plan, the 911th Base
2 Comprehensive Plan, was a result of that effort. A golden
3 opportunity to implement this plan was created with the
4 groundbreaking of the new midfield terminal. Up to 77 acres
5 could be readily available for expansion -- the red and the
6 blue areas on the slide, and I realize it's a little hard to
7 see.
8 30 acres of that total became available for use in
9 1992, the red area. Then was the opening of the new midfield
10 terminal at the new international airport. The 911th has
11 utilized this capability by agreement since then. In 1994,
12 Allegheny County culminated the 10-year planning effort by
13 offering to include these 30 acres in the existing $1-a year
14 lease. In addition to this rent space, the increase has
15 dramatically increased our present capacity to park 13
16 aircraft.
17 There are four different configurations of numbers
18 and types of present and future aircraft recommended in the
19 1988 plan for use of this additional rent space. From
20 increasing the number of C-130s to C-5s to C-17s, and even
21 nondevelopmental aircraft, like the 747. We now have the
22 additional acreage available, as contemplated in this plan,

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1 which makes Pittsburgh Air Reserve station expansion
2 capabilities nearly unlimited.
3 No military construction is needed to begin
4 consolidated operations. No new costs. Instead of closure,
5 common sense, let alone good business sense, which you heard
6 about earlier, would say that we should be adding to this
7 wing. Our access to those remarkable facilities at the
8 Pittsburgh International Airport is certainly unique. There
9 are four runways now, from 8,100 feet to 11,500 feet long.
10 The 911th uses these at absolutely no cost. A fifth runway
11 is going to be built in 1998.
12 Military operations would never cease here because
13 of something like a blown tire on a single runway operation
14 airport. And yet some single runway operation airports
15 support military Reserve forces. A foolish waste of
16 resources? I will let you decide. The 911th is capable of
17 handling any known aircraft on our existing ramp space, and
18 at almost any numbers with the additional ramp space offered.
19 And yet we are only one of two Air Force Reserve units
20 considered able to do so.
21 To reach this capacity elsewhere would cost
22 millions of dollars in just laying of concrete alone. This

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1 capability has been seriously misrepresented. No additional
2 work on the ramps, taxiways or runways is necessary to
3 accommodate any foreseeable aircraft in the future. Closing
4 of the 911th Airlift Wing will demand enormous investment of
5 Department of Defense time and especially money to match this
6 unit's existing capabilities elsewhere.
7 No potential receiving location can match the
8 911th's growth capabilities, but they sure can be costly in
9 trying. When the initial shock wore off, from being on the
10 recommended list, we began to look at DOD reasons and data.
11 It was pretty obvious to us that something was wrong. How
12 could this base ever be the most costly to operate, the way
13 the Air Force reports said we were? Those numbers made no
14 sense. We began to ask questions.
15 First, Air Force releases, as you see here, said
16 Pittsburgh had to go because it was the most costly C-130
17 installation based on base operating support costs. The Air
18 Force Reserve had to go to criteria four and five to make
19 closure decisions. It soon became evident that these figures
20 were totally in error and the BOS comparisons we made showed
21 the 911th Wing is actually the least expensive of all to
22 operate.

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1 Then, after our inquiry into this alarming inquiry,
2 the Air Force replied, and I quote, "its Pittsburgh Air
3 Reserve station operating costs are the greatest among Air
4 Reserve C-130 operations at civilian airfields." We
5 asked why, substantiate that assertion. On April 7th,
6 1995, the Air Force answer was, and I quote, "Pittsburgh Air
7 Reserve station Fiscal Year 94 OMM was $22.83 million, sixth
8 highest of units on civilian air fields." Commissioners,
9 there are only six C-130 units on civilian air fields.
10 In Western Pennsylvania, what that means to us is
11 that it's the cheapest to operate. The second response was,
12 and I quote, "the Pittsburgh Air Reserve station Fiscal Year
13 94 RPA was $8.67 million, highest of all." First of all,
14 this is a totally inappropriate number to be considered in
15 closure analysis anyway. Let's consider what Reserve
16 Personnel Appropriations Costs really mean, and why we are
17 the highest.
18 These are the costs for our people to do their job;
19 do their job above and beyond the required annual tour; above
20 and beyond their weekend drills. What this really means is
21 that the 911th assumed a larger percentage of the Air Force
22 mission than any other unit. How can anyone compare data

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1 like this and treat it as a negative impact? If the Air
2 Force wants to change it, it just has to stop calling
3 Pittsburgh for volunteers.
4 The third response was, and I quote, "Pittsburgh
5 projected MILCON, a cost avoidance if Pittsburgh is closed,
6 is $33.58 million, highest by $20 million of any unit." This
7 figure is not substantially, but grossly inaccurate. The
8 Pittsburgh Air Reserve station military construction from
9 Fiscal Year 95, even projected into the 21 century, is
10 tually only $4.414 million. When compared to the cost of
truction projected at the other Air Force Reserve C-130
s, the highest being Youngstown, Ohio, at $32.94 million,
13 911th figures are actually the lowest of all.
14 The base is in great condition. Required
15 construction projects are minimal. With the Air Force's own
16 numbers, Pittsburgh is firmly established as the least
17 expensive to maintain, not even to mention the highest
18 military value in the command. We have questioned COBRA data
19 all along. Studies of the COBRA data have indicated numerous
20 errors in the analysis that have seriously skewed the
21 results. Recent congressional inquiries in this regard have
22 brought Air Force admission that there were errors made in

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1 the COBRA, critical cost figures, such as those where
2 Minneapolis figures were applied to three other bases --
3 O'Hare, Pittsburgh, and Niagara.
4 Costs were seriously understated for some other
5 affected bases. The so-called level playing field was
6 anything but level. The Air Force has promised to supply us
7 data, updated COBRA runs for each base in the category. But
8 our COBRA experts have already performed corrected COBRA
9 analysis using cost data from Air Force source documents.
10 Serious error have been made, such as overstating the 911th's
11 communications cost element by 170 percent; base operating
12 support cost element by 118 percent; Youngstown nonpayroll
13 RPMA costs is at least 12 times greater than the figure used
14 in the Air Force Reserve level play scenario.
15 What kind of COBRA data is that? The Air Force
16 Reserve analysis also failed to consider the savings benefits
17 of MILCON cost avoidance. Pittsburgh has the lowest
18 projected MILCON budget over the COBRA analysis period. The
ngstown, Ohio, unit is the highest. And get this -- it's
percent that of Pittsburgh's. Our studies of COBRA and
supplied by the Air Force show serious miscalculations
22 that, when corrected, show Pittsburgh moving from second

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1 highest to the very lowest net savings resulting from
2 closure.
3 Corrected COBRA reveals that the country will save
4 between $6 and $60 million additional dollars by selecting
5 one of these other bases, other than Pittsburgh -- anything
6 above the red line on this graph, that appears in your book.
7 So the final cost picture is not at all like depicted on the
8 Air Force AFRES BRAC '95 analysis. Pittsburgh is clearly at
9 the top in military value, and, based upon the Air Force's
10 own revised data, the least expensive to operate. Pittsburgh
11 is not at all the logical closure candidate.
12 It just makes no sense. I began, and again,
13 emphasize those facts, the same way Congressman Mascara
14 began, and I would like to leave you with this. The grossly
15 inaccurate data that was used to arrive at a decision to
16 close Pittsburgh Air Reserve station is truly, grossly
17 inaccurate. The Pittsburgh Air Reserve station is a solid,
18 unique facility that cannot be duplicated without enormous
19 expenditures.
20 The minuscule cost of future expansion at this
21 airport is a once in a lifetime deal for the United States.
22 Thank you for your time and patience. Are there any

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1 questions?
2 CHAIRWOMAN COX: Commissioner Steele.
3 COMMISSIONER STEELE: I just have a quick question,
4 regarding the RPA. You said that Pittsburgh has gone above
5 and beyond. I wonder if you could address that. I even
6 heard something before, you were called to act in helping
7 with the U.S. Air crash and other things. If you could
8 address what's different.
9 MR. HOLSWORTH: I could keep naming everything
10 we've been involved in, but if you went through every action,
11 military action, the United States has taken -- any disaster,
12 just about any of them -- Pittsburgh's been there. And it's
13 our people volunteering, volunteering -- and I emphasize that
14 -- to go there on the call from higher headquarters. When
15 they call Pittsburgh for help, we go. And now they say, oh,
16 the money that we paid to Pittsburgh for our people to
17 volunteer to help out makes us the most expensive. That's
18 foolishness.
19 COMMISSIONER STEELE: Thanks for addressing that.
20 That's all, Madame Chairman.
21 CHAIRWOMAN COX: Commissioner Cornella.
22 COMMISSIONER CORNELLA: On the slide, it was a

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1 little bit hard to see the adjoining ramp space. Could you
2 point it out on the photograph, please? Where the --
3 MR. HOLSWORTH: The bottom photo right here, is the
4 Reserve base. The present configuration of the base comes
5 right down here. This is up in the very top corner, right
6 here, of the entire airport. This was the old terminal,
7 abandoned now for the last two years -- an excellent
8 opportunity for all this ramp space, which was part of this
9 plan that began in 1983. What has happened is, last year, as
10 we pointed out, and actually for the last two years, we've
11 been using this space up here where you see our aircraft
12 parked, and in fact, one of Youngstown's aircraft parked
13 there.
14 We've been using this to park airplanes for the
15 last couple years. By agreement, the county last year came
16 out with a formal document offering it, at no cost, to the
17 Air Force Reserve. Well, now we find out why it wasn't
18 formally accepted, because Pittsburgh was being considered
19 for closure. But what's happened is, furthering on the
20 master plan, this 30 acres here was extended over. And
21 you'll see in the plan that's in your books, as was indicated
22 on that one slide, that these are temporary ramps on this old

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1 terminal.
2 They're in the process of being torn down. All
3 this concrete apron, all of this, has been offered to us at
4 no cost by Allegheny County.
5 COMMISSIONER CORNELLA: Thank you.
6 CHAIRWOMAN COX: Thank you very much for that very
7 helpful and informative presentation. And we will be moving
8 on now to the Kelly Support Center, Pittsburgh. (Applause.)
9 Alright, I have listed Colonel Burns. Will anyone else be
10 testifying? Congressman Mascara will speak first, but he has
11 been sworn in, so we don't have to do that again. Colonel
12 Burns, you were sworn in, too. All right, well, we're
13 prepared to begin if you are. Congressman.
14 CONGRESSMAN MASCARA: Thank you, Commissioner. I'm
15 here to demonstrate to the Commission that Kelly Support
16 Facility's vital contribution --
17 CHAIRWOMAN COX: Excuse me, I'm sorry, Congressman.
18 Can we please have quiet? I know everybody's trying to move,
19 but we do want to hear. Thank you.
20 CONGRESSMAN MASCARA: Okay, thank you,
21 Commissioner. I'm here today to demonstrate to the
22 Commission that Kelly Support Facility's vital contribution

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1 to our nation's defense. We cannot overlook the fact that
2 Kelly Support Facility does have an extremely important role
3 in supporting our armed forces in this region. And that its
4 responsibility is growing as the force structure is changing.
5 The Kelly Support Facility's inclusion on the base
6 realignment and closure list is not in our nation's best
7 interest. Our conclusions are three-fold. First, the Kelly
8 Support Facility provides essential support to armed forces
9 whose readiness is vital to our national defense. The
10 facility does a major job, quietly, efficiently, at little
11 cost. This facility is a real bargain for the American
12 taxpayer.
13 Second, the data presented in the COBRA realignment
14 summary was incorrect. Corrected data will show a
15 significant reduction on the return on investment for the
16 proposed realignment. In fact, the return on investment is
17 more than offset by the degradation of support to the
18 military forces in this region. Third, force structure
19 decisions driven by changing roles and missions for our armed
20 forces have resulted in change to the command and control
21 organization of our Reserve component forces.
22 The 99th Army Reserve Command, the primary tenant

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1 at the Kelly Support Facility is being reorganized as a
2 Reserve support command with responsibility for maintaining
3 the readiness of nearly three times as many forces as they
4 have now. Is it prudent to jeopardize the support base for
5 these forces? Assuming the realignment is to proceed, the
6 Army has now proposed the disestablishment of the commissary
7 and PX on the base, which will affect our 40,000 retirees and
8 dependents.
9 This action is a total disregard for the servicemen
10 and women in metropolitan Pittsburgh area, which proudly has
11 a high per capita enlistment of our young adults in the
12 military. At this time, Colonel Rodney Burns will develop
13 the facts which support these conclusions. Colonel Burns
14 commanded the Kelly Support Facility from 1990 until his
15 retirement, and is exceptionally qualified to present the
16 facts. Colonel.
17 COLONEL BURNS: Thank you, Congressman,
18 Commissioners.
19 CHAIRWOMAN COX: Thank you, Colonel.
20 COLONEL BURNS: During the BRAC process, Charles E.
21 Kelly Support Facility was compared with Army commanding
22 control installations. Kelly Support Facility is not a

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1 commanding control facility. It is, as its name indicates, a
2 support facility. This is the mission of Kelly Support
3 Facility. The area supported includes Western Pennsylvania,
4 all of Ohio, and West Virginia. Information provided to your
5 commission indicated only Western Pennsylvania as the area
6 supported.
7 In addition, important tenants, the FAA, the AVES
8 and the GSA plebe maintenance facility were not included.
9 The latter is located on land designated in the proposed
10 realignment for disposal. These are the people who we
11 support. We support nearly three times more people than
12 information provided to your commission indicated. These are
13 some of the things that we do, as Congressman Mascara said,
14 quietly, efficiently, and at little cost.
15 I would like to point out the number of supply
16 transactions processed each year -- over 292,000. This is
17 indicative of the absolutely critical support to the armed
18 forces in our region, which cannot be reasonably provided
19 through other alternatives. History tells the story of Kelly
20 Support Facility. When a crisis arose, Kelly Support
21 Facility met the challenge, moving 46 units to their
22 mobilization stations. Support was not just provided to Army

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1 units.
2 Within hours of Iraq's attack into Kuwait, rations
3 were being issue to air crews, which flew out Greater
4 Pittsburgh International Airport. This chart reflects
5 incorrect information used in the installation assessment. I
6 would like to highlight the percentage of permanent
7 facilities -- 99 percent, as opposed to none. The fact that
8 nearly all of the facilities are permanent, as opposed to
9 none, certainly would have had a bearing on the decision-
10 makers.
11 I would also like to point out the square footage
12 of supply and storage facilities -- over 93,000 as opposed to
13 200 square feet. A support facility without storage and
14 supply facilities would certainly be of little military
15 value. However, this is not the case with Kelly Support
16 Facility. This chart depicts significant discrepancies in
17 the cost savings for the proposed realignment. Personnel
18 savings have been greatly overstated for a number of reasons.
19 Continued costs for moving 30 people to Fort Drum,
20 New York, were not factored into the equation, nor were the
21 costs for retaining a mail facility staff and contract
22 representatives for a maintenance facility which will remain

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1 at the installation. Average salary used in the analysis was
2 overstated by over a million dollars a year. The cost for
3 retaining the Valley Grove maintenance facility and a student
4 facility at Camp Dossen, West Virginia. The bottom line,
5 Commissioners, is that the 20-year net present value has been
6 grossly overstated.
7 In fact, the initial investment for the proposed
8 realignment will not have been recovered within the first 20
9 years. And significant costs must now be passed on to
10 tenants remaining at the facility for base operations which
11 must continue. The proposal before your commission removes
12 the current workforce with no plan or funds for the
13 continuation or replacement of the services provided. The
14 expertise to provide these services resides with the current
15 workforce.
16 Its removal will only serve to cause turmoil and a
17 severe degradation to the support required. This chart
18 depicts redesignation of the 99th Army Reserve command as a
19 Reserve support command. With this vast increase in
20 responsibility for the 99th, a responsibility for maintaining
21 the combat readiness of nearly 10 percent of all forces in
22 the United States Army Reserves, it just doesn't make sense

1 to take away their support base.
2 Commissioners, the information I've provided is
3 [illegible]mised on the COBRA summary, which eliminates 128 civilian
4 [illegible]tions at Kelly Support Facility by the year 2001, and
5 [illegible]s the area support mission to Fort Drum, New York, nearly
6 [illegible]50 miles away. Recently, we have received an implementation
7 plan which is a vast departure from the information before
8 your committee.
9 It appears that the Army now recognizes that the
10 area support mission cannot be completely supported from Fort
11 Drum, as the implementation plan calls for retaining a
12 structure at Kelly Support Facility, with a significant
13 portion of its current workforce. Commissioners, this
14 completely invalidates the information before you. It would
15 be a travesty to allow Kelly Support Facility to remain on
16 the BRAC list with such broad data, and to allow that
17 recommendation to go forward to the President, Congress and
18 the American people.
19 We are asking you, the Commission, to remove Kelly
20 Support Facility from the BRAC list, and to put the ball back
21 into the court into which it belongs -- with the Department
22 of Defense. The Department of Defense has the authority and



1 the obligation to rationally analyze the mission and to
2 provide for the most efficient organization to accomplish
3 that mission. Commissioners, I appreciate your time and this
4 concludes my briefing, and I'd like to answer any questions.
5 CHAIRWOMAN COX: I believe Commissioner Kling has a
6 question.
7 COLONEL BURNS: Commissioner.
8 COMMISSIONER KLING: Yes, sir. You know, there are
9 some major differences here, as you're pointing out.
10 COLONEL BURNS: Yes, sir.
11 COMMISSIONER KLING: But you're showing that the
12 [illegible]ber of square feet -- we have figures that show 200,000
13 [illegible]are feet -- or 200.
14 COLONEL BURNS: 200 square feet, yes, sir.
15 COMMISSIONER KLING: And you're saying 93,000.
16 COLONEL BURNS: That's correct, sir. We have
17 93,000.
18 COMMISSIONER KLING: That's a big difference.
19 COLONEL BURNS: It sure is, and like I said --
20 COMMISSIONER KLING: 93,000 of the square feet that
21 you say is correct. And also that 99 percent are used as a
22 permanent -- 99 percent of that 93,000 is used permanently as



1 a facility?
2 COLONEL BURNS: That's 99 percent of all of the
3 facilities on the post are permanent facilities, sir.
4 COMMISSIONER KLING: Right, of that -- so it would
5 be 99 percent of that 93,000.
6 COLONEL BURNS: Yes, sir.
7 COMMISSIONER KLING: Okay.
8 CHAIRWOMAN COX: Thank you very much. It's been
9 very interesting.
10 COLONEL BURNS: Thank you very much, and we'll be
11 glad to respond to any other questions through your staff.
12 (Applause.)
13 CHAIRWOMAN COX: We will now be moving on, quickly,
14 I hope, to the Naval Air Warfare Center Human
15 Centrifuge/Dynamic Flight Simulator, Warminster,
16 Pennsylvania. Okay, if you're prepared, Mr. Taylor, I need
17 to swear you in. Thank you very much.
18 (Witness sworn.)
19 CHAIRWOMAN COX: Thank you, we're pleased to hear
20 [illegible] you today.
21 MR. TAYLOR: Madame Chairman, distinguished
22 commissioners, I appreciate the opportunity today for



1 allowing me a few minutes to state my concerns on the impact
2 of the Navy and, I think, the Air Force, if the dynamic
3 flight simulator at Warminster is not properly transitioned
4 to the private sector. I believe in your words that are on
5 the next page to the realignment report, talked to the
6 importance of maintaining this requirement and capability to
7 justifying maintaining access.
8 Very quickly, the requirement for both services to
9 perform these functions, and with both Brooks Air Force Base
10 and North Warminster closing, the very real potential exists
11 for not meeting these critical requirements that I've listed
12 at the top of the slide, especially during this time of
13 turnover. A seamless transition must be the number one
14 priority as this world-class facility moves to private
15 sector.
16 This national asset is unique because it is the
17 only high-speed sustained flight simulation capability for
18 current and future fighter attack aircraft, as well as the
19 evaluation of flight equipment and cockpit configurations in
20 the actual environment that they will be used. The military
21 value of the DFS is outlined in this and the following slide.
22 While all very valuable, I particularly would draw



1 your attention to the third bullet, and the capability to
2 look at the flight envelope expansion for the F-14 in the mid
3 '80s. Not only does this allow for examination of
4 potentially dangerous acquisitional cycles for flight
5 regimes, but also at what path the flight gets flown. As we
6 liken the acquisition cycle of new, highly capable, but
7 expected weapons systems, the DFS seems a very reasonable way
8 to also reduce risk, as well.
9 Another item is the G-tolerance improvement
10 training for our East Coast Air Atlantic pilots is another
11 tribute to the ability of this facility to allow our war
12 fighters to more safely train as they're in flight. In
13 summary, and this is something that I was actively involved
14 in, the '93 closure of the North Trenton and removal of the
15 proposal workload to Tullahoma, Tennessee, occurred, I think,
16 because the Commission's conclusion was that the greater
17 capability exists in Tullahoma.
18 I see a very similar parallel to both the services
19 and industry benefitting from a single interservice and
20 promotional center of excellence. In my estimation, that
21 would clearly be the Warminster Dynamic Flight Simulator.
22 And in your brief, you have a slide that compares those



1 things, but I'm not going to discuss them here. But in
2 closing, the wording in your report recognized the deep need
3 for this capability.
4 It is my recommendation that until prioritization
5 becomes operational, that this Commission take the
6 appropriate action to provide interim support to ensure
7 interservice requirements are met. Thank you. I'm ready to
8 answer your questions.
9 CHAIRWOMAN COX: Thank you very much. Are there
10 any questions? I believe you've answered them all in a very
11 short period of time. Thank you. (Applause.) Next, we will
12 hear from the city of Philadelphia, Defense Industrial
13 Support Center. (Applause.) Mayor Rendell?
14 MAYOR RENDELL: Yes.
15 CHAIRWOMAN COX: If you're ready, while we're
16 passing out notebooks, we could give you the oath.
17 MAYOR RENDELL: Okay.
18 CHAIRWOMAN COX: Thank you very much.
19 (Witness sworn.)
20 CHAIRWOMAN COX: Thank you very much, sir, and
21 we're pleased to have the opportunity to hear from you this
22 afternoon.

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1 MAYOR RENDELL: Good afternoon, members of the
2 Commission. I can honestly say that I am sorry to be back.
3 I had the occasion -- for all of you who are new to the
4 Commission -- I had the occasion to testify for Commissioner
5 Cox in 1993. And I will talk about the fact that we are
6 back, and we're a little angry that we're back. But I'll
7 discuss that as I get into my remarks, but it is good to see
8 Commissioner Cox again.
9 CHAIRWOMAN COX: Thank you. It's good to have you
10 back, at least under some circumstances.
11 MAYOR RENDELL: Today we're going to present
12 testimony about four defense facilities in our city. But let
13 me start by talking about economic impact. No city in the
14 United States of America has suffered the impact of the BRAC
15 process more than the city of Philadelphia. The city of
16 Philadelphia is the only -- and I repeat, the only -- city in
17 the United States to suffer job losses and facility closings
18 in each and every one of the four BRACs.
19 And I will delineate those in a second. In BRAC
20 '93, there were almost 12,000 jobs ordered closed in four or
21 five different facilities in Philadelphia. We prepared a
22 plan to consolidate three of those facilities at one location

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1 in Philadelphia, and that plan was accepted by the BRAC
2 Commission unanimously. And yet we're back here today with
3 recommendations to cut against the grain -- significantly
4 against the grain of what was decided unanimously by the BRAC
5 '93 Commission.
6 In 1988, Philadelphia lost the naval hospital and
7 600 jobs as a result of BRAC in 1988. In 1991, Philadelphia
8 suffered the closing of the naval shipyard station, causing
9 us the loss of 12,000 direct jobs and 36,000 indirect jobs.
10 Our naval shipyard was closed, even though, at the time, it
11 was the only government naval shipyard turning a profit in
12 the United States of America. In 1993, five facilities were
13 closed, costing us 1,800 jobs. And as I said, three other
14 facilities were going to be consolidated out of the city,
15 which would have cost us the loss of an additional 8,300
16 jobs.
17 And this year, the Defense Department has
18 recommended, essentially, closing four more facilities,
19 costing us 702 jobs directly. And most importantly, and most
20 cruelly of all, laying off 1,800 people with no job rights,
21 in a situation where that did not have to happen. I would
22 ask you to look, as a frame of reference, to the map that is

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1 included in tab one, right behind my opening remarks. The
2 facilities we are going to talk about today are located in
3 three areas of the city of Philadelphia.
4 The Philadelphia naval base, which you see at the
5 tip of the southern end of our city; DPSC, the Defense
6 Personnel Supply Center, which immediately south of the naval
7 base; and up in the northeast section of Philadelphia, ASO,
8 the Aviation Supply Office, which is not affected by any of
9 the Defense Department's recommendation; DISC, which is
10 dramatically affected by these recommendations; and NATSF,
11 which is also affected by these recommendations.
12 You heard Governor Ridge testify at the beginning
13 that the state of Pennsylvania has suffered the second
14 highest loss of any state in the Union in terms of overall
15 jobs. If you actually look at it in terms of loss of
16 percentage of jobs for the jobs we have originally had,
17 Pennsylvania has suffered the greatest job loss of any state
18 in the Union. The city of Philadelphia has absorbed 75
19 percent of the job losses of the state of Pennsylvania -- 75
20 percent.
21 I want to start by talking about the Defense
22 Industrial Supply Center, DISC. This order by the Defense

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1 Department essentially transfers the ICP functions of DISC
2 out of Philadelphia. And then this establishes DISC,
3 although it indicates that for the city of Philadelphia, well
4 up to at least 1,100 jobs that were currently held at DISC
5 will go down to South Philadelphia to the Defense Personnel
6 Supply Center.
7 So as a city, we do not suffer an enormous amount
8 of job losses in this one category. The total estimated by
9 DLA is 385. But what happens when you use the term,
10 disestablish, is that these employees who have served the
11 United States government well, who everyone can see have done
12 an increasingly more effective job year by year by year --
13 these employees are laid off with no job rights. Their
14 rights are terminated. They will have to compete for the new
15 jobs at DPSC. And that was, in my judgment, a mistake by
16 DLA.
17 And I would call your attention to two letters in
18 tab two, excuse me, in tab one, sent to me by Admiral Straw,
19 who is in command of DLA. The first letter is to me, and is
20 dated April 18th, 1995. And I would just draw your attention
21 to the third paragraph, and I want to read an excerpt. It
22 says, "If our BRAC proposal is approved, we will start

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1 immediately to move weapons systems and military
2 specification items out of DISC, as we move commercial items
3 into DISC. The DISC employees, who have been managing DISC
4 weapons systems items, will be offered jobs managing incoming
5 commercial items. In a worst case scenario, net loss jobs of
6 DISC will be 385, not 1,500."
7 CHAIRWOMAN COX: Mr. Mayor, I do know that you're
8 going over a little bit now. You do have some time later,
9 would you like us to just take it?
10 MAYOR RENDELL: Yeah, I was budgeted for five
11 minutes, and Secretary Lehman is not going to be here, so
12 will you ask the timekeeper to extend me to seven minutes?
13 CHAIRWOMAN COX: Oh, certainly, and you have some
14 more time later, too, if you want to take it out. We have
15 you listed as --
16 MAYOR RENDELL: Right, I'd be happy to take that
17 out.
18 CHAIRWOMAN COX: Great, thank you.
19 MAYOR RENDELL: In a second letter, dated March
20 31st, 1995, to Congressman Borski, Admiral Straw says, at the
21 bottom of the second paragraph, "That recommendation creates
22 two weapons systems supports ICBs, one in Richmond and the

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1 other in Columbus, and a single troop and general support ICB
2 in Philadelphia. Philadelphia was selected as our commercial
3 center because, among other things, it has developed
4 outstanding expertise in executing commercial practices and
5 support arrangements over the last five years. The result is
6 a worst case net loss of 300 military and civilian jobs in
7 Philadelphia."
8 I've spoken to Admiral Straw as recently as
9 yesterday. And based on that conversation, we are asking
10 today -- and I think if you check with Admiral Straw, he will
11 not oppose this. We are asking the BRAC Commission to change
12 the Defense Department's order, disestablishing DISC to use
13 the terminology that you are merging or realigning DISC into
14 DPSC. That will save the jobs of these good people who have
15 done an extremely effective task for our federal government.
16 (Applause.)
17 Secondly, the BRAC recommendation says that the
18 DPSC, which was scheduled to move to the Northeast site, if
19 Commissioner Cox remembers, all of our three basic facilities
20 were going to be consolidated to the Northeast site, because
21 it would achieve tremendous savings from just a
22 consolidation. DOD recommendation says that DPSC will not

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1 move in '97, it will stay until '99 to avoid short-term
2 construction costs. You will hear testimony from us that
3 [illegible] will not save us any dollars at all, because the cost of
4 [illegible]ing DPSC in a separate facility in South Philadelphia is
5 [illegible]ually greater than the short-term construction costs.
6 So we want to go back to BRAC '93, in 1997
7 everybody together in the Northeast in Philadelphia -- DPSC,
8 DISC and ASO. Secondly, the Naval Surface Warfare Center --
9 as you know, we were scheduled to add 265 engineering jobs
10 through Annapolis. Because the people that are moved from
11 Annapolis work on the same type of basic system, this will
12 eliminate duplication and improve readiness. It will add an
13 important research and development component to our in-
14 service testing facility, and you will hear more about this
15 later.
16 We are also proposing that part of the NAVSEA
17 command function, the NAVSEA engineering directorate be
18 consolidated with NSWC in Philadelphia. As you know, the
19 Defense Department has recommended that NAVSEA's 4,000 jobs
20 be moved from Crystal City to the Washington naval base. But
21 it makes abundant good sense to take the engineering
22 directorate and move it to Philadelphia. Engineering

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1 components have been migrating to Philadelphia over the years
2 anyway, and this would just be consistent with that.
3 And lastly, we are scheduled to lose the Naval
4 Aviation Engineering Service Unit, NAESU, and the Naval Air
5 Technical Service Facility, NATSF, to North Island,
6 California. Both of these functions were ruled by the BRAC
7 '93 Commission to be moved to ASO. In fact, BRAC '93
8 reversed the Defense Department recommendation for NATSF,
9 that it be moved out of Philadelphia to Maryland. And the
[illegible]vic of the BRAC Commission in '93 was that these two
[illegible]ctions, these naval support functions, should be next to
[illegible] biggest customer, ASO, the Aviation Supply Office.
13 There is no reason, military readiness or saving
14 money -- there is no reason to move these away from their
15 biggest customer, ASO in the Northeast, to California, other
16 than just an effort to prop up North Island. It makes no
17 sense from a military readiness standpoint. It costs money,
18 rather than saves money. And you will hear testimony from
19 two of the dedicated employees of those facilities as well.
20 So to finally sum up, number one, we appreciate the
21 work that this commission has put in. We know how hard you
22 work. We put Commissioner Cornella through a ringer in five

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1 or six hours in Philadelphia, and we really wanted him to go
2 down to NSWC, but he didn't have time. We know how hard you
3 travel, and we appreciate what you have done in the process
4 itself.
5 But none of this makes sense. We fought hard to
6 win in BRAC '93. We did win. If this was a court of law, I
7 would be here as an attorney, pleading double jeopardy. You
8 cannot subject us to the same thing. You are rendering the
9 work of BRAC '93's commission almost meaningless, unless you
10 adopt the proposal that we adopt; unless you hold fast to
11 what the BRAC '93 Commission did. It is unfair to a city
12 that has taken body blow after body blow after body blow from
13 the BRAC process.
14 Again, the number one city in America -- no other
15 city has been hit and has lost facilities in each and every
16 one of the BRACs. We deserve relief. Our employees do a
17 great job for the federal government. This is a great city,
[illegible]ith a great military history. The U.S. Navy was born in the
[illegible]ty of Philadelphia. We want to keep our facilities, and
[illegible]st of all, the most important thing I'm asking you is
[illegible] today, in a move that DLA would agree with, I believe, if you
22 asked them -- eliminate the term disestablishment, use the

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1 term merge or realign.
2 That will keep these employees' job rights. It
3 will keep them working in those jobs. They deserve it. To
4 do anything less would be cruel and unhuman punishment,
5 violating the eighth amendment of the Constitution. Thank
6 you very much. (Applause.)
7 CHAIRWOMAN COX: Thank you, sir. I believe we have
8 next Mr. Stampone and Mr. Thornburgh, on behalf of Defense
9 Industrial Supply Center. Are you all here? Could I swear
10 both of you all in at the same time? I'm sorry, Mr.
11 Stampone, is Mr. Thornburgh with you?
12 MR. STAMPONE: Yes, he is.
13 CHAIRWOMAN COX: Will you be testifying?
14 MR. THORNBURGH: Yes.
15 CHAIRWOMAN COX: Actually, if we have a number of
16 people from Pennsylvania to be testifying, could I swear all
17 of you all in at the same time? Everybody stand up. Anybody
18 who will be testifying today, please stand up.
19 (Witnesses sworn.)
20 CHAIRWOMAN COX: Thank you very much. Mr.
21 Stampone.
22 MR. STAMPONE: Madame Chairman, members of the

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1 Commission, thank you for the opportunity to represent the
2 employees of DISC. I have analyzed the details of the DLA
3 BRAC proposal. And based on my 34 years in the logistics
4 business, I can unequivocally say that it just doesn't make
5 any sense. DISC is in the business of providing readiness
6 support.
7 We will show that, of all the DLA ICPs, DISC
8 provides the highest level of service to our military
9 customers. I have a serious concern that the DLA BRAC '95
10 recommendation to move over 1.4 million items in a short
11 period of time, without the requisite technical and expertise
12 and customer and industry knowledge, poses an indoor risk to
13 readiness.
14 We feel that the BRAC Commission should be
15 concerned that the economic analysis is flawed, with no real
16 savings. Finally, I want to recommend that the sound
17 business decision made by the Commission in BRAC '93 be
18 sustained and augmented with a proposal that I believe is
19 best for force readiness and the taxpayer. DISC manages 1.1
20 million items of supply, 63 percent of which are used on
21 weapons systems -- the highest percentage of DLA weapons
22 inventory.

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1 DISC receives close to five million requisitions
2 per year, with the lowest proportion of discrepancies or
3 wrong parts issued. To state it simply, the DISC mission is
4 to provide the right part to the right place at the right
5 time at the right price. It sounds simple. But it requires
6 a dedicated, knowledgeable workforce with the technical and
7 logistical expertise to make it happen. And DISC makes it
8 happen very well, with the highest DLA support rate of over
9 89 percent.
10 This means that nine out of every ten customer
11 requirements are filled immediately. Force readiness drives
12 us. DISC is the largest weapons systems activity in DLA. We
13 manage 34.5 percent of all DLA weapons, and receive 40
14 percent of all DLA weapons requisitions. We support 50
15 percent of the DLA service maintenance business -- those
16 industrial activities, that overhaul, repair ships, planes,
17 tanks, all of our nation's frontline weapons systems.
18 I have serious concerns about the DLA BRAC
19 proposal. It plans to move 1.4 million items between ICPs
20 over a two to four year period. Coupled with the BRAC '93
21 decision to close defense electronics and merge with the
22 center in Columbus, DLA will have 2.4 million, or 62 percent

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1 of their items, on the move. This is frightening. To put
2 the DLA recommendation in perspective, it took 15 years to
3 transfer 1.2 million items from the services, and these were
4 products migrating into the same product lines already by
5 DLA.
6 The new DLA plan involves exchanging product lines
7 among centers. The magnitude of this transfer, 1.4 million
8 items, is staggering. Given the specified timeframe, the DLA
9 plan would require the movement of between 30,000 to 45,000
10 items per month. To put that in perspective, this is six to
11 nine times the 5,000 a month the center said they could
12 handle under the service item transfer. DLA claims that this
13 transfer will not adversely impact readiness; that it is
14 mostly electronic; that people can be trained in a short
15 period of time; and that good management is the key to
16 performance, not geographic location.
17 They think the person who manages light bulbs is
18 interchangeable with the person who manages aircraft engine
19 bearings. How absurd. (Applause.) Although the transfer
20 process has been greatly improved through automation, it is
21 still labor intensive and disruptive. Weapons items require
22 technical, industry and customer expertise to be properly

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1 managed. Moving items has an observable and quantifiable
2 degradation in supportability during the migration process.
3 There are phenomena which shows that transferred
4 items have a initial degradation period, and take years to
5 get well. Let me explain this chart. What you see here is a
6 supply availability rate for the percentage of requisitions
7 that can be filled from an immediate on-hand stock. It's for
8 Defense General, depicted by the black line, and DISC,
9 depicted by the red line. It's for a period from 1988 to
10 1994.
11 I bring your attention to 1988. Defense General
12 had an incredible support level, very high support level.
13 Then where you see the arrow, DISC transferred 50,000 items
14 to them. You can see what happened. This is not unique to
15 DGSC. Every center experienced the same sort of degradation
16 during an item transfer. Now, this phenomena affects not
17 only mission readiness, but also has a huge financial impact
18 on DOD.
19 For example, parts shortages, causing line
20 stoppages on the B-52 engine line, could result in a loss of
21 as much as $100,000 per day because of down time. This is
22 just not about transferring items. It's about

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1 disestablishing an entire business with over 32 years of
2 commodity weapons support experience, and replacing it with
3 an entirely new business. But this workforce has been honing
4 their skills and commodity experience over those years.
5 Since 1986, they have reduced workforce staffing by
6 27 percent; increased sales per work year by 16 percent; and
7 even increased productivity by 15 percent. I could go on,
8 but I am constrained by time. Additional achievements are
9 listed in your package. Also in that package is a paper
10 titled, Concept of Operations Analysis. This is the DLA
11 blueprint for the ICP of the future.
12 This is already there. Many of the concepts have
13 either been invented, developed or prototyped at DISC. I
14 point this out to you because I believe this could continue
15 to improve product line management, just as DGSC could
16 improve management of their product lines. But neither
17 workforce will be able to do so if they are unpacking boxes
18 for the next two years. So why flip-flop items? Is this a
19 good business decision?
20 The BRAC '93 Commission recognized the importance
21 of DISC being collocated with the Navy Aviation Supply
22 Office. ASO manages over 200,000 aviation items, with an

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1 annual acquisition of $750 million. DISC manages over
2 450,000 aviation items, with an annual acquisition of $256
3 million. Nowhere can be found the expanse of interservice
4 logistics talent, expertise and capabilities to improve
5 readiness and reduce overall DOD costs.
6 This unique pool of talent allows both DISC and ASO
7 to apply a $1 billion leverage on a declining aerospace
8 industry. DISC and ASO currently have $140 million of joint
9 contracts on jet engine bearings and chugging blades. And
10 this is just a beginning. DLA BRAC cites a synergy that
11 exists with the collocation of an ICP and a depot. But they
12 overlook the DISC ASO synergy, which was considered extremely
13 important by the BRAC '93 Commission and the 1994 Navy BRAC
14 Analysis Group.
15 I am not going to go into any detail on the
16 economic analysis, because the following presenter, Mr.
17 Thornburgh, of the Pennsylvania Economy League will cover
18 this. But I would like to point out that DLA cost savings
19 methodology is flawed, and two major cost elements were
20 omitted. In fact, because of the flawed methodology, GAO has
21 agreed to reevaluate their findings, and is now doing so.
22 The bottom line is that there are no base closings,

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1 no real savings, and there will be disruption, turmoil and
2 severe impact on force readiness. As you will hear in the
3 next presentation, DLA's recommendation is totally flawed,
4 and its purported savings come solely from moving items, and
5 not from management of similar items. We have developed a
6 lower risk alternative, logically based on ICP strengths and
7 efficiencies, which unquestionably saves greater dollars and
8 resources than the DLA plan.
9 However, we're not totally convinced that even
10 this proposal warrants the inherent readiness degradation
11 that would occur in pursuit of the ideal ICP. A more prudent
12 approach would be to retain the existing distribution of
13 items with only well-planned, limited tweaking by item
14 transfers only where they make sense and over an extended
15 time period. The overall benefit to DOD would be greater
16 with this moderate approach. Therefore, we believe the BRAC
17 '93 decision, which was a good, logical decision, should be
18 implemented as planned.
19 With some minor modifications, it could even be
20 improved. Interservice common compound support could be
21 expanded to produce additional savings. DISC and DPSC could
22 be consolidated into a single command, and retain the DISC

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1 ASO synergy. We believe that this is a win-win solution.
2 Real savings will be achieved; the impact to enforce
3 readiness is eliminated; the talent and expertise of the DLA
4 workforce will be optimized through continuous process
5 improvement to meet the challenge of maintaining the highest
6 level of readiness while reducing the force structure.
7 Thank you for allowing me to present these facts to
8 you. (Applause.)
9 CHAIRWOMAN COX: Thank you very much. Mr.
10 Thornburgh. We're happy to have you hear Mr. Thornburgh.
11 And just so you know, we have six minutes left.
12 MR. THORNBURGH: Thank you very much. Good
13 afternoon. I am David Thornburgh, Executive Director of the
14 Pennsylvania Economy League, a nonprofit, nonpartisan, public
15 policy research organization with 60 years of experience in
16 promoting efficient and effective government. It is to
17 achieve that end in this process that I appear before you
18 today.
19 Let me get right to the point. DLA's analysis that
20 argues for the disestablishment of DISC contains a number of
21 shortcomings that causes the question, seriously, whether any
22 net savings at all can be achieved by the proposed

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1 realignment. DLA cost benefit analysis has two serious
2 deficiencies. First, the DLA analysis fails to account fully
3 all the costs inherent in the realignment that
4 tablishes DISC.
5 Second, DLA's calculation of personnel reductions -
6 - the key element in realizing any recurring savings -- is
7 based on superficial and simplistic logic. Let me address
8 the first area. In estimating the costs involved with the
9 disestablishment of DISC and the transfer of items among its
10 remaining ICPs, DLA misses two substantial and necessary
11 expenditures. One, DLA did not calculate the full cost to
12 transfer items from one location to another.
13 Consumable items item transfers involve far more
14 than the simple freight costs contained in DLA's COBRA model.
15 They involve extensive man hours of record handling at both
16 the sending and receiving sites. DLA has, in fact, already
17 acknowledged this, by asking the facilities involved to
18 develop fully the costs associated with the transfer of the
19 items. DISC's analysis of the costs involved for its item
20 transfers add $66 million to the one-time cost involved in
21 executing the DLA realignment.
22 DLA also fails to account for the cost of

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1 maintaining DPSC operations at its current site for an
2 additional two years, rather than moving to ISO. Based on
3 BRAC '93, DPSC is scheduled to move the ASO compound in 1997.
4 DLA's proposed alignment delays the move until 1999.
5 According to the data developed in BRAC '93, it costs DPSC an
6 additional $26 million a year to operate at its current site,
7 rather than at ASO.
8 Taking these two elements into account, the real
9 cost of moving items and the differential costs of remaining
10 DPSC for an additional two years, DLA's proposal adds $118
11 lon in one-time expenditures to the proposed realignment.
12 let me address the second weakness in DLA's argument.
13 's analysis contains a more serious error in the manner in
14 which it calculates personnel reductions produced by the
15 realignment.
16 This chart illustrates the assumption DLA uses to
17 calculate personnel reductions. DLA's basis for these
18 assumptions is not clear. The economies of scale are not
19 accomplished through the simple transfer of items, and
20 personnel reductions are not generated by the movement of
21 work from one place to another. DLA's analysis suggests that
22 fewer people are needed to operate a consolidated operation

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1 when an initially larger facility is moved to a smaller on,
2 than when a smaller one is incorporated at a larger site.
3 There is no reason to believe this would be true.
4 The two, in fact, should be equal. In addition, DLA's logic
5 suggests, since savings are realized from the number of
6 personnel reductions taken in the realignment, and since
7 personnel reductions are generated by transferring items, to
8 maximize savings, one must maximize the number of item
9 transfers. In other words, the greatest savings occur in the
10 transfer of all DLA's items from one ICP to another, rather
11 than in locating them at the most efficiently managed site.
12 For these reasons, PEL concludes that it is
13 impossible to determine whether the DLA realignment will
14 produce any real personnel reduction, and hence, generate any
15 net savings. Instead of this current proposal, we recommend
16 that the BRAC Commission reaffirm the BRAC '93 decision to
17 move DPSC to the ASO compound, where it will be collocated
18 with DISC and ASO. The '93 consolidation process produces
19 tantial and clearly quantifiable savings in personnel
20 s, in contrast to the back of the envelope estimate made
21 DLA in is current proposal.
22 With the 190 personnel reductions such a

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1 realignment would produce, the consolidation of DISC and DPSC
2 in Northeast Philadelphia, will save an additional $116
3 million by the year 2015. Implementing the BRAC '93
4 consolidation process has much to commend it, beyond the
5 concrete cost savings it realizes, since it will produce
6 substantial cost reductions in DLA operations, with virtually
7 no disruptions to management.
8 Items will not be transferred back and forth, as in
9 DLA's '95 proposal. Management will not be forced to learn
10 new product lines and build new relationships with new
11 customers, losing valuable time in the process. In
12 conclusions, DISC's alternative proposal, adhering to the
13 BRAC '93 recommendation, achieves substantial savings at
14 little cost, with no disruption of operations and no loss of
15 management effectiveness.
16 In contrast, the DLA proposal now before the
17 commission contains questionable cost savings, generated
18 through substantial disruptions in system operations. In
19 this case, the 1995 BRAC Commission would be well advised to
20 return to the solutions set forth by the 1993 Commission.
21 Thank you very much. (Applause.)
22 CHAIRWOMAN COX: Thank you very much, Mr.

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1 Thornburgh. We had planned to have a witness on the Naval
2 Surface Warfare Center next, but because of transportation
3 problems, we will put that off until after the North Carolina
4 presentation, and move right on to the Naval Aviation
5 Engineering Service Unit. Ms. Derry, did you get sworn in
6 earlier?
7 MS. DERRY: Yes, I did.
8 CHAIRWOMAN COX: Good, thank you.
9 MS. DERRY: Good afternoon, commissioners. My name
10 is Karen Derry, and I'm an employee of the Naval Aviation
11 Engineering Service Unit. NAESU is a worldwide activity that
12 sends technicians to the customer, both ashore and afloat, to
13 train military personnel in the repair, or to actually do the
14 repair, of aviation equipment and weapons systems. Our tech
15 rep is the link to keeping naval aviation aircraft
16 operational. The BRAC proposal is to close NAESU
17 headquarters, and to consolidate its functions with NADEP in
18 North Island.
19 I am here to present an alternative to that
20 proposal. Our team proposal achieves the objectives and
21 consolidations that are sought by Congress and the President,
22 but at a much higher military value than was afforded in the

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1 DOD proposal, and in a more cost-effective manner. The DOD
2 proposal does not make good business sense. It results in
3 fleet readiness degradation. The reason for this is two-
4 fold.
5 First, a survey that we took at NAESU indicates
6 that 94 percent of our employees are not willing to relocate
7 3,000 miles away. And second, the higher depot overhead at
8 North Island equates to increased costs for our customers.
9 On the other hand, our proposal is to merge NAESU
10 headquarters with ASO. This builds on the BRAC '91 decision
11 to relocate NAESU headquarters to ASO. And we're in the
12 process of doing that, and we will be there no later than 1
13 July of 1995.
14 $712,000 of BRAC funding has already been invested
15 to move us to the compound. This decision was made to
16 improve NAESU's mission effectiveness and fleet readiness
17 because of the common link NAESU has with other aviation
18 logistics activities already located on the compound. There
19 is no link with NADEP in North Island. A critical link on
20 the compound is with FISC Philadelphia. In a partnership
21 with NAESU, we provide centralized contracting for the
22 worldwide deployment of engineering technical specialists.

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1 These services cannot be duplicated at North Island
2 without a substantial learning curve. One example of just
3 how widespread our services are, the two Americans that are
4 jailed in Iraq are NAESU tech reps. We were a key player in
5 Desert Storm and in Desert Shield, and we currently have over
6 300 technicians in Kuwait. We deploy the Navy and Marine
7 aviation forces on every military operation, peacetime or
8 during hostility. Our technicians ensure aviation readiness.
9 Comparing our proposal to the DOD proposal,
10 utilizing the COBRA model, in the DOD proposal, the cost to
11 relocate to North Island is over $2.5 million, where ours is
12 only $921,000. In the DOD, 46 positions are eliminated, an
13 in ours, there are 50. The savings over a 20-year period in
14 the DOD proposal show that there will be $29.5 million. But
15 if all the costs were truly identified, the savings would be
16 substantially less. With our proposal, we would save $36
17 million.
18 In summary, the NAESU team proposal simply saves $8
19 million and preserves military readiness. Thank you.
20 (Applause.)
21 CHAIRWOMAN COX: Thank you very much. Now we will
22 move on to the Naval Air Technical Services Facility. Mr.

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1 Maimone. You were sworn in earlier, I believe? Were you
2 sworn in earlier?
3 MR. MAIMONE: Yes, ma'am.
4 CHAIRWOMAN COX: Good. Okay.
5 MR. MAIMONE: Good afternoon, ladies and gentlemen
6 of the Base Closure and Realignment Commission. My name is
7 Frank Maimone. And on behalf of Mr. Weder and myself, I
8 would like to say that we appreciate the opportunity to speak
9 with you today in regards to the DOD recommendation on the
10 relocation of NATSF to North Island, California. You have
11 received a copy of our alternative proposal and some of the
12 slides.
13 These slides will highlight major points contained
14 within our proposal. The first slide deals with the
15 oversights in DOD's recommendation. First of all, there are
16 the one-time costs. Their recommendation neglects to address
17 the cost for constructing a new JEDMICS facility at North
18 Island; the hardware purchases necessary to replace the
19 present NASF JEDMICS facility in Philadelphia; and the cost
20 for the high speed communications link for NASF to support
21 ASO from California.
22 DOD has also overlooked some significant annual

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1 recurring costs. For example, the establishment of a 100
2 megabyte high-speed transmission line which would provide
3 NASF engineering drawings and ASO spare parts for ASO spare
4 part procurements, when priced by AT&T would cost $100,000
5 per month, or $1.2 million per year. To be in support of
6 this communications line for any additional JEDMICS facility
7 would add approximately $265,000 per year.
8 Also, there is an additional $400,000 above and
9 beyond our present travel costs, which would be necessary to
10 support North Island relocation. Due to California's
11 environmental regulations, the duplication of drawings
12 necessary for ASO bid sets would have to be contracted out of
13 the state, rather than produced by NASF in-house, as they are
14 now. This is due to the silver alloy emulsion process used
15 in their production, thereby adding an additional $759,000
16 per year.
17 The last item recognized is the current synergy
18 between ASO, NASF, NAVILCO, and DPS. This synergy accounted
19 for about 50 percent of our NASF manpower requirements,
20 versus 5 percent for North Island's requirements in 1994. As
21 you can see, this customer base would have a lot more
22 relevance in Philadelphia than it would in North Island. It

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1 should be noted that nothing I am about to suggest would
2 inhibit the Commission from revisiting NASF employee proposal
3 from 1973.
4 As Commissioner Cox may remember, the 1993 employee
5 proposal was for the creation of a DOD-wide technical
6 documentation agency. Since at that time the alternative was
7 not within the Commission's charter, we have developed this
8 alternative recommendation, which deals strictly with the
9 Navy. The next slide depicts the high points of our
10 recommendation, and is pretty much self-explanatory. I would
11 like to take just a moment to address just a few of the key
12 points.
13 The consolidation with NASF, NAESU and the Naval
14 Air Technical Documentation personnel at ASO provides for a
15 unified and centralized chain of command. This alternative
16 would require no construction or hardware procurements.
17 Additionally, as this slide depicts, a total of 332 positions
18 could be eliminated. Our headquarters, the Naval Air Systems
19 Command, has previously located their supply support function
20 and the preservation and packaging logistics functions to
21 ASO.
22 Our recommendation will only continue the

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1 consolidation of the NAVAIR logistical functions at ASO. On
2 our last slide, we have updated the DOD proposal to include
3 their oversights. The true DOD cluster highlighted in red,
4 while to the right of these numbers are the corresponding
5 numbers as they relate to our proposal. It is painfully
6 obvious that there was no justification for approval of the
7 DOD recommendation.
8 Leaving that to within its '93 BRAC status will not
9 maximize your monetary savings, nor will it increase your
10 military value as much as our proposal will. We realize we
11 are presenting you with a unique scenario that will require a
12 more in depth view by you and your staff. Mr. Weder and I
13 stand ready to provide any additional assistance you may
14 require, and are eager to answer any questions that you may
15 have. Thank you. (Applause.)
16 CHAIRWOMAN COX: Thank you very much. Mr. Mayor, I
17 believe you have two minutes to sum up.
18 MAYOR RENDELL: Well, I think we are holding that
19 time for Governor Lehman, but I'd just say one quick thing --
20 that everything you've heard makes it clear that the good
21 work that you did, Commissioner, in '93 and the BRAC
22 Commission did should be supported. This is a waste of

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1 everybody's time. (Applause.)
2 CHAIRWOMAN COX: Thank you very much. I also want
3 to thank the Mayor and all of you all for this very extensive
4 back-up information, which we will find very useful, and will
5 become part of the record. We are going to move now to the
6 state of Virginia, excuse me, the Commonwealth of Virginia.
7 We have a very distinguished panel of elected officials to
8 start out, as well as Pickett as well.
9 And while I have all of you together, what I'd like
10 to do is swear everybody in who's going to be testifying who
11 is currently on the stage, whether you're testifying with the
12 elected officials or Fort Pickett. So if you all wouldn't
13 mind, we can get that out of the way. Senator Robb and
14 Senator Warner, as well. I'm sorry that it is required.
15 (Witnesses sworn.)
16 CHAIRWOMAN COX: Thank you very much. And we're
17 very pleased and honored to have with us the Governor of
18 Virginia, and both very distinguished Senators. Let me turn
19 it over to you all.
20 GOVERNOR ALLEN: Good afternoon, and Madame
21 Chairman, members of the Commission, thank you for -- on
22 behalf of the Virginia delegation -- for allowing us to have

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1 opportunity to give you some information as you go about your
2 very difficult task and a very difficult process. We know
3 t your task is not one of great ease. I particularly want
4 hank you, Commissioner Cox, and Ben Vorden, Ed Brown,
5 d Lewis, and all the members of your staff who visited
6 Fort Pickett in the Army -- the Kenner Hospital at Fort Lee
7 in March.
8 I know you've been through several hearings from
9 many states. And we very much appreciate your care and also
10 appreciate your endurance, because it is a very important day
11 for Virginia. Madame Chair, before we started this process,
12 as far as we were concerned in Virginia, we wanted to be
13 prepared as communities, as a state, as a congressional
14 delegation to understand and present the salient facts and
15 the attributes of the bases and facilities in Virginia for
16 their military and national security value, and the
17 importance of efficiently conducting their missions in
18 protecting America's security interests.
19 The congressional delegation, Virginia's
20 congressional delegation has been united in this effort.
21 We've assembled an impressive team of former members of the
22 Department of Defense and also of the armed services. And

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1 many of them are here with us today. Others, fortunately,
2 don't have to be here today. We're not here to dispute every
3 decision that the Secretary of Defense made, as far as it
4 affects the Commonwealth.
5 In fact, after the significant losses in 1993, the
6 Secretary as a whole has a very well reason and wise
7 recommendations that, on a whole, I think, improved national
8 security in an efficient way; and in fact, as an increase in
9 the number of civilian and military jobs in Virginia.
10 However, we are here to address specific examples
11 e A, the data collected by the services is incomplete or
12 curate; or B, where the analysis is flawed, or incorrect
13 umptions were entered into during the decision-making
14 process; or C, where additional information needs to be
15 presented before a final decision is made. In short, we're
16 here to make sure that you have all the facts.
17 I'll be followed by Senator Warner and Senator
18 Robb, and you'll hear from members of Virginia's
19 congressional delegation and leaders and people who are
20 experts on particular bases and efforts in particular
21 communities. But since the intentions of the Commonwealth
22 have been brought to question, regarding Fort Pickett, I feel

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1 it's important, as governor of the people of Virginia, to
2 make some specific comments insofar as Fort Pickett.
3 It is clear that the United States Army never
4 intended to really close Fort Pickett. They recognized the
5 value of the unique training assets at Fort Pickett. That's
6 why they specified retention of a training enclave -- an
7 enclave that would, in effect, remove all the jobs, while
8 returning little or none of the rest of it to the community
9 for redevelopment. The Army, United States Army cannot
10 expect, cannot expect that the Commonwealth of Virginia or
11 the Virginia National Guard or, indeed, the National Guard
12 Bureau will or can assume operating expenses for this post,
13 thereby keeping the training areas for use by the active and
14 the Reserve army.
15 So let me be clear. Despite the important value of
16 Fort Pickett and the jobs and also its importance to the
17 National Guard of Virginia, and all that importance, our
18 Commonwealth is in no financial position to assume the
19 nse for operating or maintaining this post. It would be,
20 ffect, an unfunded federal mandate. The United States
21 y should either use it or let it be used for other
22 purposes.

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1 The funding of Fort Pickett through, let's say, the
2 National Guard Bureau would do nothing more than shift the
3 financial responsibility from the Department of Defense to
4 just another agency. And it fails to achieve the desired
5 goal of overall reductions within the Department of Defense.
6 This commission must decide whether to maintain the
7 significant and irreplaceable training assets that are at
8 Fort Pickett, or shut it down and let the community begin its
9 redevelopment process.
10 Right now, the Army is doing neither, and this
11 loyal community deserves better. You'll hear more on this
12 subject as we go forward. And now I would like to turn it
13 over first to our U.S. Senator -- our senior U.S. Senator,
14 John Warner, who will be followed by Senator Chuck Robb.
15 Senator Warner. (Applause.)
16 SENATOR WARNER: Madame Chairman and members of the
17 Commission, I wish to express my appreciation to our
18 distinguished governor for his leadership role throughout
19 this process, working in co- and full equal partnership with
20 the Virginia congressional delegation and many city
21 officials, elected and otherwise, and most importantly with
22 the citizens from the very areas of our state that could be

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1 affected by the decision to be made by your commission.
2 And I thank all those for making the long and
3 arduous trip up here today. Their presence here today
4 fortifies the seriously of the representations made by our
5 governor and it shortly will be made by other members of our
6 delegation. And I'm also very heartened to see here today
7 the former Commandant of the United States Marine Corps,
8 General Alfred Gray.
9 I've had the privilege of knowing him ever since he
10 was a colonel. And let me tell you, Madame Chairman, this
11 would not be the first time the Marines have ever come to
12 rescue the Army when the appeared in court. (Applause.)
13 Thank you, General Gray. As our distinguished governor said,
14 with very few exceptions, the Department of Defense '95 BRAC
15 recommendations, as they pertain to the Commonwealth of
16 Virginia, are sound decisions in support of our nation's
17 national security.
18 In particular, I believe the Navy's decision to
19 redirect the eight FA-18 squadrons from Cecil Field, Florida
20 to the naval air station Oceana is fiscally wise and
21 operationally sound. It underscores one word, Madame
22 Chairman, and if I only leave you with one word to remember,

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1 that is readiness. This is my 17th year that I have served
2 on the Senate Armed Services Committee. And as we approach
3 our responsibilities in the Congress this year, readiness is
4 foremost in terms of our priorities.
5 And these decisions today that we are addressing
6 directly impact on the ability of the overall defense
7 structure to provide for America, for our allies and friends
8 around the world, a ready force if needed. Now, turning to
9 the problems as I see them. The first recommendation is that
10 pertaining to Fort Pickett, which the Army wants to close,
11 but close in a unique way.
12 We respectfully say, Madame Chairman and members of
13 the Commission, this is an unwise recommendation. It
14 deserves your closest scrutiny. And our delegation
15 recommends the following. Now, I'm going to address Fort
16 Pickett; other members of the delegation are going to take
17 different parts of the BRAC process throughout the state. In
18 my opinion, I frankly believe the Department of Defense and
19 the Army were not thorough, not thorough in gathering the
20 facts to present to this distinguished commission in terms of
21 their decision.
22 Their analysis of the fort's capabilities and cost-

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1 effectiveness was inaccurate. I repeat that -- inaccurate.
2 This afternoon, we present to you an alternative one, with
3 regard to Fort Pickett; one that is the result of numerous
4 hours of exhaustive research by the team that I mentioned in
5 my opening statement. I believe that the facts you will hear
6 will intensify what you, as Chairman, witnessed when you
7 personally -- and we thank you -- came to this important
8 military installation.
9 Namely, in demonstrating substantial deviation,
10 which is a requirement under your statute from the Department
11 of Defense, the Army's statements as to military value. As a
12 brief overview, I discuss two points. First, while the
13 Department of Defense, its recommendations regarding Fort
14 Pickett closure, in reality intends to keep the post open.
15 On March 7th, in Washington, both Secretary of the
16 Army Togo West and Army Chief of Staff General Sullivan
17 testified before this commission that major training areas,
18 such as Fort Pickett, which they had recommended for closure
19 would actually remain open as enclaves, to train Reserve
20 component units. But nowhere in any disclosure documents
21 does the Army specify what the term, enclave, means, nor a
22 definition.

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1 If, as the Army has recently briefed, a Fort
2 Pickett enclave is to encompass most of the existing land,
3 but consists of substantially less personnel than are
4 currently assigned, the Army is creating a situation that
5 will not serve the security interests of this country. It
6 could well end in a failure. Experience tells everyone that
7 a viable major training area requires sufficient land for
8 several units to simultaneously train, plus -- and I
9 underscore -- plus an adequate permanent cadre of people to
10 keep the ranges open and, Madame Chairman, the adequate
11 safety that is needed on these ranges.
12 You can't have one without the other. It is not in
13 the best interest to national security to take a half-hearted
14 approach to training. I believe that creation of an enclave
15 is nothing less than a half-hearted approach. I firmly
16 believe the facts you will see presented today by others will
17 greatly support keeping Fort Pickett totally open and
18 operational.
19 Now, the Army, in my judgment, failed to give
20 proper emphasis to the full array of military units that
21 utilize this base. For example, last year, 42 percent of the
22 units and 36 percent of the people who trained in Fort

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1 Pickett were from the active military component. So that was
2 not given proper emphasis in their calculations. First, 18
3 active different units from Fort Bragg, North Carolina,
4 alone, trained for a total of 223 days at Fort Pickett.
5 Nearly half of the active units who used Fort
6 Pickett in '94 were from services other than the Army, and
7 the fort's unrestricted air space. That unique attribute of
8 Fort Pickett brought 600 high-performance aircraft sorties to
9 Fort Pickett last year. That's open air space -- something
10 that's becoming increasingly in short supply all across the
11 United States. With the additional squadrons designated for
12 naval air station Oceana, it is logical to expect that in
13 future years, the number of such sorties at the post would
14 increase substantially.
15 None of these points, I respectfully say to the
16 Commission, none of these points were adequately discussed in
17 any of the Army's documents supporting the recommendation to
18 close Fort Pickett. Suffice it for me to include that it
19 makes no sense fiscally, operational, or from the standpoint
20 of safety, to close an installation which affords superb
21 training to both the active and Reserve compound of all the
22 services of our great United States military.

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1 Now, discrepancies are also apparent elsewhere, and
2 I point out Fort Lee. The Army's recommendation to realign
3 Kenner Army Hospital at Fort Lee, Virginia to be a clinic. I
4 question the military value of closing an in-patient facility
5 on a post that has a military population of over 7,000, on
6 which risky parachute training is often conducted, and whose
7 hospital provides medical support to the maneuver training
8 area to nearby Fort Pickett, where high-risk training occurs
9 daily.
10 I understand that the Department of Defense Tricare
11 medical plan is expected to handle military family members
12 and retirees. But particularly at an installation where
13 high-risk training is performed, it is important to have more
14 than a mere clinic to support our brave people in uniform.
15 And now I close, Madame Chairman and members of the
16 committee, again, with the thesis of my comments is
17 readiness, which is a top priority in the Congress this year.
18 And I now invite to the stand my distinguished
19 colleague, the junior Senator from Virginia, Senator Robb.
20 (Applause.)
21 SENATOR ROBB: I thank my distinguished senior
22 colleague. Madame Chairman and members of the Commission, I

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1 thank you for this opportunity to appear. And Madame
2 Chairman, specifically, I reiterate the thanks that Governor
3 Allen and Senator Warner have already extended to you,
4 personally, for coming and visiting Fort Pickett with us
5 earlier in the year.
6 I'm not quite certain what the colors mean, but I'm
7 afraid that the time allotted for the three statewide
8 officials may have expired at this point. Would you apprise
9 me of whether or not there's any time left?
10 CHAIRWOMAN COX: Well, you do still have 10
11 seconds. But we probably could extend that for a very short
12 period of time.
13 GOVERNOR ALLEN: Madame Chairman?
14 SENATOR ROBB: Madame Chairman, what I would --
15 GOVERNOR ALLEN: Hold it just a second. Madame
16 Chairman, we've tried to allocate all this time here. We
17 actually have built in five minutes. And so I would like to
18 extend to our senator, Senator Robb, those four minutes.
19 Then that, again, the rest of the group doesn't use this as
20 an example of how you allocate your 40 minutes. (Laughter.)
21 CHAIRWOMAN COX: Thank you. Senator Robb, we'll
22 give you five minutes.

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1 SENATOR ROBB: Madame Chairman, I thank you, and I
2 will be very brief. I have a formal statement that I would
3 like to include for the record. I have also a statement from
4 Congressman Jim Moran, who was not able to be here today,
5 particularly addressing the situation in the space naval
6 warfare systems command, that I would like to submit for the
7 record.
8 I had planned to give a very brief synopsis, in
9 trying to use our time as effectively as possible, to talk a
10 little bit about the SPAWAR and the allocation that is set up
11 there. We had two additional experts. I'm going to leave
12 that entire argument -- I've already made my prepared remarks
13 with respect to why we believe that SPAWAR ought to stay
14 where it is and why we think that the decision to move was
15 based solely on the concern about getting out of leased
16 space.
17 So I have now taken a good deal of what I had
18 planned to cover. Moving right along, I want also to
19 address, Madame Chairman, if I may, very briefly, NADEP
20 Norfolk. Again, I would rely on my full testimony, but would
21 suggest to you that once the decision was made to redirect
22 all of the aid -- all of the F-14s, as well as a significant

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1 concentration of the FA-18s back to Oceana, that it makes
2 sense to keep the naval rework facility which serves them in
3 area.
4 If you decide, or if the Navy comes to the -- the
5 ices subsequently decide to move to a combined center, we
6 think that that would be enhanced by having the skills remain
7 in that particular area. Again, I lay this out at some
8 detail in my formal remarks, and I will simply make reference
9 to them, if I may. Finally, one item that was not included
10 and may not be on your radar screen, has to do with Clarendon
11 Square in Arlington.
12 In 1993, the BRAC directed the two Navy Department
13 commands move out of leased office space in Clarendon Square
14 in Arlington. These commands are the office of the Deputy
15 Chief of Staff for installation logistics, headquarters
16 Marine Corps, and the USMC systems command. I am concerned
17 that factors simply beyond the control of the Navy Department
18 may make the timing of these particular moves ill-advised and
19 contrary to the BRAC legislation of 1993.
20 The DCOS for installations logistics was directed
21 to move to the Pentagon. Unfortunately, the 10-year
22 renovation of the Pentagon -- and I will even abbreviate this

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1 portion -- simply doesn't leave room. It's 110 percent
2 occupied at this particular moment. We believe it makes
3 sense to leave them in their current space, which was
4 designed for their use.
5 That's essentially the argument we're making with
6 respect to the SPAWAR facilities as well. Knowing that we're
7 already trespassing on the time of some of the experts. And
8 joining my colleague, who also served in the Marine Corps in
9 welcoming the former Commandant, General Gray, as well as not
10 y other members of Congress, but many other community
11 ted leaders will not be formally testifying.
12 There are many folks that made the trip here today
13 to underscore what we believe are the serious concerns that
14 we know you and the Commission will take into account when
15 you make your decision, and we thank you.
16 (Applause.)
17 CHAIRWOMAN COX: Thank you very much, and we'll be
18 very pleased to have your full statement, and that of
19 Congressman Moran.
20 GOVERNOR ALLEN: Madame Chairman, the first
21 installation that we'd like to discuss will be Fort Pickett.
22 Congressman Norm Sisisky, who represents Virginia's 4th

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1 Congressional District, which includes Fort Pickett has some
2 introductory remarks, and will be presenting all the others
3 who will be talking on that. And we'd now like to allocate,
4 to the extent that you can put on your clock, 40 minutes for
5 the Fort Pickett presentation.
6 CHAIRWOMAN COX: 40 minutes. And we're honored to
7 have Congressman Sisisky with us today.
8 CONGRESSMAN SISISKY: Madame Chair, members of the
9 Commission, I thank you. And I also thank Congressman Paine,
10 and the community representatives who are led by Bill
11 Armbruster, Chairman of the Fort Pickett support group. I'm
12 going to talk very fast, because I don't want to take too
13 much time, and I'm going to sit right here. I'm honored,
14 again, to be accompanied by the former Marine Corps
15 Commandant, General Al Gray, and former Fort Pickett
16 Commander, Colonel Chuck Williams.
17 They continue to serve their country by
18 volunteering, volunteering to be here. And they'll provide
19 ils of what I'm about to say. On March 7th, Chairman
20 n asked if the Army consulted the leadership of other
21 vices and agencies who train at Pickett. General Shane,
22 at that time, said, and I quote, "The answer is, yes, we had

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1 certified data calls, and Fort Pickett provided the
2 information."
3 Chairman Dixon then asked, in other words, you
4 talked to all the other people involved at Fort Pickett?
5 Secretary West responded, and I quote, "General Shane said it
6 was our practice to do so in every case, certified data
7 calls." Now, on the surface, it sounds like they consulted
8 with everyone who trains at Pickett before making the
9 decision. But then the Army told me, during DOD's joint
10 review in February of 1995, no one raised any issues
11 regarding the Army's recommendation.
12 Now, reading between the lines, I began to suspect
13 that there were no data calls for anyone but the Army
14 Reserve. And since the data calls were due last September, I
15 tried to pin them down by asking, why until September 30th,
16 1994, and apart from data calls responded to by Fort Pickett
17 through their chain of command, meaning the Army Reserve, did
18 the Army issue data calls to any other military component or
19 service or federal, state or local department or agency,
20 regarding the use of Fort Pickett?
21 On April 15th, the Army replied, and I quote,
22 "After reviewing the process, General Shane concurs that the

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1 Army did not issue any written data calls to any other
2 military department or anyone else, I might add, regarding
3 their use of Fort Pickett." Now, every party to this
4 decision now admits existing data calls contain significant
5 errors; and that no joint use data calls were issued.
6 Air Force, Navy, Marines, SEALS, and Special Ops'
7 use of Fort Pickett were completely ignored. In fact,
8 General Gray came here to deliver the Marine data call. Now,
9 from talking to the Chief of Staff and other Army officials,
10 I think the real issue is, the Army wants other users to
11 share the cost of operating Pickett. And the Army is
12 probably right. But they're wrong to use the BRAC process to
13 collect due bills.
14 In addition, the Army does not think Pickett will
15 close. They think they'll still be able to train there
16 because the Guard will only lease 93 percent of the post.
17 The enclave allows it to have their cake and eat it, too.
18 They get to one, claim big savings by sticking someone else
19 with the bill; two, avoid impact area environmental clean-up
20 costs; and three, still go there to train. But as you heard
21 Governor Allen, Virginia will not accept the unfunded federal
22 mandate.

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1 The bottom line is, the Commission should find
2 substantial deviation from every military value criteria.
3 One, the Army simply never examined current and future
4 mission requirements and the impact on operational readiness
5 of DOD's total force. They weren't interested, and they
6 never asked. Two, the Army patently ignored the availability
7 and condition of land facilities and air space at receiving
8 locations. And may I say, thank goodness for the red
9 cockaded woodpecker. And you'll hear about that later.
10 Three, receiving locations, do not have the ability
11 to accommodate forces that currently train at Pickett. And
12 four, cost and manpower implications are flat out wrong. How
13 can you save more money per year than it costs to operate the
14 post? If you did math like that on your tax return, you'd
15 probably be in a little trouble. Now, I think these are
16 sufficient grounds to reject the recommendation.
17 General Sullivan testified that we're taking a
18 risk, that we push the edge of the envelope. You can reduce
19 risk at very little cost by saving Fort Pickett. Now, we'll
20 see the video, and hear from Colonel Williams. Colonel.
21 COLONEL WILLIAMS: Madame Chairperson,
22 distinguished Commissioners, it's a pleasure to speak with

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1 you today on behalf of Fort Pickett. If you would, you have
2 the slides available in your booklet. You may follow there
3 if you cannot read the slides as they're on the board. I
4 would like to stress that the Army process was flawed and
5 distorted. And as I go through this process, this briefing,
6 I think you will come to that conclusion.
7 We have been told the military value was a
8 criteria. I think at the end of this briefing, you will
9 understand that it was budget -- who pays the bill -- that
10 was the criteria, not military value. We will also show you
11 that it was not a total force commitment, total force either
12 in the Army -- as you will see, the National Guard Bureau was
13 not in support of the decision to close Fort Pickett -- as
14 well as other components of the Department of Defense,
15 particularly the Navy and the Marines.
16 If I could worry at you on Fort Pickett a bit.
17 This is the size of Washington, D.C., overlaid on that is
18 Fort Pickett. We're certainly not recommending that you move
19 D.C. to Pickett, but it would probably make the folks in D.C.
20 very happy, and the folks in Nottoway County a little safer.
21 The next slide should depict the area that Fort Pickett now
22 covers. And it was interesting that the decision was to

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1 close Fort Pickett and retain an enclave.
2 If you would, the next, flip it, now, the average
3 person would look at this and say, well, the enclave would be
4 the black area. No, that's not true. The enclave is the
5 white area. And yet we are going to operate the enclave with
6 14 personnel. I submit to you that common sense has died.
7 Madame Chairperson, you will recall at Fort Pickett, when
8 asked a question, Colonel Allen replied that the data calls
9 were sent out and that there were some errors; and yes, I'll
10 take the hit on that.
11 Again, flawed and distorted data was what the
12 decision was based upon. Again, at your BRAC Commission
13 hearing on March 7th, did the Army consult with the
14 leadership of other services and federal agencies? The
15 answer is, yes, according to General Shane. In other words,
16 you talked to the other people, again pressing to get the
17 answer. And again, Secretary West said, it was our practice
18 to do so in every case -- certified data calls.
19 After looking for the data calls and trying to
20 locate the information, we went back to our elected official,
21 Congressman Sisisky, said we could not locate them, and asked
22 him to ask the Army where they were. And the response is

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1 clear -- after reviewing the process, Brigadier General Shane
2 concurs that the Army did not issue any written data calls to
3 any other military department or any federal, state or local
4 government.
5 I believe General Shane was under the same oath
6 that I took, prior to talking to you. In addition, when we
7 talk about total force commitment, we talk about the Army,
8 the Reserve and the National Guard. You heard General Allen
9 say that we aren't -- the state is not going to pick up an
10 unfunded mandate. The Guard Bureau to the Department of the
11 Army on March 31st: We are concerned about the additional
12 costs to maintain enclaves. We are a home-based
13 organization, we must train near our organization. We cannot
14 consolidate its units around the few remaining training
15 sites.
16 Fort Pickett, as you have heard, was always a place
17 where the Pennsylvania, West Virginia, and Virginia Guard and
18 Reserve units trained. The North Carolina National Guard has
19 come on line with their 30th brigade enhanced -- mech and
20 armor, if you will -- and says that the demands,
21 environmental considerations of putting the redheaded
22 cockaded woodpecker. The utilization of a large force of

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1 existing maneuver areas and ranges is severely restricted at
2 Fort Bragg.
3 They've got to find another place to train. And
4 yet we are told that Fort Bragg will absorb the units that
5 are training at Fort Pickett. How can that be? These latter
6 posts, and they identify a few, are too great a distance to
7 be used for inactive duty training, training on weekends.
8 They're too far away; you can't get there. The most
9 essential part of readiness is training time. And that has
10 not been analyzed in any of these analyses. What is the
11 training time available to a unit?
12 The five major maneuver training areas are
13 essential to maintain training and readiness standard for the
14 Army National Guard. You will hear about posts that can do
15 this and do that at their post. They cannot do them
16 unrestricted; they cannot do them without waivers. I heard
17 Commissioner Robles ask about Fort Dix and the capability of
18 Table VIII. No, they cannot fire Table VIII right now. They
19 will be able to fire it if they ever get the range built.
20 They cannot absorb the armored unit training there.
21 Again, the National Guard has said, the funds
22 should accompany the transfer. That does not sound to me

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1 like steady state savings. That sounds to me like moving the
2 money from one pot to another. General Baratz, in a
3 correspondence to the FORSCOM -- correction, to the Vice
4 Chief of Staff of the Army -- through the current FORSCOM
5 commander, who will soon be the Chief of Staff of the Army,
6 said this, "maintenance and operation of ranges require a
7 full-time environmental staff. The state of New Jersey has
8 the most stringent environmental regulations. The valid
9 missions of preparing to execute mobilization, contingency
10 plans and other peacetime missions are not possible with a
11 TDA of 250."
12 I read that as, I need more people at Fort Dix to
13 absorb the units that are going there. If you zero out and
14 go to 14 at Pickett and you put them at Fort Dix, you don't
15 have a savings. You saw the attributes of Fort Pickett on
16 the video. The 45,000 acres; the 30,000-plus contiguous
17 maneuver and training acres; the air space clearance, which
18 exceeds almost every other post in the contiguous United
19 States, a criteria added by the Department of the Army; the
20 capability of taking C-17s, C-130 and C-41, which, by the
21 way, was inaccurate in the COBRA, along with a few other
22 things in the COBRA.

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1 These attributes, and remember if you will, Madame
2 Chairperson, at Fort Pickett, you asked, what is unique about
3 Fort Pickett? Fort Pickett has all of these attributes at
4 one location -- one-stop training, with very little
5 constraint, with very little restriction. That is what makes
6 Fort Pickett unique. In the Mid-Atlantic region, there are
7 no other places that have all of those attributes. That is
8 what is unique.
9 Let's take a look at the training that took place
10 at Fort Pickett in FY 94, a question that was not asked
11 because it was focused on Reserve only. What about active
12 forces? And that also makes Fort Pickett unique because it
13 is one of the major training areas identified that has to
14 support the overflow of active duty training. The 10th
15 Mountain trains there. The 24th Division trains there. The
16 82nd Airborne and the 18th Airborne Four train there. Those
17 are active units.
18 And guess what? Their training at Fort Pickett
19 goes down, and these numbers are down because guess where
20 they were? They were deployed. Those numbers would have
21 been much higher. They are the first to deploy. Why do they
22 come to Fort Pickett, their home base? Their bases are going

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1 to absorb the training from the other units? I think not.
2 And again, total force -- who trains there; why do they train
3 there?
4 This is from the naval special warfare --
5 [illegible]ifiable, predeployment SEAL training must take place at
6 Fort Pickett. It is difficult to duplicate anywhere else,
7 and is very costly. I don't believe they were asked up
8 front. Commander, 2nd Tank Battalion, 2nd Marine Division
9 and, again, Madame Chairperson, I believe you saw them on the
10 ground at Fort Pickett when you were there. Facilities to
11 accomplish this training, Table VIII -- again, we asked about
12 Table VIII -- Table VIII without restriction, without
13 stopping other areas of training, which you cannot do at the
14 other locations; again, critical.
15 If I bring my unit to Fort Pickett and I want to
16 train and I don't get shut down, that is training time that I
17 can use. This battalion, again, has used Fort Knox,
18 Kentucky, at a cost of $587,000. You did not ask how many
19 dollars would be saved by the other services in the COBRA.
20 That's about $1 million a year, because they must go twice a
21 year to certify their tank crews. Again, the commander of
22 the 2nd Tank Battalion's commander, the commanding general of

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1 the 2nd Marine Division, has said that tank crews are
2 required to qualify twice a year -- something we cannot
3 afford if we go elsewhere.
4 Fort Pickett has been, is now, and will continue to
5 be an essential training area which constitutes a critically
6 cost-effective location from which the combat readiness -- I
7 think we heard Senator Warner speak of combat readiness -- of
8 one of our nation's frontline crisis response divisions, the
9 2nd Marine Division, has maintained. Succinctly, he is
10 [illegible]ting he needs Fort Pickett to maintain his readiness.
11 There are inconsistencies I would like to bring up.
12 [illegible]al training can be conducted easily at Fort Bragg -- and
13 this is talking about the units that would no longer train at
14 Fort Pickett. And, there are no known environmental
15 impediments at the receiving installation. This is not true.
16 Testimony of Lewis D. Walker, Deputy Assistant Secretary of
17 the Army, on 17 March, before the Senate Committee on
18 Environment and Public Works: Fort Bragg has a 100,000 acre
19 shortfall in training land and needs. Fort Bragg ranges have
20 been closed intermittently and for 10 months, due to an
21 endangered species, the red cockaded woodpecker.
22 Units travel to other installations for normal

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1 training. There were similar closures in '92 and in '95, and
2 there will be in the future, because the red cockaded
3 woodpecker will be protected. Acquisition of additional
4 acreage will ensure readiness. If you would, we have a
5 recent documentary that will document the red cockaded
6 woodpecker and its habitat.
7 I was the S-3 for the division artillery at Fort
8 Bragg. I had to schedule training off of Fort Bragg for my
9 units to conduct their RTAPS, to conduct KPEXs and other
10 things. It was because ranges were shut down or we were
11 constrained. I did an analysis of where we could go that
12 would support our training, without constraints. Invariably,
13 I would go to Fort Pickett, because that is where I could
14 train unconstrained.
15 The Army claims a $20 million steady state savings.
16 However, costs do not include items such as the increased
17 personnel at Fort Dix, addressed by General Baratz; the
18 purchase of 10,000 acres at Fort Bragg, because of their
19 [illegible]ining land shortfall -- and let me tell you, when you buy
20 [illegible] at Fort Bragg, you buy red cockaded woodpecker; new
21 [illegible]ining location for the 2nd Marine Division and other
22 services; the increased transportation costs for moving

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1 equipment, which is already located at Fort Pickett, and can
2 be drawn.
3 And finally, they have included in the manpower
4 savings, the manning of the water treatment and the sewage
5 treatment plants, which were already scheduled to go away as
6 we privatized and turned over to the city or to the water
7 authority. That has been included. That's about a 7 to 10
8 percent inclusion in those figures. They're going away. I
9 would now like to bring up the former Marine Commandant, but
10 not the former Marine, General Al. (Applause.)
11 GENERAL GRAY: Madame Chairman, distinguished
12 members of the Commission, I couldn't help chuckle. In 1970,
13 at Camp LaJeune, we began to protect the redheaded cockaded
14 woodpecker. And I believe we've got few of them now, since
15 we started taking care of them. I want to just say that
16 warfighting and preparation for warfare, to include
17 operations other than war and keeping the peace, is an art
18 far more than a science.
19 It's at Fort Pickett where you Marine warriors and
20 others practiced and learned the art of warfare as we fight
21 today in the maneuver warfare thought process. And that's
22 summarized very well by General Steele, who commanded the

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1 division from 1987 to 1989. And that's in your documents for
2 the record, because it's the 2nd Marine Division that smashed
3 through the eastern part of Iraq and Kuwait and retook Kuwait
4 City.
5 And when General Steele talked to some of his
6 commanders and officers that had been with him, even though
7 he was no longer with the division, they said to him, in
8 essence, it was easy -- it was just like Fort Pickett.
9 Because, you see, there, and only there, east of the
10 Mississippi can you really conduct the kind of combined arms
11 warfare to include the thought process that goes behind the
12 art of war.
13 Because when you finish, day or night, you can go
14 to the theater, and you can bring the corporals and the
15 sergeants and the young officers in, and you could talk to
16 them about what went on -- not whether you went to the left
17 or whether you went to the right, but why did you go to the
18 left; why did you go to the right? That's what you have to
19 do to teach smart, young warriors today. And so Fort Pickett
20 is very close to my heart, and it was easy to change the
21 schedule and come back for this today.
22 If you didn't have Fort Pickett, you're going to

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1 have to invent one. (Applause.) The figures, as indicated
2 on the slides, are historical figures. They show no vision
3 at all why Marines will have 10 times more warriors training
4 at Pickett than that slide shows. Why? Because in 1991,
5 120,000 were deployed around the world, almost 100,000 in the
6 Gulf. And as you know, every three months, we go away for
7 six months. So you've got to restore the cycle; you've got
8 to rebuild the schedule.
9 That's why they weren't up there -- there was
10 nobody to go there; not when you have to go to Haiti, and not
11 when you have to go to Somalia, and not when you have to do
12 everything else. There are 35 percent of our warriors
13 deployed today around the world. The norm, the schedule, the
14 budget calls for 25 percent. And so I'd be very weary in
15 looking at all these studies. And as you know, I'm anti-cost
16 models. I still use a pencil and a calculator.
17 Because when the big guys, like the Army and the
18 Navy and the Air Force, when they do cost models, they do
19 averages. They do things like, well, the average salary in
20 Washington here and there is probably $45,000, $50,000 a
21 year, so it's $45,000 a year at Pickett. I'll buy all of you
22 10 steak dinners if you can find any employee at Fort Pickett

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that's making $45,000 a year.

And so, you know, it's just a minor thing, you know. (Applause.) 25 percent, 25 percent of $20 million, that's $5 million, $6 million. It costs about $16 million to $18 million to run Pickett. I know that because I've been operating and using Fort Pickett since 1981. I'm the one that made it a maneuver warfare combined arms training center there -- built around the tanks. And again, the tanks -- you cannot qualify your tank gunners anywhere else except at Fort Pickett. There aren't any Table VIIIs.

And if you don't do it twice a year, you haven't honed your readiness. And you know what's going to happen? You're going to bleed, that's what you're going to do. It costs four times as much for your Marines to train elsewhere than it does Pickett. Now, that may be alright in the Army or elsewhere. That isn't very good for your Marines -- $134,034.23. You notice, we round it out, even to the cents. We just finished saving $34,000 last year by training our assault amphibian vehicles at Fort Pickett.

That's our counterpart to the Bradley. So believe me, if there's a cheaper way to do it, we'd have thought about it long ago. And so I think, really, the ball's in

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your court. In my military judgment, based on 41 years of being a Marine, and four years as a Joint Chief, closing Pickett is ludicrous. It's absolutely ridiculous. It has no -- it makes no sense whatsoever, when you talk about not only readiness, and readiness is only a part -- anybody can be ready to get on an airplane, anybody can be ready to get on a ship -- but are you prepared, morally, and mentally and physically to win?

That's the kind of capability you have at Pickett. And it sits right in Nottoway County and Blackstone, with a great bunch of American people that support you. I know you've been there; I don't know if the rest of you have. Go by the War Memorial; take a look at it. If you don't think you're sitting in the middle of America, I've missed my guess. Thank you. (Applause.)

CHAIRWOMAN COX: Thank you.

MR. ARMBRUSTER: I think I just got religion. (Laughter.) Chairman Cox and members of the Base Closure and Realignment Commission, as Chairman of the Fort Pickett Support Group, I wish to thank you for providing us this opportunity to share with you our strong belief that Secretary of Defense Perry has made a serious error in

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recommending Fort Pickett for closure.

The support group, composed of elected and government officials, community leaders, and concerned private citizens -- all volunteers -- from a seven county-area in Southside, Virginia, are here today, united in the belief that a grievous mistake has been made. And I want to take just a second to recognize this group that came up from Southside today to support us. Let them see you out there. (Applause.)

If allowed to stand, this recommendation will have a significant adverse effect on the future defense posture of our nation. We are loyal, hardworking American citizens who recognize that in this post-Cold War age, downsizing of the military is necessary and, yes, even desirable. We question, however, the Department of the Army's assessment that Fort Pickett is not of sufficient military value to keep it open.

You've heard General Gray and Colonel Williams make a compelling case for the military value of Fort Pickett. In your notebook, we have provided considerable data supporting this argument. But at tab 10 is a letter from General Steele that General Gray made reference to -- former commander of the 2nd Marine Division. And I would urge you and all the

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members of the Commission to read this letter at your earliest opportunity, for it sums up eloquently the military value and cost-effectiveness of Fort Pickett.

I do want to just take a couple of minutes of my time to address the economic impact that closure would have on Southside, Virginia. We understand that any community, large or small, can tell you that there is an economic impact associated with the closure of their base. And we're no different. Nevertheless, Fort Pickett is the economic mainstay for the surrounding two-county impact region where the great preponderance of the civilian workforce reside.

These two counties, Nottoway and Lunenburg, have current unemployment rates of 6.3 percent and 10.4 percent, respectively. We were surprised that Dinwiddie County was included in the DOD analysis when, in fact, two Fort Pickett employees reside there. The proof of the matter is, the inclusion of Dinwiddie County dilutes the impact of the closure. The total impact from the closure of Fort Pickett would amount to nearly 7.5 percent of the workforce for Nottoway and Lunenburg Counties.

We understand that the recommendation to retain Fort Pickett will be based primarily on its military value

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to the Department of Defense. However, the employment and economic impacts from the proposed closure will be among the most serious of all candidate closures nationwide. In summary, as you can see from the information we have presented, the Army made the decision to close Fort Pickett based on active Army budgetary savings, and not on the military value Fort Pickett provides to U.S. military forces.

Under closer scrutiny, the budgetary savings identified by the Army are not savings to the DOD, but only to the Army. The vast majority of the alleged savings are actually costs which the Army would attempt to pass on to her sister services and to the Commonwealth of Virginia. You've heard Governor Allen state publicly, that Virginia will not accept what would be, in effect, an unfunded mandate.

With respect to the military value, we believe the Army and Secretary of Defense substantially deviated from the selection criteria numbers one and three -- the operational readiness and the ability to accommodate contingency and mobilization of the DOD total force. The closure of Fort Pickett has serious implications for the force structure inasmuch as forces retained would not be able to maintain an appropriate level of readiness.

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Based on these facts, we urge you, the Commission, to remove Fort Pickett from the Secretary's list of recommended closures. And in conclusion, I want to invite your attention to the video, because no one says it better than unit commanders and unit leaders who actually use Fort Pickett. This is an excerpt from an interview that was conducted by Channel 6 in Richmond the day after Secretary Perry's announcement.

That completes our presentation. If we have time for questions --

GENERAL GRAY: That's a Marine and not a soldier.

MR. ARMBRUSTER: General Gray wanted me to remind, that's a Marine and not a soldier. (Laughter.)

CHAIRWOMAN COX: Thank you very much. Are there any questions? Thank you. It was such a good presentation, you've answered all of our questions.

MR. ARMBRUSTER: Thank you very much.

CHAIRWOMAN COX: Thank you very much for your courtesies when I was out there. (Applause.)

GOVERNOR ALLEN: Madame Chair?

CHAIRWOMAN COX: Yes, Governor Allen.

GOVERNOR ALLEN: The next installation that we'd

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1 like to discuss would be the Kenner Army Hospital, which
2 serves Fort Lee. We'll again hear from Congressman Sisisky,
3 and then hear from Congressman Bobby Scott, from the 3rd
4 Congressional District. And then Congressman Scott will
5 introduce the presentation on this particular facility, which
6 will be Commander Hunzeker, who is on our greater commission.
7 I would like 15 minutes to be allocated for this facility,
8 please.
9 CHAIRWOMAN COX: Thank you very much. Congressman
10 Sisisky.
11 CONGRESSMAN SISISKY: Thank you. I won't go as
12 long about Kenner as I did about Pickett. We have less time.
13 But the issue is just as important. I'm sorry to say again
14 that the Army and joint service groups never consulted with
15 the Tricare officials who execute this plan. If they had,
16 I'm certain the decision would have been different. Fort Lee
17 is a high-risk training environment. Kenner needs in-patient
18 facilities and the ability to isolate ill soldiers from the
19 barracks.
20 Yet Fort Lee was the only initial entry training
21 facility to have a hospital downsized. It really doesn't
22 make sense. Of course, there's sufficient regional capacity

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1 to provide these services, but it wasn't cost. The fact that
2 the past BRAC and DOD decisions have consolidated functions
3 of Fort Lee means the number of trainees will increase and
4 not decrease in future years. And Kenner's catchment area
5 does not include the active retired beneficiary population in
6 Western Carolina, Virginia or West Virginia.
7 The trade-off between eliminating in-patient
8 services and going to Champus will cost more than it saves.
9 We hear more about that from Congressman Bobby Scott and
10 former Fort Lee Commander, Major General Bill Hunzeker.
11 CONGRESSMAN SCOTT: Thank you, Madame Chairman and
12 members of the Commission. I'm going to be very brief
13 because I want General Hunzeker to make the presentation.
14 Just very briefly, what we're doing in BRAC is trying to save
15 money. And if all we do is shift money from the Fort Lee
16 line item to some other line item in the budget, we haven't
17 done anything.
18 The fact is that the same number of people will be
19 sick the year after we do whatever we do with BRAC than
20 before. And if their care will be handled under Champus,
21 which is more expensive, we haven't saved the government any
22 money at all. And we've added insult to injury because our

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1 military personnel, their families and retirees will be hit
2 with a copayment that they don't have at Fort Lee.
3 I would hope that we would look at the total
4 budget, look at what affect it will have on government, and
5 if there are no savings, not to do something stupid and close
6 the -- and realign the hospital. I'm going recognize, at
7 this point, Major General, Retired, William Hunzeker, former
8 commander of Fort Lee, who will speak specifically to all of
9 the issues.
10 GENERAL HUNZEKER: Thank you, Congressmen Sisisky
11 and Scott, Madame Chairman and members of the Commission.
12 I'm speaking now on behalf of the officials, seated over
13 here. Please raise your hands. They're the local community
14 and they are sponsoring this presentation. There are no
15 economic facts to be presented. We are not complaining about
16 the size of the reduction of Fort Lee. They are here because
17 of their interest in Fort Lee.
18 And this is a very difficult presentation for me,
19 because I'm going to say essentially the same thing that all
20 other people have said today -- that it's a dumb thing to
21 do, and the savings won't accrue. And I have to do something
22 that's more exciting and more interesting than what's gone on

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1 before, in order to capture your attention. So to do that,
2 I'm going to tell you what's different about Fort Lee and
3 Kenner.
4 It's located at Fort Lee, which is the center for
5 logistics for the Army. And as those of you with experience
6 in the services know, logistics is the foundations and the
7 sinews of success. No military operation, peacetime or
8 wartime, succeeds, particularly in this technological age,
9 without superb, superb logistic support. And that's what
10 Fort Lee is all about; it's the center of logistics.
11 Now, there's a lot of things about logistics that
12 are technical, et cetera, et cetera. But there is the human
13 element. The human element that we're concerned with is the
14 trained soldier. Fort Lee is a training center. 37,000
15 people will transit Fort Lee this year; 27,000 of them will
16 be military; 14,000 of them will be AIP trainees. These are
17 soldiers that have been in the Army for 56 days, and they
18 come to Fort Lee to learn their advanced specialty work.
19 They train hard, and they train daily, and they
20 train vigorously in all kinds of weather. The supply guys
21 and girls and women are Class I, II, POL and general supplies
22 -- the basic things you need, except for ammunition, on the

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1 battlefield. What they do daily will show up when they join
2 their units to do what they're going to do. So that's the
3 difference between Fort Lee and all the other installations
4 you've talked about, and the hospital reduction to take away
5 the in-patient capability.
6 Reduction of medical capacity at a training center
7 is personally, to me, not the thing to do -- and that's an
8 understatement. During my career, I had a chance to serve
9 with a great soldier who was a National Guard master
10 sergeant, commissioned in the field in Italy in the Big War,
11 rose to become the Chairman of the Joint Chiefs of Staff. I
12 had gone to him one day with the proposal to make some
13 economies in the medical system of the Army.
14 And he asked me a pointed question. He said, why
15 do soldiers do the things they do, and why do they go the
16 places they go, and what makes them fight? I said, what
17 makes them fight is that they are well-trained and they have
18 confidence in themselves, and they have good leaders and they
19 have confidence in their leaders. And then there's peer
20 pressure, because you're going to do what your buddy is going
21 to do. And all those are a part of it.
22 And he said, yes, that's right, Bill, but one more

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1 thing -- they know that when they're hurt, the Army's going
2 to take care of them. And I've seen that demonstrated over
3 and over again, particularly in Vietnam. That when you're
4 hurt, you really get taken care of. If we start putting
5 people out in the civilian hospitals from the training
6 center, and a training installation like Fort Lee, I am
7 concerned about the idea we're expressing to these soldiers.
8 We're going to go through these charts today. I've
9 made my speech, now let's look at some data. Next line.
10 What I'd like you to take away from this is the renovation,
11 the $16.8 million renovation there for the hospital. It may
12 be reduced from BRAC, but physically, we're going to have a
13 hospital next year about this time that will be about 88
14 percent complete. Also look at the $18 million in funding,
15 and something about the workload there in admissions.
16 Next chart. This is the DOD announcement, and the
17 first sentence is eminently correct. The second two
18 sentences are subject to interpretation. They want to remove
19 in-patient care, and the slice that they're going to take is
20 190 spaces. By examining the authorization document, the
21 people that are authorized there, you're not remotely come to
22 190 who are associated with in-patient care. At the worst

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1 case, it's probably 92; and at best case, probably 55. So if
2 they intend to do that, they are going to reduce the out-
3 patient capability, along with the in-patient. And that will
4 have a serious effect at Fort Lee.
5 The second point is nearby medical facilities.
6 There are no nearby medical facilities. Next chart, please.
7 This shows six or seven states. And you can see Kenner at
8 Fort Lee. There's nothing to the west of Fort Lee. The
9 nearest is DeWitt in the north, and we have a cluster, also,
10 to the southeast. I'd like to look at those two clusters
11 now. Do you have the next chart? I'd like you to address
12 the circle around Kenner and the shaded area. That is a 40-
13 mile catchment area.
14 Catchment area, in the medical of the Army and the
15 services, is where you control Champus. From the center, 40
16 miles in area, that's where your logical patient are. And
17 you control the Champus funds through nonavailability
18 statements at Fort Lee. Now, the rules of the game are that
19 if you lose your hospital, you lose the catchment area. And
20 that's documented behind those slides in the area where the
21 rules are.
22 What happens? About 75 percent of the population

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1 around Kenner go immediately to free Champus without the
2 requirements for a nonavailability statement, which is going
3 to increase costs, not really calculated in the Army's
4 proposal and the DOD proposal. The two clusters you see, one
5 is north -- there are five military facilities up there and
6 three military facilities in the south. And you see the
7 isolated Kenner and the isolated Patuxent.
8 It would seem logical to me that the more isolated
9 you are, the stronger you should be. And where you have
10 supporting medical facilities to help out, that's where your
11 reduction should take place. But that did not meet the logic
12 of the programs used, and that's just my logic. Next slide.
13 We need an in-patient capability at Fort Lee, because
14 soldiers, young soldiers, get those kind of things. And they
15 get injured and they suffer from dehydration on the hot days.
16 Now, those are not admissible in civilian
17 hospitals, because of the code. You get medicine, you go
18 home and you get better. But soldiers don't have a home --
19 well, trainees don't have a home. A lot of soldiers do have
20 a home. Trainees don't have a home. And the Army used to
21 send people to their quarters and stay in bed in the barracks
22 and get better with medication. But when too many people

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1 went away to their barracks and died, some 15 or 20 years
2 ago, they stopped doing that.
3 And so we need that facility, that sort of care for
4 soldiers who injure themselves. Next slide, please. Let's
5 look at the workload. I'd like for you to take from this
6 that the workload for in-patient visits, 1.2 percent of
7 workload. And 190 cuts are placed against that 1.2 percent.
8 We'll discuss the strength on the next slide. The next point
9 I'd like you to see is that the retired families consist of
10 30 percent of the workload of the hospital; and that's both
11 in-patient and out-patient.
12 Now, any detriment to capability at Kenner Army
13 Hospital, if it loses 10 percent, 20 percent, or 30 percent
14 of its capability. That means that the retirees will get no
15 service from Kenner Hospital, because active duty are seen
16 first. Detriment to out-patient care eliminates retirees.
17 Now, I know we can't organize the Defense Department for the
18 benefit of retirees, but it does impact. Let's look at the
19 next slide.
20 I'd like you to look here at the spaces related to
21 in-patients, and then look at the proposed reduction.
22 Getting an authorization number for the Kenner Army Hospital

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1 is somewhat difficult. But if you look at the early one,
2 5.91, and the reduction of 190 from 435 on the 2nd of
3 October, that will leave a strength at Kenner of 245 people,
4 or a 58 percent reduction in strength from what we started
5 with in 1 October.
6 Intent in-patient care reduction action, reduction
7 in total capability. And the villain is a benchmark model, a
8 computer model used by the medical department to run down and
9 see what a clinic should use -- untested, untried,
10 unpracticed, and applied to this. Next slide, please. In-
11 patient care, very briefly. Unfunded, the in-patient care
12 portion and the out-patient care is not even addressed as a
13 shortfall because they didn't plan it with that reduction.
14 And if we terminate the catchment area, that's
15 increased Champus cost. The savings will not accrue. Next
16 slide, please. When we set up the order of merit list for
17 Fort Lee, these are the various values we got. The bottom
18 line is that, with the 5.91 at the bottom of the slide, Fort
19 Lee and Kenner -- 60 installations ranked below Fort Lee and
20 Kenner at that point. Not many below, in the order of merit
21 lists. Next slide, please.
22 This is where we deploy people to. The medical

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1 people are important in deploying for shots and medical
2 supplies. Can't deploy that way without adequate medical
3 support, and that's where the soldiers go. Next slide,
4 please. This is about what I've told you. There's a minute
5 and 15 seconds to go. Military value of Fort Lee is shown
6 there. Power projection and what a soldier needs to go to
7 the battlefield with a warm feeling in his heart.
8 The isolation, statistical rating scheme don't
9 measure the training activities at Fort Lee, the benchmark
10 model and the impact upon retirees. Next slide, please. DOD
11 proposal, not desirable, cost-effective. And we suggest that
12 you reverse that and recommend retaining the in-patient at
13 Fort Lee. Next slide, please. I have 29 seconds for
14 questions.
15 CHAIRWOMAN COX: Very efficient and productive.
16 GENERAL HUNZEKER: Thank you very much
17 CHAIRWOMAN COX: Thank you very much. It was a
18 very helpful and informative presentation.
19 GOVERNOR ALLEN: Madame Chairman?
20 CHAIRWOMAN COX: Yes, Governor Allen.
21 GOVERNOR ALLEN: I'd like to just thank Congressman
22 Scott and thank Congressman Sisisky and General Hunzeker for

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1 their presentation. I'd now like to recognize, for five
2 minutes, Congressman Tom Davis, representing the 11th
3 Congressional District, who will address the Army Information
4 Systems Software Command in Arlington, Virginia, for five
5 minutes.
6 CHAIRWOMAN COX: Congressman Davis, welcome. Happy
7 to see you.
8 CONGRESSMAN DAVIS: Thank you.
9 CHAIRWOMAN COX: Did I get you on the oath earlier?
10 CONGRESSMAN DAVIS: You got me under oath. I was
11 in the back here, and left Chris earlier today to retreat and
12 talk about balancing the budget.
13 CHAIRWOMAN COX: We're pleased to have you here.
14 CONGRESSMAN DAVIS: Thank you, and thank you,
15 Governor. Madame Chairman and Commissioners, on the face of
16 it, it appears that moving 450 military and civilian
17 personnel and equipment of the Army's Information Systems
18 Software Development Center from leased space in Fairfax
19 County, to government space in Fort Meade, Maryland, seems to
20 make sense, on the face of it. Because it's ostensibly an
21 in-area move and personnel would be transferred to the new
22 facility at Fort Meade without layoff.

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1 And with the pressure on the services to move out
2 of leased space, it appears to be a good move. But it's
3 lly a bad decision, when you look underneath of it, for
4 Army and the government. And I would urge you to have
5 Army review this move thoroughly. The Army ISSC has been
6 in Fairfax County for 20 years. When the Army went to move
7 the ISSC out of its old facility -- and on the maps we have
8 given you, we show you where the old facility was -- which
9 was also leased space, and into new spaces, the Army
10 specifically requested that GSA look for a location in
11 Northern Virginia.
12 They even set the boundaries, as you can see on the
13 map that each of you have been provided. The Army sought a
14 location close to its Fort Belvoir and Pentagon customers,
15 and close to where most of its employees had settled during
16 the past 20 years. This was the Crown Ridge building,
17 located at the junction of I-66 and Route 50. GSA signed a
18 lease with the landlord for six years, starting May 29th,
19 1994, and that lease runs through May 28th, 2000.
20 A total of $7.2 million dollars was spent by the
21 landlord and the Army to upgrade the building to meet the
22 unique requirements of the Army ISSC. The landlord spent

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1 $1.3 million; GSA spent $2.9 million; and DOD spent $3
2 million to get this building ready and up for the computer
3 advanced technological equipment that's required. In fact,
4 they're still in the process of upgrading and moving into the
5 space.
6 Now, after this investment, the Army is proposing
7 to move the ISSC to Fort Meade, Maryland, in an attempt to
8 save $8 million over 20 years. Apparently, the Army can now
9 move out of the space it asked GSA to rent without penalty
10 r appropriate notice provided. Unfortunately, the GSA and
11 American taxpayer -- GSA is still obligated for the six-
12 term of the lease. So the Army may be able to move the
13 vings off its books, but there's another $9 million in
14 obligation to pay for that lease over the next three years.
15 If the Army moves out, GSA has an empty building on
16 its hands. Not only that, but this is not an easy space for
17 the GSA to find government customers for. Traditionally, GSA
18 would look for locations in some proximity to mass transit,
19 the subway, trains and bus lines. But this location is well
20 beyond the Beltway, and there are no easy connections to mass
21 transit.
22 To quote GSA, regarding Army plans to move out of

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1 this building, "The building was leased specifically for the
2 Army, and was altered to suit their specific needs. Other
3 federal agencies have not expressed interest in the location,
4 and the building might be difficult to market." And yet
5 there is $9 million of obligated lease payments, after the
6 proposed Army move out of here, that have got to be paid, no
7 matter what happens.
8 In addition, the Army is going to have to convert
9 four built facilities at Fort Meade. The COBRA model figures
10 used by the Army indicate it would have to spend roughly $5
11 million to renovate space at Fort Meade and again move the
12 ISSC. However, the Army has been unable to find existing
13 space at Fort Meade, and now, after the initial report, the
14 Army is looking at building a new facility for ISSC.
15 If new construction is being considered by the
16 Army, even those back of the envelope COBRA numbers are
17 incorrect. Before we go any farther with this move, we need
18 to get accurate COBRA numbers on new construction. It's my
19 erstanding the Army is in the initial stages of reworking
20 numbers to reflect new construction. I don't think any
21 ion should be taken on this move until we get those new
22 COBRA numbers.

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1 So at a minimum, the government spends $11 million
2 to renovate the Crown Ridge facility and the Fort Meade
3 facility to accommodate ISSC. But if the Army gets its way,
4 then the government also will pay $3 million per year lease
5 for a building which may sit empty for three years -- another
6 $9 million. This is not how Congress intended the BRAC
7 process to work. The objective is to reduce cost for the
8 government, not just the military services.
9 Clearly, the Army should have made the move before
10 it asked GSA to sign a six-year lease. And as the people
11 from ISSC in the audience will contend, there's a human and
12 operational impact that's not been factored in. If ISSC is
13 moved to Fort Meade, there will be another move to contend
14 with, and normal work disrupted. It's a one-and-a-half hour
15 commute, one way, to the new Fort Meade facility. ISSC
16 civilian personnel -- roughly two-thirds of this command
17 personnel have built their lives in Fairfax and Northern
18 Virginia over the last 20 years.
19 The Army still has fundamental unanswered questions
20 that need to be addressed before this move goes forward.
21 Specifically, the Army's COBRA numbers were based on
22 renovating existing space at Fort Meade. Now they're looking

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1 at new construction, and you still have $9 million in
2 obligated lease payments whatever happens. Thank you very
3 much.
4 CHAIRWOMAN COX: Thank you very much, Congressman
5 Davis, for that informational presentation.
6 GOVERNOR ALLEN: Madame Chairwoman, to represent
7 the Navy space and warfare command, we have the Honorable
8 Ellen Bozman, who's a member of the board of supervisors in
9 Arlington County, who will address this facility with other
10 witnesses. And I would -- we'd like to grant her 10 minutes
11 on this subject.
12 CHAIRWOMAN COX: Thank you. We're very happy to
13 have you here.
14 MS. BOZMAN: Thank you, Madame Chair. As an
15 elected member of the Arlington County Board for over two
16 decades now, and also as a former budget examiner at the
17 Bureau of the Budget, the predecessor to OMB, I've analyzed a
18 good many government proposals, both good and some ill-
19 advised. Today my copanelist, who is recognized defense
20 expert, Barry Blechman, and I come to ask you to challenge
21 the proposed move of SPAWAR for five primary reasons.
22 There are five primary reasons not to move SPAWAR.

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1 The first is, the proposed move is not in the national
2 interest, and would compromise military and mission
3 effectiveness. Second, SPAWAR contractors suggest that
4 moving the command across the country will result in reduced
5 efficiencies and, as a result, higher contract costs and
6 potentially less effective space and naval warfare systems.
7 Third, many of the existing synergies with its
8 clients and contractors who are located in or near the
9 national capital region will erode. SPAWAR's current
10 location is just two Metrorail stops from the Pentagon and
11 approximately a 20-minute trip from the proposed new NAVSEA
12 location at the Navy yard. Two of SPAWAR's primary clients,
13 NAVSEA and NAVAIR are to remain close by. Creating
14 unnecessary distance between SPAWAR and its customers does
15 not make good business sense.
16 We believe that if you look closely, you will find
17 the cost of SPAWAR to be vastly understated. The relocation
18 proposal does not list any construction or facility
19 reconfiguration costs. And its legitimate to challenge the
20 Navy's assumptions. For example, in 1993, we stated that the
21 projected cost to move NAVSEA to White Oak were vastly
22 understated. In less than one year, a congressionally

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1 mandated Navy analysis demonstrated our point. And the
2 result is the redirect proposal for NAVSEA, which is now
3 before the commission.
4 Finally, Arlington County and Northern Virginia
5 provide a number of important benefits. Let me mention
6 three. We have the highest -- one of the highest educated
7 workforces in the entire United States, due in part to our
8 excellent public school systems. But whether employers seek
9 post-graduates or software experts or electrical engineers,
10 the region has them. Statistically, we rank near the top of
11 the labor force in the country.
12 The region and the state provide excellent
13 transportation access by a nearby interstate, National
14 Airport and the Metro system. And our quality of life
15 attracts and retains residents. In fact, Arlington County
16 was recently judged one of the safest communities in the U.S.
17 So the conclusion that I believe should be reached in the
18 Northern Virginia, Arlington County and the current Crystal
19 City location of SPAWAR is the best location in which the
20 command can fulfill its vital mission.
21 I strongly urge you to review the SPAWAR proposal
22 and reconsider the proposed move. And I thank you. Dr.

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1 Blechman.
2 CHAIRWOMAN COX: Thank you, Ms. Bozman.
3 DR. BLECHMAN: Madame Chairwoman, members of the
4 Commission, it's been a long day for you. Fortunately, I
5 have a clear and compelling case, and I'll be able to be
6 quite brief. As you know, the Defense Department
7 recommendation reverses the 1993 BRAC recommendation to
8 retain SPAWAR in the national capital region. In fact, it
9 also reversed the Navy's recommendation, during the Fall of
10 1994 data call, that SPAWAR should remain in the national
11 capital region.
12 This sudden reversal, we believe, was unfounded and
13 threatens the effectiveness of the command, and does not take
14 account of the cost involved in the move. Essentially, these
15 are the two points I'd like to leave with you. Utilizing the
16 Navy's old conclusion, during the '94 data call, I think it's
17 clear that the move would undermine the military
18 effectiveness of the command. And secondly, that the move
19 would yield uncertain economic payoffs.
20 With respect to effectiveness, there are four ways
21 that the move would have adverse effects. In the first
22 place, it would diminish the ability of the command to

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1 coordinate with its clients, with the people in the Navy
2 acquisition and with the other systems command, with whom it
3 works on a daily basis. I think the bottom quote here -- and
4 all these quotes are from the Navy's own submissions -- to
5 the Defense Department makes very clear the close
6 coordination that's required.
7 This is particularly important with respect to the
8 dynamic technologies associated with command control
9 communications and intelligence. So this is the key point
10 here. SPAWAR works on the cutting edge of military
11 technology. It's the most sensitive aspect of our hardware
12 and software developments, and it requires very close
13 cooperation with designers of ships and aircraft and the
14 other systems that are utilized here.
15 Secondly, SPAWAR carries out a great number of
16 international programs. I had a recent conversation with an
17 officer there who alone managed 12 of these programs, with
18 eight different nations. A move out of Washington would make
19 his coordination extremely difficult. Thirdly, the Navy
20 itself concluded that moving SPAWAR outside of the national
21 capital region would create unacceptable security risks.
22 I don't think you can emphasize this point enough.

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1 The design of these information systems, of undersea warfare
2 systems and of overhead intelligence, space face intelligence
3 systems, are the very most sensitive technologies that we
4 work on. No matter how good our cryptographers may be,
5 moving design information over across the country would be a
6 very risky proposition.
7 So in summary -- sorry, one fourth point. Moving
8 the command would jeopardize the high caliber workforce that
9 it has now. This includes not only the command's own
10 employees, but the contractor community which has grown up
11 around it in this region. To summarize, the move would hurt
12 military effectiveness and, using the Navy's own words, if
13 SPAWAR were relocated outside the NCR, the mission would be
14 performed slower with greater technical risks at a greater
15 expense.
16 A decision to reverse that decision has to explain
17 how it differs from this conclusion -- why this conclusion
18 was incorrect. And we haven't been able to see it in any of
19 the submissions the Defense Department has made. Finally,
20 let me turn to the questionable assumptions about the
21 economy. The savings from this move, the sensible savings
22 driven by a personnel consolidation said to be made possible

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1 by moving the command closer to its subordinate units. But
2 this is not a base closing.
3 We're not saving people because we're able to get
4 rid of people that operate a base, that maintain and generate
5 the security and so forth. If there is a consolidation
6 possible, that consolidation should be possible, or at least
7 most of it, with the command in its current location.
8 American corporations throughout the country have streamlined
9 their workforces, made typically 20 percent reductions in
10 workforces without physical dislocations like this.
11 So the bulk of the savings should be available
12 without the move. Secondly, there's one gaping hole in the
13 analysis here. There are no costs for construction in San
14 Diego. Now, I have a 20-person company. I can't move that
15 company without incurring a great deal of cost. There's no
16 allowance made for the secure facilities that SPAWAR
17 requires, which are very expensive; for the very
18 sophisticated computer networks that are required; for the
19 very sophisticated communications systems that would be
20 required; and so forth.
21 Obviously, some construction costs are necessary,
22 and there's no allowance for any of them. Nor is there an

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1 allowance for the added cost of carrying out their mission if
2 this move were made. SPAWAR personnel would have to fly back
3 to Washington to coordinate with NAVSEA, NAVAIR and its other
4 customers very frequently. And there's move for those kinds
5 of expenses.
6 So to conclude, I think on two grounds, military
7 effectiveness and exaggerated cost savings, the Commission
8 should move to rescind this recommendation and keep SPAWAR in
9 the national capital region. Thank you very much.
10 (Applause.) Sorry. I'd be happy to answer any questions.
11 CHAIRWOMAN COX: I think we're all without
12 questions at this moment. Thank you very much, and we may
13 want to follow up.
14 GOVERNOR ALLEN: Madame Chairwoman?
15 CHAIRWOMAN COX: Governor Allen.
16 GOVERNOR ALLEN: Madame Chairwoman, our final
17 installation that we would like to address from the Virginia
18 team is actually a combined effort for the naval air station
19 Oceana and the naval aviation depot in Norfolk. Congressman
20 Owen Pickett from Virginia's 2nd District has some important
21 comments to make. He will introduce the mayor of Virginia
22 Beach, and I would like to allocate them 10 minutes for this

1 presentation.
2 CHAIRWOMAN COX: Congressman Pickett, Mayor, we're
3 very happy to have you.
4 CONGRESSMAN PICKETT: Madame Chairman and members
5 of the Commission, it's my pleasure to be here today to
6 discuss BRAC '95 realignments affecting military
7 installations in my district and Hampton Roads, Virginia.
8 With me is the Honorable Meyera Oberndorf, who is the mayor
9 of the city of Virginia Beach. Let me say at the outset that
10 there are both gains and losses for the military
11 installations in my district.
12 But I do support the recommendations of the
13 Secretary, made for my district. Madame Chairman, Mayor
14 Fraim of the city of Norfolk had intended to be here. I
15 would like to ask that his statement be made a part of the
16 record at this time.
17 CHAIRWOMAN COX: We would be very happy to have his
18 statement.
19 CONGRESSMAN PICKETT: Concerning the naval air
20 station Oceana, Virginia, the redirect of FA-18 squadrons
21 from NAS Cecil Field, Florida, to NAS Oceana, Virginia, and
22 the redirect of S-3 squadrons from NAS Cecil Field to NAS



1 Jacksonville have perhaps received the most attention and
2 publicity. These recommendations, however, are fully
3 supported and justified by a thorough, complete and detailed
4 analysis prepared by the Navy, based on validated confirmed
5 and certified data.
6 This redirect of naval aircraft is consistent with
7 the purpose and objectives of the Base Closure and
8 Realignment process, which is to size and shape of military
9 infrastructure to support our national security requirements
10 in the most cost-effective and operationally efficient way.
11 General Accounting Office, in making its statutory review
12 of DOD's BRAC '95 process, concluded that the Navy's process
13 and recommendations for the air stations category were sound.
14 Redirecting the FA-18s and single-siting the F-14s
15 at Oceana will not overload this base. During the decade of
16 the 1980s, an even larger number of aircraft were
17 successfully and routinely accommodated at this very capable
18 and well-equipped master jet base. The infrastructure,
19 support facilities, and community quality of life resources
20 are all in place and ready for use.
21 And speaking about losses in my district, I might
22 mention that there are two helicopter mine countermeasure



1 squadrons now stationed at the Norfolk naval base that are
2 proposed to be relocated to the Navy's mine warfare center of
3 excellence at Engleside, Texas. While we understand the
4 reasons for this move, we will still best define military
5 members and their families and their community.
6 Concerning naval aviation depot Norfolk, in a
7 letter dated March 2nd, 1995, I requested the Commission to
8 review the BRAC '93 decision concerning naval aviation depot
9 Norfolk. Of all F-14s being single-sited at NAS Oceana, just
10 20 miles from NADEP Norfolk, there are stronger arguments now
11 to support the need for this premier F-14 maintenance
12 facility. The target date for closure of this facility is
13 now September 30, 1996.
14 I request the Commission to consider reversing or
15 modifying the action taken in the BRAC '93 process with
16 respect to NADEP Norfolk. There are new facts bearing on
17 this issue that should be thoroughly considered by the
18 Commission in its review process this year. Closing this
19 facility, as presently scheduled, defies logic and common
20 sense. I hope you will agree. It's now my pleasure to
21 present the Honorable Meyera Oberndorf, mayor of the city of
22 Virginia Beach.



1 Mayor Obendorf has been vigorous and consistent in
2 furthering the strong ties Virginia Beach has with the
3 military. She is a tireless worker on behalf of our military
4 families, and recognizes the importance to them of quality of
5 life programs.
6 MAYOR OBENDORF: Thank you, Congressman Pickett,
7 Madame Chairman and distinguished members of the BRAC '95
8 Commission. Good afternoon. I've been with you since early
9 this morning, so I know your endurance defies description.
10 As mayor of the 37th largest city in the nation, I am
11 delighted to be here and honored to have the opportunity to
12 speak to you today. I would like to take just a few minutes
13 of your valuable time to express our sincere appreciation for
14 all your hard work on a most difficult tasking -- right-
15 sizing our country's military infrastructure.
16 As a city with a long history of strong ties to its
17 military, the citizens of Virginia Beach are keenly aware of
18 the magnitude of your charter, and fully realize, when times
19 are tough, and bucks are tight, some unpopular and sometimes
20 gut-wrenching decisions must be made to ensure our nation's
21 military remains efficient and effective, but second to none,
22 as we move rapidly towards the 21st century.



1 Downsizing and realignment stir great emotion,
2 regardless of whether they are in the loss or gain column.
3 During previous BRAC rounds, the city of Virginia Beach has
4 been on both sides of the coin. Today, however, I am pleased
5 to announce we strongly concur with the BRAC '95 decision
6 concerning the realignment of naval air station Oceana, as
7 put forth by the Secretary of the Navy and subsequently
8 approved and announced by the Secretary of Defense, on the
9 28th of February, 1995.
10 It is, without question, the logical decision for
11 a multitude of reasons. But the main issue that cannot be
12 denied concerns real and substantial tax dollar savings.
13 Single-siting the Navy's F-14 Tomcat community; redirecting
14 eight fleet squadrons and one fleet replacement squadron of
15 FA-18 Hornets from NAS Cecil Field, Florida; and moving the
16 Navy's East Coast F-3 Viking community to NAS Jacksonville,
17 Florida, will result in an upfront savings equivalent to
18 closing a major naval air station on either coast.
19 The above realignment initiative will result in a
20 combined upfront savings to the American taxpayer of over
21 three-quarters of a billion dollars. Yes, that's over three-
22 quarters of a billion, with a capital b, and that's not small



1 potatoes. The city of Virginia Beach has taken bold actions
2 on several initiatives in close cooperation with the
3 commanding officer to ensure NAS Oceana continues its role as
4 the Navy's premier master jet base.
5 On August the 23rd, 1994, Virginia Beach city
6 council unanimously approved a comprehensive airport zoning
7 ordinance, limiting the height of structures around the
8 airfield; requiring existing owners and realtors to disclose
9 the noise zone potential to potential buyers; and requiring
10 any structure built in the noise area to incorporate acoustic
11 treatments of their construction; and defined what could be
12 built, in terms of compatible use in any of the noise zones
13 around the field.
14 In addition, we have budgeted approximately $25
15 million to move two elementary schools built over 40 years
16 ago, now presently located in the NAS Oceana accident-
17 potential zone. Our school board has selected the alternate
18 sites, and engineers are currently engaged in the necessary
19 design work. Also, we are pleased that we have agreed and
20 signed an agreement with the state of North Carolina,
21 allowing the Lake Gaston water supply project to be completed
22 in 1998.

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1 I can assure you, the city of Virginia Beach and
2 her sister cities that make up the greater Hampton Roads
3 area, already have the community infrastructure in place to
4 provide the absolute finest in the quality of life for our
5 wonderful soldiers, sailors, airmen, marines and civil
6 service employees and their dependents. Overcrowding is a
7 non-issue.
8 As a matter of fact, I have been told by reliable
9 sources that by the time the BRAC '95 initiatives are
10 executed, the base loading at NAS Oceana, with respect to the
11 number of personnel, number of squadrons and total aircraft,
12 will be at a level below what has already been assigned there
13 during the mid to late 1980s, prior to both Operation Desert
14 Shield and Desert Storm.
15 Therefore, this is not new ground for the city of
16 Virginia Beach. And we look forward to the sound of freedom,
17 and we welcome our new residents.
18 CHAIRWOMAN COX: Thank you very much. (Applause.)
19 Governor, I think that's the last of the group on our list.
20 Do you have anything?
21 GOVERNOR ALLEN: I know we may have some time left,
22 but unless you have any questions, all I would like to say

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1 is, I'm very proud of our team from Virginia -- all the local
2 support groups, local government officials, our members of
3 Congress, members of the General Assembly, the generals who
4 came here, General Gray and Hunzeker and Colonel Williams.
5 And I hope and trust that our comments you found to
6 be cogent, instructive and useful as you deliberate in these
7 matters when you have to be discussing and understanding
8 everything from Hornets to health care to tank ranges to air
9 space to cryptology -- or cryptography. And we thank you for
10 your care and consideration, and hope and trust you will
11 exercise good judgment for the people of America. And thank
12 you for your service.
13 CHAIRWOMAN COX: Thank you very much. And we did
14 indeed find your comments and thoughts across the board to be
15 very cogent and very interesting. And we appreciate everyone
16 who was here today, particularly everyone led by their
17 governor. Thank you very much.
18 GOVERNOR ALLEN: Thank you, thank you. (Applause.)
19 CHAIRWOMAN COX: We will now be moving on to the
20 state of North Carolina. (Applause.) Welcome. If you all
21 are ready, we have 20 minutes allocated to this. And we're
22 most pleased to see quite a distinguished group representing

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1 the state of North Carolina. Let me turn it over to you all
2 to start with the program
3 CONGRESSMAN JONES: Madame Chairman, members of the
4 Commission, I am Walter V. Jones, Jr., representative for the
5 3rd District of North Carolina. With me today are Governor -
6 -
7 CHAIRWOMAN COX: I'm sorry, I neglected a very
8 important job. Statute does require that we swear all
9 witnesses in before testimony, otherwise, we cannot take the
10 testimony. So if you all would allow me, and raise your
11 right arm -- right hand, excuse me.
12 (Witnesses sworn.)
13 CHAIRWOMAN COX: Thank you very much. I'm sorry to
14 interrupt, and we'll start your time over.
15 CONGRESSMAN JONES: Thank you. Madame Chairman,
16 members of the Commission, I am Walter V. Jones, Jr.,
17 representative for the 3rd District of North Carolina. With
18 me today are Governor James B. Hunt, Jr.; Senator Jesse
19 Helms; and Senator Lauch Faircloth; and Representative Eva
20 Clayton.
21 CONGRESSMAN CLAYTON: Madame Chair and members, I
22 want to thank you for this opportunity to be part of a team

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1 to make the case for relocating the Navy wing from Cecil
2 Field, Florida, and Beaufort, South Carolina, to Cherry
3 Point. I believe the case is compelling, and I ask that my
4 full statement be entered to the record.
5 CONGRESSMAN JONES: Madame Chairman, we are here
6 today representing the people of North Carolina to request
7 that this Commission apply the law, the spirit of the law and
8 the rationale of the BRAC '93 Commission when it decided the
9 F-18 aircraft from Cecil Field, Florida, to Cherry Point
10 Marine Air Station in North Carolina. I cannot overstate the
11 impact of your decision on the people of my district and the
12 district represented by Mrs. Clayton and on our state.
13 Madame Chairman, we share the desire for an
14 efficient and a cost-effective operation. We believe our
15 case is compelling. Governor Hunt will address our opening
16 issues. Thank you.
17 CHAIRWOMAN COX: Thank you, and welcome, Governor
18 Hunt. (Applause.)
19 GOVERNOR HUNT: Madame Chairman and members of the
20 Commission, in 1993, the Base Closure and Realignment
21 Commission, on the basis of military value determinations,
22 concluded that the aircraft in Cecil Field should be

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1 redistributed from NAS Cecil Field to MCAS on the East Coast,
2 Cherry Point and Beaufort. The Commission's rationale was
3 that such a realignment would -- and let me quote here --
4 "dovetail with the recent determination for joint military
5 operations of Navy and Marine Corps aircraft."
6 The BRAC Commission in 1993 understood that
7 interservice, joint military operations were necessary in
8 order to achieve the most efficient, cost-effective
9 utilization of our military resources. In addition to the
10 interservice rationale, the '93 Commission also concluded
11 that the realignment of the F-18 aircraft at Cherry Point
12 "alleviated concerns with regard to future environmental and
13 land use problems."
14 As a result of the BRAC '93 directives, the Navy
15 has already spent approximately $25 million in preparation
16 for receiving the aircraft at Cherry Point. This expenditure
17 was entirely reasonable, in light of the unassailable
18 rationale provided for the decision by the '93 Commission.
19 It made sense then, and it makes sense now. The Department
20 of Defense now, however, proposes to ignore the BRAC '93
21 Commission decision and its underlying rationale.
22 It recommends redirecting the F-18 aircraft from

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1 Cecil Field to Oceana, rather than to Cherry Point. A few F-
2 18 aircraft also would be assigned to Beaufort, South
3 Carolina, and Atlanta, Georgia. Madame Chairman, we
4 respectfully suggest that this commission consider the
5 Department of Defense recommendation to be a substantial
6 deviation from the BRAC criteria; a deviation, as we will
7 make clear today, which will not stand scrutiny, and ought to
8 be reversed.
9 What happened between 1993 and 1995? And why did
10 it happen? To answer these questions, it's important to
11 first understand -- and I think this is crucial, Madame
12 Chairman -- to understand that Oceana was considered by the
13 '93 Commission as a potential receiver for the F-18 aircraft.
14 And the Commission concluded that "the movement of Cecil
15 Field F-18 aircraft and personnel to NAA and NAS Oceana
16 defeats the increase in military value achieved by the
17 integration of Navy carrier-based aviation with the Marine
18 Corps carrier aviation at Cherry Point and Beaufort.
19 Oceana was not overlooked; it was specifically
20 considered and rejected as an appropriate receiver site for
21 these airplanes. We contend the rationale which supported
22 that conclusion in 1993 is still fully applicable in 1995.

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1 And in light of new, tight budget constraints, it's even more
2 relevant today. To justify ignoring the directive of the '93
3 Commission, it was necessary to change the playing field.
4 Accordingly, the 1995 Navy recommendation to the
5 Department of Defense included a so-called rule that -- and I
6 quote -- "the introduction of aircraft types not currently
7 aboard a station is not allowed." This rule, of course,
8 would eliminate Cherry Point as a receiver of F-18s, but
9 would qualify Oceana as a receiver site because of the
10 existence of only one Reserve squadron of F-18s at Oceana.
11 But adherence to this rule would more than eliminate Cherry
12 Point as a potential receiver.
13 Madame Chairman, it would destroy the interservice
14 synergy dictated by the '93 Commission decision. The rule is
15 clearly designed to direct the F-18s to Oceana. Now, a
16 review of the cost avoidance and related numbers attributed
17 to the '93 decision and the 1995 DOD recommendations provides
18 another example of the Navy's efforts to justify ignoring the
19 '93 decision.
20 In 1993, after a thorough study, the Commission
21 determined that the costs -- this is what they said then --
22 it would cost $228 million to move the F-18s to Oceana, and

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1 only $147 million to move them to Cherry Point. These
2 numbers were based on the relocation of 13 12-plane squadrons
3 and a training squadron. Now, in 1995, the Navy recommends
4 to DOD, and DOD is recommending to you, an estimate that
5 would cost only $28 million to move the aircraft to Oceana,
6 but $332 million to move it to Cherry Point.
7 How is this $385 million flip-flop possible? Is
8 there any basis and logic for it? The answer is clearly no.
9 The Navy's explanation for the dramatic difference in the
10 Commission's '93 cost determination and the Navy's '95
11 numbers includes the reduction of squadrons from 13 to eight.
12 It is important, however, to note that the Navy's 1995 cost
13 figures submitted contain a plain mistake.
14 They are based on an estimate of different numbers
15 of planes. They assume 204 planes being transferred to
16 Cherry Point, but only 144 going to Oceana. That's a big
17 part of the difference in these costs. And that's just a
18 mistake. In addition, the Navy contends that the costs
19 attributed to Oceana would be offset by phasing out 56 A-6
20 aircraft and the redirection of S-3 aircraft to NAS
21 Jacksonville. Incidentally, that would be a violation of
22 their new so-called rule.

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1 These factors simply cannot account for the
2 difference in the '93 Commission cost determination of $228
3 million at Oceana and only $28 million today under the new
4 proposal. In addition, the Navy's 1995 cost estimate for
5 Cherry Point includes a $42 million cost for additional
6 family housing units, although the Navy itself has done a
7 study and shows that Cherry Point -- that these units are not
8 required at Cherry Point. This was an earlier study.
9 $39 million is put in at Cherry Point for
10 additional enlisted quarters, despite an existing excess
11 capacity of 35 percent there now. $25 million is put in at
12 Cherry Point for an unnecessary and counterproductive
13 parallel taxiway. Madame Chairman, the DOD recommendation is
14 replete with inaccuracies. We just urge you to look at that
15 hard. I know that your staff is doing it now.
16 We're presenting accurate information to you today
17 and in our stuff we're getting to you; and that will present
18 to you the real facts. I would like to have about a minute
19 to close, if I may, Madame Chairman, after our senators
20 present. Now I'm very pleased to turn over our case to North
21 Carolina senior Senator Jesse Helms, who is the Chairman of
22 the U.S. Senate Foreign Relations Committee. (Applause.)

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1 CHAIRWOMAN COX: Thank you very much, Governor
2 Hunt, and welcome, Senator Helms.
3 SENATOR HELMS: Madame Chairman, thank you so much
4 for the opportunity for us to appear to discuss the Defense
5 Department's recommendation that 11 squadrons of Navy F-18
6 aircraft be transferred from Cecil Field in Florida to
7 Oceana, Virginia, and Beaufort, South Carolina, instead of to
8 Cherry Point, as was initially determined by the 1993 Base
9 Closure Commission, on which a lot of planning was done and a
10 great deal of money was spent.
11 Now, if we sound like an a cappella choir here,
12 it's because we're singing the same hymn; and I think we'll d
13 the best we can. But I'll tell you, we feel a little bit
14 like we've been left at the altar by the 1995 Base Closure
15 Commission -- or the Defense Department, rather. But I thank
16 you also for accommodating us and having this meeting today
17 near Baltimore, instead of Alabama or somewhere like that.
18 Now, with all due respect, Madame Chairman, when it
19 comes to the disposition of the F-18s currently stationed at
20 Cecil Field, the 1993 Base Closure Commission had it right;
21 and the current Department of Defense had it wrong. As Al
22 Smith used to say, let's look at the record. During the past

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1 10 years, more than $400 million has been invested in new
2 infrastructure at Cherry Point, based upon the 1993 BRAC
3 determination.
4 Now, based on the determination back there that
5 these fighter planes would be transferred to Cherry Point,
6 and there seemed to be no question about it, not doubt about
7 it at the time, approximately $25 million, therefore, was
8 spent in preparing for the arrival. During the past seven
9 years, 16 new bachelor enlisted quarters have been built.
10 And in 1994, a new naval hospital was opened, providing
11 first-rate medical care for military personnel and their
12 families who were expected, as a result of the 1993 assurance
13 as we took it.
14 In the past year, new water and sewage treatment
15 facilities have come on line, with excess capacity, I might
16 add, in anticipation of the growth at Cherry Point. And
17 because of these and other factors, Cherry Point has twice
18 been awarded the Commander In Chief's award for installation
19 excellence, and has won various environmental awards on
20 numerous occasions.
21 And as the servicemen and women currently stationed
22 at Cherry Point will attest of it, there are few, if any,

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1 more desirable places to live in America. The crime rate is
2 low; the cost of living is reasonable; there's no congestion,
3 urban sprawl or pollution. Those who live in Cherry Point
4 and its surrounding communities recognize that they have no
5 higher responsibility than to take care of the courageous
6 young men and women who are charged with protecting the
7 freedoms and the liberty of the American people.
8 The bottom line is that the military personnel and
9 dependents who will be transferred, along with the fighter
10 planes, will be well taken care of, should you abide by the
11 1993 BRAC decision, which we pray that you will. Now,
12 stationing these Navy aircraft at Cherry Point will also
13 promote the goal of interservice cooperation advocated by the
14 Defense Department itself, as a means of stretching U.S.
15 defense dollars -- and where I work, that's very important --
16 and preparing our troops for future conflicts.
17 That was the judgment of the 1993 BRAC. It was the
18 correct judgment, we insist. And if the Navy or Marine
19 Corps, with their common heritage and common mission, cannot
20 train and work together, then how realistic is it to expect
21 further association of the Army, Navy, Air Force and Marines?
22 And finally, Madame Chairman, in all sincerity, there is the

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1 issue of fairness.
2 The overwhelming majority of Navy air-to-ground
3 training occurs in and over the state of North Carolina. So
4 if the aircraft are stationed at Oceana, the end result will
5 be that North Carolina will get all of the noise, all of the
6 negative environmental impact of the aircraft, but none of
7 the economic benefits. If the pilots flying these aircraft
8 are going to train in and over North Carolina, they should be
9 based there as well.
10 As I close, let me raise a question; and it's
11 relevant. I understand that in recommending that their jets
12 be transferred to Virginia instead of to Cherry Point, the
13 Navy state that it needs the aircraft stationed close to
14 their home aircraft carriers at Norfolk. If that is the
15 case, Madame Chairman, then why did the Navy recommend that
16 F-14s, whose home carriers are docked in San Diego,
17 California, also be transferred to Virginia?
18 Madame Chairman and members of the Commission,
19 thank you for the opportunity to let us state our case as to
20 why America's national security and the care and training of
21 our young servicemen and women will be both best served if
22 the decision of the original 1993 Base Closure Commission is

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1 reaffirmed. At this time, it's my pleasure to present my
2 colleague and good friend, the junior senator from North
3 Carolina, Lauch Faircloth. Mr. Faircloth. (Applause.)
4 SENATOR FAIRCLOTH: Thank you, Jesse, and good
5 afternoon, Madame Chairman and members of your staff and
6 ladies and gentlemen. I am Lauch Faircloth of North
7 Carolina. I was born, reared, and lived in Clinton, North
8 Carolina, which is about 80 miles to the west of Cherry
9 Point. In Eastern North Carolina, we have a relatively
10 unpopulated forested area, which ideally suits itself to
11 military training and to training which lends itself to
12 safety.
13 You don't fly over large shopping malls, or have
14 thickly populated areas to land in Cherry Point. The density
15 is not what you will find in Norfolk or Oceana. It's simply
16 a fact. Our landing patterns and training routes are clear,
17 unimpeded, and our communities do not in any meaningful way
18 encroach on the one-way and training area. I know the
19 hardworking and independent nature of the citizens of North
20 Carolina. And I can tell you, they welcome the military and
21 need the jobs that these planes will bring.
22 The economic impact of this move on an area such as

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1 Hampton Roads, with an existing population of 1.5 million
2 people, is negligible. However, the economic impact on
3 Craven and Crower County is 15 times greater. Even if
4 everything were equal, which it isn't, this one criteria
5 should determine the issue in favor of Cherry Point.
6 Our military value is unsurpassed. Cherry Point
7 has four 8,000-foot runways with excellent approaches. In
8 fact, a '93 Commission determined that there was ample
9 capacity for five additional 12-aircraft squadrons. To put
10 it another way, 60 additional aircraft can be accommodated
11 with minimal military construction investment. In addition,
12 our area has an abundance of water.
13 We do not have rationing, and our water is also
14 clean. It will last for any number of years. Despite a
15 recent agreement concerning the Lake Gaston pipeline, I am
16 sorry to say, our neighbors to the north are not blessed with
17 sufficient water. Oceana and the Norfolk area have suffered
18 from a severe water shortage since 1981. And to this date,
19 mandatory water use restrictions are imposed.
20 Not only will the lack of water impact on the
21 living conditions and the quality of life of our young
22 service personnel, but it is bound to impact on the

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1 operational readiness of the military. It just makes no
2 sense to introduce a force of 4,000 new people into an area
3 that is already hard pressed to have enough water to support
4 its current population.
5 Another issue is the ground water quality at
6 Oceana. It has been reported in the Virginia and national
7 press that there is widespread fuel contamination in Oceana.
8 This contamination apparently leaked into the groundwater,
9 and has made some of the buildings at Oceana uninhabitable.
10 To put it another way, there is not only a water problem, but
11 there is a clean groundwater problem for what water does
12 exist at Oceana.
13 It is our assessment that the Oceana facility is
14 not comparable to Cherry Point. Cherry Point is a modern,
15 ready-to-go facility, located in an area with high quality of
16 water. It would seem that given the comparison between the
17 two air stations, based on the facts we have presented, and
18 the facts in your briefing book, it is absolutely in this
19 country's best interest, and in the best interest of the
20 Marine Corps, sailors and airmen, to direct the location of
21 the F-18 aircraft to Cherry Point.
22 Governor Hunt will now make a brief summation of

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1 our testimony.
2 CHAIRWOMAN COX: Thank you, Senator.
3 GOVERNOR HUNT: Madame Chairman and members of the
4 Commission, we believe that we presented a case, and the
5 information that we submit to you will, that establishes that
6 the Navy-DOD recommendation to this commission represents an
7 unsupported rejection by the Navy and the Department of
8 Defense of the 1993 Commission decision, and a substantial
9 deviation from the BRAC criteria.
10 This recommendation ignores the joint service
11 operations decision and the environmental and land use
12 determinations of the '93 Commission. It appears that the
13 Navy has concluded that Oceana is at risk of closure if it
14 does not receive these airplanes. And the Navy wants to keep
15 Oceana open at all costs. We've established today that the
16 at-all-costs standard is very high, and a cost that is being
17 paid with taxpayers' dollars.
18 The Honorable Owen Pickett, who appeared here
19 today, is a member of the district in which Oceana is
20 located, I think explained the natives' logic very well in
21 this matter when he said -- and I quote him -- "when the
22 military wants to do something and it is expensive, they

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1 underestimate the cost. And when they don't want to do
2 something, they overestimate the cost."
3 Because of the demonstrated aviation and the clear
4 and major mistakes in computing costs that is in this
5 recommendation, we request the Commission to reject the DOD
6 recommendation and uphold the '93 Commission decision to
7 locate the F-18s at Cherry Point. Thank you very much for
8 this opportunity to appear before you today.
9 And we want to invite your staff to come to Cherry
10 Point and see what we have there; see all of these living
11 quarters that are not being used now and are ready to be
12 used. And we'll be happy to entertain any questions that you
13 would like. (Applause.)
14 CHAIRWOMAN COX: Thank you very much. There don't
15 appear to be any questions at this time. I might just say,
16 as a member of the 1993 BRAC, I appreciate your strong belief
17 in our infallibility and wisdom. Thank you. (Applause.) I
18 believe that we will now have -- we have reserved 11 minutes
19 of Pennsylvania's time for the Naval Surface Warfare Center,
20 because former Secretary of the Navy John Lehman was
21 unavoidably detained.
22 And so we will now move to do that particular area.

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1 Is Secretary Lehman here? We will go ahead with Secretary
2 Lehman. We very much appreciate the fact that you're here,
3 look forward to your testimony.
4 SECRETARY LEHMAN: Well, Madame Chair,
5 [illegible]missioners, thank you very much for accommodating me. I
6 very much appreciate it. It's a great pleasure to be here.
7 And I particularly am grateful for being the position of
8 clean-up batter.
9 CHAIRWOMAN COX: You know, Secretary Lehman, you
10 remind me, when you talk about clean-up batter, I'm not sure
11 that I had forgotten to swear you in, which is required by
12 our statute. So if you don't mind, I would ask you. Thank
13 you very much.
14 (Witness sworn.)
15 CHAIRWOMAN COX: Thank you, sir.
16 SECRETARY LEHMAN: Madame Chair, as Henry VIII used
17 to say to his wives, I promise not to keep you long. I have
18 submitted my testimony for the record, and so I'll just give
19 you a brief summary and answer any questions that you might
20 have. I am here to strongly endorse the position and
21 recommendation of the city of Philadelphia, and half of the
22 recommendation of the Department of Defense to consolidate

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1 the engineering center of the NSWC from Annapolis to
2 Philadelphia, to the central center of excellence at NAVSES
3 in Philadelphia.
4 And second, to strongly endorse the recommendation
5 to move some of the functions of the headquarters NAVSEA 03
6 that are closely related to NAVSES, also to Philadelphia.
7 The reason I feel enthusiastic about endorsing these two
8 recommendations is that one of the major efforts that was
9 made back in the '80s, during the build-up of the 600-ship
10 [illegible]y was to streamline and reduce the Navy bureaucracy and
[illegible] headquarters bureaucracy in Washington, particularly.
[illegible] And during the period when we were building up the
13 [illegible]-ship Navy from about a 400-ship Navy, as the Cold War
14 required, we also reduced the bureaucracy, which should
15 greatly facilitate the building of the ships and the
16 tremendous expansion of the Navy at that time. We eliminated
17 a met of 2,600 billets from NAVSEA, NAVAIR, SPAWAR and other
18 headquarters staffs inside the Beltway.
19 And unfortunately, with the confusions of peace and
20 the success of the build-up, the attention to reducing
21 streamlining bureaucracy went the other way. And since the
22 end of the Cold War, all of those 2,600 billets have been

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1 added back to Washington area headquarters, plus another 400.
2 And that is not for a 600-ship Navy, but for a 300-plus ship
3 Navy. So I'm here to urge you to take those measures that
4 will once again bring a tightness and efficiency by reducing
5 headquarters' layers of bureaucracy.
6 And I think there's no better example to be found
7 than the consolidation of the functions now being done at
8 Annapolis, which, in many ways, are redundant, and in every
9 case, closely related to the work being done in Philadelphia.
10 The NAVSEA 03 consolidation is also related because many of
11 these people are really overseeing and coordinating functions
12 because they're at more than one sight.
13 And so the two are related. There are, in the case
14 of Philadelphia, so many areas of expertise. It is, of
15 course, the central area of excellence for ship systems
16 testing and R&D. And while the work done at Annapolis has
17 been excellent in every way, there seems to be no serious
18 [illegible]ase for not consolidating them, and reducing the net number
[illegible]ositions at the same time.
[illegible] So I won't spend much time on that. The case is
[illegible] made in the technical papers that have been provided to
22 the Commission. The movement of -- consolidation of NAVSEA

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1 03, which is the engineering directorate is a little more
2 complicated. And I would urge you to look at it in a simple
3 way. Don't try to micromanage NAVSEA and tell the director
4 of NAVSEA exactly which billets to do it, but there is no
5 doubt in my mind that a substantial number of the functions
6 being done in NAVSEA 03 in Washington can be far better done
7 in Philadelphia; and that there should be a substantial net
8 reduction in people.
9 Since we left, there has been an enormous growth in
10 that office. It has now some 650 people in that one part of
11 NAVSEA in Washington. And that is simply far too many to be
12 efficient. And so by moving all or most of the functions
13 that are not directly related to ship design and
14 coordination, the efficiencies and reductions can be
15 accomplished, I think, in a very rapid way. I think the cost
16 savings are enormous. I think the difficulties are few.
17 I think the costs of moving are grossly overstated.
18 I am an industrialist, and have a good deal of experience in
19 the buying, the selling, the building and the moving of
20 industrial plants. And I think the $25 million estimate to
21 move NAVSES from Annapolis could be done for a fraction of
22 that if it were done in best business practice. So I would

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1 guess a jaundiced eye at that cost estimate.
2 Just to summarize, I think this is a great
3 opportunity to put the Navy headquarters back in an efficient
4 and tight basis. We have shown in the past that when we
5 reduced bureaucracy, we actually speeded decision-making and
6 improved the quality of the product; and we can do it again
7 here. It's grown like topsy, as bureaucracy always does,
8 unless it's given a periodic top-down cut.
9 Again, don't try to micromanage COM NAVSEA. He
10 understands the problem, but he really needs you to mandate a
11 top-down targeted cut, in order to take on the baronies that
12 he must take on to accomplish this. That is the burden of my
13 message, and I urge you Godspeed in carrying it out. I would
14 be happy to answer any of the questions that you might want
15 to raise.
16 CHAIRWOMAN COX: I think we are very much
17 appreciate your testimony, and of course, we'll take your
18 full testimony for the record. And we are honored that you
19 would be here today to provide us with this easy to
20 understand testimony, and that's always helpful. Thank you
21 very much.
22 SECRETARY LEHMAN: Thank you, Madame Chair.

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1 CHAIRWOMAN COX: We are now at the point of the
2 second period of public comment.
3 MR. McCARTHY: Madame Chair, Commissioners, I'm Joe
4 McCarthy, and I'm chairman of the Pennsylvania action
5 committee for Governor Ridge. I'm also a retired Army
6 general, and as such, I approach my mission looking at the
7 military criteria. And the first criteria that I observe in
8 going around these bases is the strategic location of
9 Pennsylvania.
10 And by the strategic location, I mean the state
11 itself, with respect to mobilization and ports and so on,
12 highways. But also I mean the location, with respect to
13 other functions -- the collocation of functions and the
14 interservicing possible and also location with respect to
15 bases, that is, Pennsylvania Guard requiring a place to
16 train; Kelly Support Center close to the place where it's
17 supporting troops. So location is a very big item.
18 Other items in military value would be the, I
19 think, for your consideration, the very effective bases that
20 we have. I think we've shown that these bases and the people
21 concerned are very effective in supporting the forces. And
22 they're also cost-effective. One thing that I think is

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1 alarming, with respect to military operations is the
2 responsibility that the Department of Defense has for
3 supporting the Reserves and the National Guard.
4 And I think that this has been abdicated in a way,
5 with respect to Indiantown Gap and with respect to the Kelly
6 Support Center and the 911th Wing. I wanted to also mention
7 the disproportionate impact, cumulatively, in Pennsylvania of
8 the previous BRAC things. And I think Governor Ridge
9 probably left this with you.
10 CHAIRWOMAN COX: Yes, thank you.
11 MR. McCARTHY: That's a very telling thing. Now,
12 that's economic impact, but I want to put that into military
13 value. In Pennsylvania, our recruitment enlistment, both in
14 the active services and in the Guard and Reserve, have always
15 been high. And we are at the point now where the military
16 present in Pennsylvania is very seriously reduced; and these
17 figures show that.
18 And this is going to affect recruitment and
19 enlistment and the general support of the public for the
20 military. This concerns me. So I've approached this from
21 the military value standpoint. And I want to say that I've
22 seen Commissioner Cornella, and I've seen you all in

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1 operation. I have great sympathy for the tolerance you've
2 shown all of us, and the sympathy. And you have a tough job;
3 we understand that. We thank you very much.
4 CHAIRWOMAN COX: Thank you very much for that wrap-
5 up on behalf of Pennsylvania. Thank you. We have now
6 reached the point of our second public comment period. This
7 will be a period of 30 minutes. And we'll take those
8 affecting Pennsylvania, Virginia and North Carolina. I would
9 like to have all of those wishing to speak right here.
10 It looks like, perhaps, you are already lined up so
11 that we could swear you in all at one time. So if you would
12 please raise your right hands.
13 (Witnesses sworn.)
14 CHAIRWOMAN COX: Thank you very much. And I
15 believe we will be starting with Pennsylvania. Yes, okay.
16 With Mr. Stephen George? No. Okay. Maybe you could just
17 give us your name as you start.
18 MAJOR GENERAL SMOKER: Madame Chairman, I am Major
19 General Frank Smoker, United States Air Force, Retired.
20 Having served at Fort Indiantown Gap for many years, the last
21 seven years as commander of the Pennsylvania Air National
22 Guard, my experience at Fort Indiantown Gap provides me with

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1 a unique perspective of the tremendous military value that
2 the fort provides to combat readiness.
3 Unfortunately, the Army's criteria for determining
4 military value of major training areas did not allow for
5 accurate measurement of the uniqueness of Fort Indiantown
6 Gap's military value. For example, the criteria did not
7 fully take into account the very valuable air-to-ground
8 gunnery and bombing range -- one of only 15 in the United
9 States. This is a national asset.
10 It did not consider this restricted air space used
11 by the Air Force, Navy and Marines, as well as the Army and
12 Air National Guard, or the 191 miles of low-level training
13 routes leading into the range at Indiantown Gap. Being aware
14 of today's environmental concerns, once gone, these extremely
15 assets can never be duplicated. The criteria did not
16 consider the 710 square miles of the northern training area,
17 currently used for tactical aviation training.
18 The criteria did not take into account the six
19 modern helicopter flight simulators, which provided a cost
20 avoidance to the taxpayer last year of over $68 million. In
21 studying the tab's data, it's obvious that the input data
22 must have been flawed, since the Army claims that closing the

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1 fort will save $23.8 million a year; when in fact it only
2 costs $13.5 million last year to operate the base.
3 Correcting these and other misleading factors, the
4 overall rating of Fort Indiantown Gap changes from being
5 number nine out of 10, to becoming number three out of 10.
6 In view of the discrepancy, I urge the BRAC Commission to
7 have GAO reevaluate the data. Finally, it's my strong
8 recommendation that the BRAC Commission retain the federal
9 presence of Indiantown Gap and take Fort Indiantown Gap off
10 the list. Thank you.
11 CHAIRWOMAN COX: Thank you very much, sir.
12 MAJOR GENERAL SAJER: Madame Chairman,
13 Commissioners, I'm Major General Gerry Sajer, former Adjunct
14 General of Pennsylvania. Thank you for your patience and
15 perseverance. In its analysis of major training areas, the
16 Army failed to consider daily usage, schoolhouse usage and
17 weekend usage. Now, this allowed the Army to use a one-size-
18 fits-all approach, the enclave plan -- to abandon containment
19 areas, eliminate the infrastructure, dismiss the employees,
20 and then claim the overhead as savings.
21 While the enclave plan may work at some posts, it
22 will not work at the Gap. No other base must support the

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1 very large training population we have. No other base has
2 the large daily population we have. No other base has the
3 large number of schoolhouses we have. No other base has the
4 large numbers of diverse training opportunities we offer. No
5 other base even comes close on the throughput of 780,000
6 soldiers a year. The other bases are at 160,000 or less.
7 Now, the enclave idea, I suggest, was not well
8 thought through. You cannot close your eyes to reality; you
9 cannot escape your responsibility for federal funding; and
10 you cannot ignore the responsibilities we have to our
11 soldiers. The enclave plan takes away from these soldiers
12 their simple pleasures -- their barracks, their showers,
13 their mess halls, their post exchange, their gym -- all of
14 their quality of life.
15 Soldiers do not wish to be babied, but they do
16 expect their leadership to anticipate their needs, do the
17 best they can to provide for them. That's what's being
18 ignored here. Can you imagine a group of soldiers at the
19 Gap, standing around in the cold and the rain, looking at
20 recently modeled barracks and told they can't use them
21 because the Army wouldn't fund it? You're right -- they'll
22 feel left out in the cold.

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1 And that's the reason why we're not taking care of
2 soldiers with this enclave plan. I would recommend that the
3 Commission abandon it. It will not work. Take the Gap off
4 the list. Thank you very much for your patience today.
5 CHAIRWOMAN COX: Thank you very much. Senator
6 Brightbill.
7 SENATOR BRIGHTBILL: Good afternoon. My name is
8 David Brightbill, I'm a state senator, member of the General
9 Assembly.
10 CHAIRWOMAN COX: Welcome.
11 SENATOR BRIGHTBILL: I have lived in the Lebanon
12 area for my 52 years, and I've been in public service for
13 about 16 or 18 of those years. I believe that the Gap has a
14 unique value, and I think that we've well expressed it, and
15 I'm going to bring a little bit different perspective. We
16 have a small but very real support -- excuse me, we have
17 substantial support for the Gap from the local community.
18 I've never had a complaint about the helicopters.
19 I've never had a complaint about the jets. I've never had a
20 complaint about the Howitzers. And the thing I'd like to
21 leave you with is this, this simple thought. During the
22 Vietnam War, when we saw many, many protests of military

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1 people, military installations, for Lebanon, Pennsylvania,
2 for the soldiers at Indiantown Gap, we would fill high school
3 auditoriums, places like this, to say simply that we were
4 proud to be an American; we were proud to have Indiantown Gap
5 here.
6 We've supported the Gap not only here today, not
7 only on the base closure, but we've supported it back in the
8 '60s and the '70s and the '80s. And I think that's a
9 consideration for you, too. Thank you for your time.
10 CHAIRWOMAN COX: Thank you, Senator. Mr. Schott.
11 MR. SCHOTT: Madame Chairman and Commissioners, my
12 name is Leonard Schott. I am President of the Farmer's Trust
13 Bank in Lebanon, and current Chairman of the Lebanon Valley
14 Chamber of Commerce. I've spent my entire life in the
15 Lebanon Valley. In fact, the Gap and I are just about the
16 same age. The Gap is the largest employer in Lebanon County.
17 Roughly 2,800 men and women work full time at the Gap every
18 day.
19 That employment base generates an annual payroll of
20 more than $90 million. The Gap is also by far the largest
21 purchaser of goods and services in our community. Closure
22 obviously would have a significant impact on all of us who

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1 work and live here; and every aspect of our local economy
2 would be impacted. Too many good jobs will be lost, and our
3 local tax base will be seriously affected.
4 But what I want to talk to you about this afternoon
5 is the community support for the Gap that you'd give up if
6 you close this training base. As I have said, I've lived in
7 this community all my life. The Gap is part of our
8 community, and we are proud of the function it serves in our
9 national defense. Helicopters, Howitzers, tanks and mortars
10 are noisy. Low level flying training flights by A-10s, C-
11 [illegible], Blackhawks and Chinooks generate plenty of noise
12 throughout the community.
13 Yet, those of us who live there in the Pennsylvania
14 Dutch country understand and support those training
15 activities; and we don't call the garrison commander to
16 complain. We don't even complain about the convoys that pass
17 through our small communities on the way to the Gap.
18 Honestly, the military's presence in our community is taken
19 as a fact of life, and is appreciated.
20 And having served in the U.S. Army at a number of
21 bases, I know that that's not the case in many communities
22 with the military present. Fort Indiantown Gap is a good

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1 employer and a good neighbor. Our community supports the
2 training activities that occur there. Fort Indiantown Gap is
3 part of our community. Finally, as a banker --
4 CHAIRWOMAN COX: Thank you very much, sir, and we'd
5 be happy to have any written testimony for the record, either
6 today or later. I believe we're now moving on to the state
7 of Virginia. Mr. David Sylvia.
8 MR. SIVILLO: Sivillo.
9 CHAIRWOMAN COX: Sivillo. Thank you very much.
10 MR. SIVILLO: Madame Commissioner -- Chairman and
11 commissioners, my name is David Sivillo. I'm a manager in
12 space naval warfare systems command. But I'm representing
13 myself, okay?
14 CHAIRWOMAN COX: Well, we're happy to have you.
15 MR. SIVILLO: I'd like to bring forth a couple
16 things that was brought up generally in the thing. When you
17 were talking about relocation costs, you know, the Navy and
18 the DOD put together a cost -- $24 million employer cost.
19 I'd like to offer, as a point of reference, SPAWAR moved five
20 years ago, a block and a half, they changed buildings, and
21 it cost $10 million.
22 Now, looking at the cost of what we're doing here,

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1 we're talking over 800 billets, and to move from the
2 Washington area to the West Coast, you've got to cut so many
3 people in this -- far more people are going down to
4 Charleston. The estimated cost for their move is $44 million
5 -- or $44,000. So if we take 800 people and move them to the
6 West Coast, we've got $40 million, not $24 million.
7 That doesn't count the cost of moving the furniture
8 or anything else, contents or any improvements. So I think
9 that's vastly understating. That brings us to the second
10 point -- the savings of personnel that they're talking about.
11 I heard former Secretary Lehman said, and I saw Congressman
12 Murtha walking around. He was instrumental in putting a bill
13 through that made us reduce headquarters, okay?
14 If we were to come in at 1,350 people in 1990 and
15 we're down to 900, we gained nobody back, okay? So we've
16 lost one-third of our workforce. If we take another
17 reduction, 250, 300 people, we're on a ragged edge of town;
18 we ain't going to make it. So I don't know how we're going
19 to integrate in San Diego and make that. Now, if the Defense
20 Department is so concerned about us integrating or something,
21 we have another option for them.
22 We have our sister command, larger command, is

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1 NAVSEA. It sits right next to us, and we support them
2 heavily in ship design and everything else. And if they're
3 so worried about saving on us, then merge us with NAVSEA and
4 introduce the national capital area as an integrated ship
5 design team. Thank you for your time.
6 CHAIRWOMAN COX: Thank you very much, sir. Mr.
7 Fred Lebert.
8 MR. LEBERT: Lebert.
9 CHAIRWOMAN COX: Thank you.
10 MR. LEBERT: I'm an employee with the space naval
11 warfare systems command. I'm representing myself. I'd like
12 to talk about the military value of SPAWAR remaining in their
13 local area, the national capital region, if you will. You
14 have heard the presentation earlier about SPAWAR, so I'm not
15 going to address that. What I'd like to talk about is
16 added -- the changes that have taken place recently in
17 military environment that is beyond the normal downsizing
18 integration effort.
19 What is taking place now is an increase in the
20 requirement of the services to integrate among themselves.
21 They are building an inadequate integration effort, if you
22 will, as far as Congress is concerned. Congress has tasked a

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1 Mr. John White to put together a report by May, this month,
2 if you will, on roles and missions of the military, with
3 emphasis on how they would be consolidated even more than
4 they are today. But Congress is unhappy with the degree of
5 consolidation.
6 This increased consolidation is going to force
7 significant more coordination between SPAWAR, which is a
8 major contributor to the military picture. So SPAWAR, in
9 this condition of increased coordination, surely cannot be
10 leaving the area where all the activity is. All our major
11 sponsors and our coordination, if you will, at the joint
12 services, with the NAVSEA and the NAVAIR -- NSA, we're
13 playing a much more significant role with NSA.
14 There are recent OPNAV instructions that have the
15 role increasing between SPAWAR, the Naval Security Group
16 activities, the Naval Information Warfare activities, as well
17 as the NSA. So the degree of coordination is going to be
18 significantly greater. That was not adequately expressed
19 today. That's all I have.
20 CHAIRWOMAN COX: Thank you very much, sir. We
21 appreciate your coming. Mr. Robert Higginbotham. Welcome.
22 MR. HIGGINBOTHAM: Thank you. My name is Bob

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1 Higginbotham. I've been a contracted supporter of SPAWAR for
2 the past 10 years. As a contractor, I'm of course concerned
3 with losing my job, should SPAWAR relocate to San Diego. But
4 as a taxpayer, I'm also concerned with the cost estimates
5 that have been presented on how much it would cost to make
6 the move.
7 I would ask that the Commissioners carefully review the
8 cost estimate of the move to San Diego, and consider the
9 possibility that we could move with NAVSEA and retained in
10 the Washington metropolitan area, possibly collocated with
11 them at the Navy yard or at White Oak. Thank you.
12 CHAIRWOMAN COX: Thank you, sir. Mr. James
13 Blevins? No. Okay.
14 MR. BLEVINS: My name is James Blevins, Madame
15 Chairman, and I'd like to thank you for this opportunity to
16 speak before the committee. I'm Superintendent of Schools in
17 Nottoway County, Virginia, and I'm here today to express my
18 concerns about the inclusion of Fort Pickett on the most
19 recent round of military installation closures. I believe
20 that the closure of Fort Pickett would severely damage the
21 mutual, beneficial working relationship that has been
22 developed between the military and the residents of a small

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1 rural community, such as Nottoway County.
2 This relationship has included a tie between the
3 schools and the military. In a school system that has
4 approximately 750 high school age youngsters, almost 25
5 percent of these support the military through participation
6 in our Junior Reserve Officer Training program at Nottoway
7 High School. Much of that success of this fine program,
8 which identifies and trains the potential military personnel
9 is a result of continued positive presence of a military
10 installation in this rural area.
11 I also believe that a primary reason we have been
12 able to attract quality military personnel as instructors for
13 this program is the proximity to the military installation.
14 Many of the family members have been employed at Fort Pickett
15 in a part-time summer job capacity, thereby creating a
16 positive relationship between the civilian population and the
17 military.
18 It would seem to me that this type of relationship
19 between rural communities and the military would be an
20 appropriate consideration. There have been a number of
21 written articles and radio, news commentators in Virginia who
22 have said the inclusion of a base on the closure list is

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1 strictly a military decision with no regard to the economic
2 impact on a community. While I am sure the primary concern
3 is one of financial impact on the military, as a citizen and
4 a veteran, I find it difficult to believe that the military
5 would blatantly disregard the impact on the community.
6 As a veteran, I can recall that during this time,
7 for individuals across this land were outspoken against the
8 military. It was often the small rural communities, such as
9 Nottoway County, who continued to support.
10 CHAIRWOMAN COX: Thank you very much, sir. And Mr.
11 James McNair.
12 MR. McNAIR: My name is Jim McNair, and I am
13 representing Crater Academy. I'm representing the cities of
14 Colonial Heights, Petersburg, Hopewell, and the counties of
15 Prince George, Dinwiddie and Chesterfield. I serve as mayor
16 of the city of Colonial Heights, and chairman of the Crater
17 Planning District Commission. We feel like that Kenner Army
18 Community Hospital is a very important and vital link in the
19 entire health care network for the community of Fort Lee.
20 We call ourselves the quad-city areas. And when I
21 spoke to the BRAC Commission in Norfolk in 1993, we all
22 agreed that Fort Lee was an integral part of the entire tri-

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1 cities area, and of great military value to the United States
2 military. Today I'm speaking specifically on behalf of
3 Kenner Army Community Hospital, because during the past 33
4 years, I've worked in public education. I also serve
5 currently as the provost of a two-year branch of the College
6 of William of Mary in the area.
7 And I have had personal contact from kindergartners
8 through college-age students of dependents of military
9 personnel who are stationed at Fort Lee. Both in our
10 communities, in the residential areas, as well as in the
11 military community, I have never heard during my 33 years in
12 public education, hear anyone complain about the services
13 rendered by Kenner Army Hospital.
14 And to me, Kenner Hospital is an integral part, for
15 both the in-patient as well as the out-patient services.
16 When one reduced patient care internally and in the hospital,
17 you also reduce out-patient care. Of the 215,000 cases and
18 visits that went to Kenner Hospital this past year, one could
19 see very easily the fact that without the number of doctors
20 and physicians and nurses that were there, Kenner would be
21 insufficient to carry out the needs.
22 With all of the things that go on at Kenner, I

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1 would conclude my remarks by saying that if one removes
2 Kenner in-patient services, then we're doing an injustice to
3 the military community. Thank you very much.
4 CHAIRWOMAN COX: Thank you very much, sir. Now, I
5 understand we have four from the state of North Carolina. And
6 we do need to swear you in, if you would all raise your right
7 hands.
8 (Witnesses sworn.)
9 CHAIRWOMAN COX: Thank you very much. And Mr. John
10 Nichols?
11 MR. NICHOLS: Yes, ma'am.
12 CHAIRWOMAN COX: Great, thank you.
13 MR. NICHOLS: Madame Chairman, members of the
14 Commission, I'm John Nichols and I represent the people of
15 the 3rd District in the North Carolina House of
16 Representatives. I appreciate this opportunity, because I'm
17 extremely troubled by what I've heard said here today. I
18 understand money, and obviously I understand politics. The
19 1993 BRAC decisions to send the F-18s to Cherry Point was
20 based on realistic costs and military value assessments
21 comparing Cherry Point to Oceana.
22 The 1995 redirection recommendation is clearly

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1 based on politics. I have sat here all day, listened to the
2 Cherry Point and Oceana presentations. And it can now be
3 clear to me that neither Virginia politics nor the Navy want,
4 or ever did want to have airplanes at Cherry Point. A lot of
5 money seems to have been spent to see that that doesn't
6 happen. It doesn't seem to matter that our base and our
7 local communities have worked very hard since the 1993
8 recommendation to prepare for the arrival of the planes.
9 Nor does it matter that millions of dollars,
10 taxpayers' dollars, have already been spent at Cherry Point.
11 Members of the commission, political interests are trying to
12 in-run you and your process. Unless you stop it here, and in
13 justice to the people of North Carolina, and the long-term
14 best interest of our military forces will be perpetrated.
15 Thank you very much for your attention.
16 CHAIRWOMAN COX: Thank you, sir. (Applause.) Ms.
17 Beverly Perdue.
18 MS. PERDUE: Thank you.
19 CHAIRWOMAN COX: Welcome.
20 MS. PERDUE: Madame Chair, members of the
21 Commission, I am Beverly Perdue, State Senator for the 3rd
22 District of North Carolina, and Chair of the Senate

Appropriations Committee. I appreciate the opportunity to speak to you today. Local communities must be able to rely on Base Closure and Realignment Commission decisions. There must be certainty and predictability in the process.

In 1993, your predecessor commission, after extensive investigation, ordered that 116 Navy F-18 Hornets would be relocated from Cecil Field to Cherry Point. That recommendation was adopted by our Congress and signed into law by our President. For the last two years, citizens and taxpayers of our region in Cherry Point have passed school bonds and constructed schools. We built medical facilities and utilities.

The private sector has invested millions of dollars in new housing and service industries. Our local communities have made every investment possible, requested by the DOD. Now, just 18 months later, and on very questionable data, the Department of Defense is attempting to directly overrule the 1993 decision and send the Hornets to Virginia. If the Commission decisions can be so casually overturned, the process will lose all of its credibility. And local communities and our citizens in this great country will be unfairly penalized. Thank you.



CHAIRWOMAN COX: Thank you, ma'am. (Applause.) Mr. William Wainright, welcome.

MR. WAINWRIGHT: Madame Chair and members of the Commission, my name is William Wainright. I am a member of the North Carolina House of Representatives, and reside in Craven County, North Carolina. I am proud to be able to say that, by comparison with other areas of the country, we enjoy an extremely low crime rate in the area around Cherry Point.

We have the safe streets that are the envy of more metropolitan areas, and which give our residents and their children comfort and peace of mind. This is a benefit that service personnel deserve where available. And we would like to share our communities and this atmosphere with the F-18s squadrons' families. Thank you very much, Madame Chair and members of the Commission.

CHAIRWOMAN COX: Thank you very much, sir. (Applause.) And Miss Jean Preston. Welcome.

MS. PRESTON: Thank you very much. Madame Chair, members of the Commission, I am Jean Preston, State Representative for North Carolina's 4th District, and the wife of a career military man. I'm here today to ask you to give us the airplanes if we're going to have the noise. our



area gladly supports the military training which occurs in Eastern North Carolina at the electronic warfare ranges, the bombing ranges, and in the restricted air space.

We willingly accept the occasional hardships caused by the noise and disruption of civilian air traffic as a very small price to pay for freedom. These new F-18s will be training in the air over Eastern North Carolina, regardless of where they are based. It would be grossly unfair to the North Carolinians who have supported the expansion of military air training facilities to have this Commission ignore the modern, up-to-date facilities at Cherry Point, and locate the airplanes at Oceana.

I ask you, let us benefit from our longstanding patriotism, and send these planes to the best air station in the country, the Marine Corps Air Station at Cherry Point. Unlike the metropolitan area surrounding Oceana, our people will feel the impact of your decision in a very significant way. Please, let that impact be a positive one, both for our state and for the sake of our national defense. Thank you very much. (Applause.)

CHAIRWOMAN COX: Thank you very much. This does now conclude the 10th hearing of the defense Base Closure and



Realignment Commission regional hearing. We want to thank all of the witnesses who testified today. You've brought us some very valuable information, and I can assure you it will be given careful consideration as we go through our decision-making process.

Let me also thank all the elected officials who have helped us on our base visits and in preparation for this hearing. And finally, let me thank all of you all from the communities represented here today, because you have supported the members of our armed services for so many years, making them feel valued in your town. And you are indeed patriots. Thank you.

(Applause.)

(Whereupon, at 6:35 p.m., the hearing was concluded.)

* * * * *

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

OPEN MEETING

9:30 a.m.

Hart Senate Office Building
Room 216
Washington, D.C.

Wednesday, May 10, 1995



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PROCEEDINGS

CHAIRMAN DIXON: Good morning, ladies and gentlemen. Welcome to today's hearing of the Defense Base Closure and Realignment Commission. I am Alan Dixon, chairman of the Commission charged with the responsibility of reviewing the recommendations of the Secretary of Defense regarding the closure and realignment of domestic military installations.

With me today are my colleagues on the Commission: Commissioners Al Cornella, Rebecca Cox, General J.B. Davis, S. Lee Kling, Admiral Ben Montoya, General Joe Robles, and Wendi Steele.

At today's hearing we will discuss and we will vote on whether to add any other bases to the list of installations suggested for closure or realignment by the Secretary of Defense in the list he gave to this Commission on February the 28th of this year.

Today's hearing is the culmination of a ten-week period in which this Commission and its staff have worked intensely to analyze the Secretary's list to see if additions should be made. In the 72 days since we received the list, we have conducted nine investigative hearings in this city,



in Washington, D.C., ten counting today.

We have taken some 55 hours of testimony at eleven regional hearings conducted all around the country, including Alaska and Guam, and at those hearing we heard presentations from communities from 32 states, plus Guam and Puerto Rico. Among the eight commissioners we have made 107 visits to 55 bases on the Secretary's list and commission staff has made another 68 base visits to gather additional information.

It is an extremely large amount of work to do in a very, very short period of time, but that is the way the statute set up this process. And as one who participated actively in writing that law, I believe it has worked very well in the two previous rounds and that it will work well this time.

Incidentally, let me say that one of the most important aspects of the base closure law is its requirement that everything this Commission does be done in an open and public way. And so I will remind you that all documentation we receive is available at our library for examination by anyone in this country. That includes correspondence, all the data from the Pentagon, transcripts of all of our hearings, staff reports on all our base visits, and logs of



every meeting we have had in our offices with interested parties since this round began almost two years ago. We are absolutely committed to openness and fairness in this difficult process and we urge all communities on the list to take advantage of the resources our library provides.

As most of you may know, the base closure law gives this Commission fairly broad authority to change the Secretary's closure and realignment list. We can remove bases from the list, and I am sure some will be removed when we conduct our final deliberations in late June. We can also add bases to the list for consideration, and that is what we are here for today.

Let me stress that simply because a base is added to this list today does not mean it will close or be realigned. It means that the Commission believes that a fuller evaluation of the military value and other characteristics of a particular base is a reasonable thing to undertake at this time.

We know the impact of our actions today on communities and individuals and businesses. We do not make additions to the list lightly, but it is the responsibility of this Commission to submit to the President of the United



States by July 1st the best possible closure and realignment list. In our view, the best possible list is one which reduces our defense infrastructure in a deliberate way that will improve our long-term military readiness and insure that we are spending the taxpayers' money in the most efficient way.

Now let me explain how we will proceed today. Our witnesses will be the members of the Commission staff who have been analyzing the Secretary's list since March the 1st of this year, starting with a universe that included every installation not on the Secretary's list.

They have received input from numerous sources, including commissioners, communities, the Defense Department, and many others. As a result of their work, they will brief us today regarding a number of installations. It will be the Commissioners' job to listen, to ask questions, and to decide whether to add a base to the list.

As is the case with all witnesses before this Commission, our staff people will be under oath today. After the presentation on each installation, I will ask if any commissioner wishes to make a motion to add that base to the list. If a commissioner does so wish, there needs to be a

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1 second to that motion.
Any motions you hear today will be straightforward. [illegible]give the Commission the greatest possible flexibility in [illegible]luating bases over the next six weeks, there will be only two types of motions today. The first type addresses bases already on the Secretary's list for some kind of action. That motion will be, "to increase the extent of the realignment or to close." The second type addresses installations not on the Secretary's original list. That motion will be, "to close or realign."
To pass a motion requires a majority of the commissioners voting. For example, if all eight commissioners vote, it takes five votes to add a base to the list. In the event of a tie, the motion fails. If one or more commissioners should recuse him or herself from voting on a particular base, it then takes a majority of those voting to add a base to the list.
To give ourselves maximum time, we have scheduled no lunch break. Commissioners will be available to the media only when the hearing is over. When our work is completed today the Commission staff will quickly begin to devise a schedule of base visits and regional hearings that flow from

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today's decisions. Again, we pledge that at least one Commissioner will visit every base added to the list today and regional hearings will be held so that citizens from every affected community may testify before the Commission.
On June 12 and 13 here in Washington we will conduct two days of hearings, at which members of the Congress will testify regarding this list. We will also give the Department of Defense an opportunity to testify regarding our additions on a date to be determined. We will begin our [illegible]al deliberations on June 22nd.
With that, I believe we are ready to begin. I [illegible]uld first like to ask all of the Commission staff members who may be testifying today to stand, raise your right hands so that I can swear you in, and then I will recognize the Commission staff director, David S. Lyles, to begin the staff presentations.
(Witnesses sworn.)
CHAIRMAN DIXON: Director Lyles, you may begin.
MR. LYLES: Thank you, Mr. Chairman. The Commission review and analysis staff has prepared a series of briefings that will provide information on a number of bases which commissioners may want to consider as additions to the

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list sent to the Commission by the Secretary of Defense.
We have organized the material in four segments today: a cross service segment, an Air Force segment, a Navy segment, and an Army segment. Each of the briefings will be presented by the appropriate team chief from the commission's review and analysis staff. Ben Borden, our director of review and analysis on my right here, and the entire review and analysis staff are available to answer any questions that commissioners may have.
Mr. Chairman, the first briefing will be presented by Jim Owsley, the team chief of the commission's cross service team. This cross service team was created to review the recommendations of the Defense Department's list that grew out of the work of the DOD joint cross service groups. Jim will be presenting issues in the areas of depot maintenance and test and evaluation activities.
Jim.
CHAIRMAN DIXON: Mr. Owsley, we are delighted to [illegible]ave you this morning.
MR. OWSLEY: Thank you, Mr. Chairman. I would [illegible]st like to introduce two members of my staff. To my immediate left is Ms. Ann Reese, who is deputy team chief,

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and Mr. Glenn Knoepfle, who is a senior analyst. With that, I would like to start with the first chart, please.
This first chart depicts the entire universe of depots or maintenance activities that were considered by the cross service group. This does include Navy depots, as well as Navy shipyards. They were in that classification. This will give you an idea that the depots stretch from coast to coast and there are 23 of them.
My second chart displays for every depot the maximum potential capacity and core hours that were reported to the joint cross service group by the services. Maximum potential capacity is defined as the optimum depot configuration and employment levels with no significant capital expenditures and no military construction expenditures. It is also important to note that these capacities are based on one 40-hour shift per week. Core is defined as the workload that the services have determined must stay in-house to insure mobility. Next, please.
On that previous chart I should have mentioned one thing: that the depot utilization which has been determined by the cross service group is 48 percent of the available capacity across DOD. You can leave that chart up a moment,

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please.
A guiding policy through the 1995 BRAC process was that DOD depot structure must be sized to core. The depot infrastructure should be sized appropriately to be able to do the core work in-house. Other work can be performed by the private sector.
All the capacity and core numbers on this chart were provided by the services to the joint cross service group. We are also displaying the calculation that I previously mentioned, that there is only 48 percent of the available capacity currently being used.
On the next chart that is being displayed, the DOD BRAC recommendations in the depot area is in the first column -- excuse me, the second column. We have the services each listed in the first column. In the third column is the cross service group recommendation one, which minimizes sites and maximizes military value. Cross service group two alternative was set up to provide the minimum excess depot capacity. Thank you. Next chart, please.
The next chart is intended to give you a feel for the impact on capacity utilization with the DOD base closure recommendations and the joint cross service options. As you

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remember on the earlier chart, total capacity utilization in DOD is 48 percent. Implementation of the DOD 1995 base closure recommendation will result in somewhat of an improvement of capacity utilization. Utilization would increase to 52 percent.
In the joint cross service group first option, which would maximize military value, you will see that the percent rises to 69 percent. Implementation of the joint cross service group option two would provide more substantial improvement and would improve the utilization rate to 69 percent -- excuse me, 73 percent. The joint cross service option two would have the most dramatic improvement, as you see, and I point out that is precisely what the option was meant to do, which was to minimize excess capacity.
This portion of the presentation is intended to provide an overview across DOD. I will now move to more specific service discussions.
This slide is the first of many which you will see today. It lists the installations in a given category. The values in the left column denote military value either in their tiers or numerical values. The Air Force used a tiering system. Those bases in tier one are considered the

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1 bases most necessary to retain, and those in tier three are
2 considered by the Air Force as the least necessary to retain.
3 The installations are annotated with an X for those bases
4 which are alternatives recommended by the cross services
5 group.
6 As you can see, the Air Force selected to downsize
7 as their preferred alternative and the bases are denoted with
8 a D for that option. Finally, I will be discussing those
9 bases indicated with an asterisk and are shaded.
10 The Air Force determined that excess capacity
11 required the closure of one to two depots; however, the Air
12 Force elected to downsize rather than close depots because of
13 large up-front costs and a small return on investment.
14 The DOD BRAC recommendation to downsize all Air
15 Force depots has two components. First, two million square
16 feet of depot space will be mothballed. This will eliminate
17 the amount of square footage used by the depot, but it will
18 not eliminate depot infrastructure.
19 Two, slightly less than 2,000 personnel positions
20 would be eliminated. The personnel number is based on an
21 assumption that re-engineering of the depot process will
22 result in a 15 percent productivity improvement. The 15

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1 percent engineering factor has not yet been validated by re-
2 engineering studies and is not based on historical
3 experience. This is the first time downsizing has ever been
4 pursued through the BRAC process. Downsizing will not reduce
5 overhead costs. As a result, cost per hour increases.
6 I would like to point out that the Air Force is
7 still improving on the plan. Since the BRAC recommendation
8 was submitted, the Air Force has made two revisions based on
9 site surveys that have occurred subsequent to the submission.
10 The downsized recommendation requires $180 million in one-
11 time cost and will result in the steady state annual savings
12 of $89 million and a net present value savings of $991
13 million.
14 COMMISSIONER STEELE: Mr. Owsley, may I ask you
15 just a quick question? With the changes in the Air Force's
16 recommendations, does that affect either the 52 percent
17 number for capacity with the DOD recommendation or the
18 mothballing amount? I mean, does it substantially affect it?
19 MR. OWSLEY: The 52 percent number is the effect of
20 the entire DOD recommendation across all the depots and would
21 include the Air Force's downsizing.
22 COMMISSIONER STEELE: Okay, thank you.

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1 CHAIRMAN DIXON: Please proceed, Mr. Owsley.
2 MR. OWSLEY: This chart is busy but contains some
3 very important information. This is the first of many such
4 slides you will see today. The slides are generally arranged
5 so that the installations are listed across the top
6 reflecting the various recommendations and options as
7 described on the top of the chart. We have listed specific
8 criteria areas along the left side arranged in general order
9 of the eight selection criteria, starting with these elements
10 that reflect military value.
11 When formulating the DOD BRAC recommendations, the
12 Air Force planned what is known as level playing field
13 COBRAs, in part was done to gauge the differences of cost and
14 savings to close depot installations. This chart displays
15 the results of these COBRAs, along with some additional
16 information.
17 You will note that I ordered the columns by their
18 tier, which is determined by the senior Air Force officials
19 and serves as a proxy for the military value.
20 An important factor to be considered when
21 formulating base closure recommendation is the cost to close.
22 You can see in row four the cost to close Air Force depot

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1 installations ranges from a high of $1.4 billion at Hill Air
2 Force Base to a low of $.5 billion at McLellan Air Force
3 Base. All five of the one-time costs may be overstated, and
4 I explain that on the next chart.
5 Another important factor to be considered is the
6 annual recurring savings after reaching a steady state. The
7 annual savings range from a low of $68 million a year at
8 McLellan Air Force Base to -- excuse me, that is to Tinker --
9 and a high of $95 million a year at McLellan. Similarly, I
10 believe that these savings may be understated.
11 As I indicated on a previous chart, Air Force
12 calculations merit further study. The Secretary of the Air
13 Force indicated in her testimony to the Commission that the
14 decision to downsize was due to the fact that closure was
15 deemed unaffordable. We have previously noted the Air
16 Force's relatively high cost to close and low savings
17 compared to the other services.
18 We have done a similar investigation and note the
19 differences are driven by differences in assumptions that go
20 into the COBRA calculations. I have listed a few of the
21 assumptions on this chart. Closure costs are impacted by the
22 Air Force assumption that all depot equipment is either moved

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1 or repurchased, unlike the other services which permit the
2 receiving organization to indicate the additional equipment
3 needed so the equipment is not duplicated.
4 Further, the other services recognize a cost
5 avoidance of military construction projected at a closing
6 base, and they rely on a COBRA standard factor to calculate
7 this cost. The Air Force uses the standard factor plus $30
8 million per base. On the five ALCs we are talking about,
9 this would be $150 million.
10 Similarly, COBRA-derived savings are relatively
11 less in the Air Force than in other services. The Air Force
12 assumes a six-year implementation, while the other services
13 assume a two- to four-year implementation. The Air Force
14 assumes that all of the positions eliminated occur in the
15 last year of implementation. The other services phase the
16 elimination over the implementation period.
17 The last difference I will mention is that the Air
18 Force assumes very few positions are eliminated. The Air
19 Force analysis indicates that only 7 percent of the positions
20 are eliminated. The rest are realigned. The results of the
21 Army closure COBRAs is the elimination of 43 to 63 percent of
22 the positions, and the Navy eliminates 44 percent of the

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1 positions.
2 As we have discussed, cost to close and annual
3 savings are very sensitive to assumptions. This chart is a
4 sensitivity analysis to demonstrate the significance of COBRA
5 assumptions. The top row of the chart displays the results
6 of a COBRA run by the Air Force for the closure of a depot
7 installation. Seven percent of the positions are eliminated
8 in the last year of implementation, year six. This COBRA
9 model indicates one-time cost of $582 million, recurring
10 annual savings after reaching steady state of $76 million
11 annually, and a total net present value of 283 million.
12 The next row assumes a larger position elimination.
13 A 15 percent personnel productivity improvement was assumed
14 by the Air Force in the DOD downsize in-place BRAC
15 recommendation. We have applied a 15 percent personnel
16 savings here and see that one-time costs are not greatly
17 impacted, but recurring savings rise to 154 million and net
18 present value increases to $1.1 billion.
19 In these, position eliminations are evenly phased
20 and net present value over the four-year period would be $1.5
21 billion. When the position elimination assumption is made
22 more similar to the results of the other service depot COBRAs

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1 and the elimination is phased, the recurring savings rise to
2 [illegible]4 million and the net present value of this one closure
3 [illegible]e is nearly $2.8 billion.
4 [illegible] These changes in assumptions are not unreasonable.
5 [illegible]ey are in line with other service assumptions and actual
6 experiences. They have only been run as a sensitivity
7 analysis, but indicate that further analysis is appropriate.
8
9 This concludes my presentation of the Air Force
10 portion of the depot maintenance area. Are there any
11 questions by the Commission staff?
12 CHAIRMAN DIXON: I thank you very much for that
13 excellent presentation, Mr. Owsley. Are there any questions
14 from any member of the Commission before the first motion is
15 taken?
16 Commissioner Kling, and then Commissioner Robles.
17 COMMISSIONER KLING: Mr. Owsley, when you look at
18 the chart before this, it shows when you look at the one-time
19 costs across from Hill, Tinker, Robins, and so forth, and
20 then you look at the annual savings that are shown there as
21 well, is there any particular reason why the percentage of
22 savings to the one-time costs vary so much between, for

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1 instance, McLellan almost gets to 18 percent savings of the
2 one-time cost and it goes down to 6 percent maybe at Hill.
3 And if you even look at the sensitivity example there, it's
4 like 14 percent at the 7 percent level.
5 Is there any particular reason why this varies so
6 much there?
7 MR. LYLES: Commissioner, I think -- Jim, jump in
8 here and correct me if I'm wrong. I think you're asking why
9 the difference in the ratio of closing costs to annual
10 [illegible]vings?
11 COMMISSIONER KLING: Yes, varies so much between
12 [illegible].
13 MR. LYLES: I think that reflects a difference in
14 what type of activities are at each of these depots. In some
15 cases the closure for depot would require movement of more
16 capital-intensive activities than, say, another one. And I
17 think that it's the different costs to closing and the
18 movement of the activities at that depot that drive the
19 closing costs.
20 COMMISSIONER KLING: There just is such a big
21 variance here. Thank you.
22 CHAIRMAN DIXON: Commissioner Robles.

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1 COMMISSIONER ROBLES: Mr. Owsley, would you put up
2 chart seven? Leave it right there. I have a two-part
3 question. First of all, under the line that's called base
4 operating costs, are those the base operating costs for just
5 the depot part of the operation or for the entire base
6 operations?
7 MRS. REESE: The base operating costs reflected
8 here include --
9 CHAIRMAN DIXON: Ms. Reese, you have to talk
10 directly into the microphone so the room can hear you.
11 MRS. REESE: Yes, Mr. Commissioner.
12 CHAIRMAN DIXON: And identify yourself so the
13 reporter can write down your name.
14 MRS. REESE. Mrs. Reese.
15 CHAIRMAN DIXON: Thank you.
16 MRS. REESE: The base operating costs here reflect
17 the installation costs. The particular line that is -- the
18 base operating COBRA costs reflect the entire base costs off
19 of COBRA. In addition to that, we have reflected the ALC
20 [illegible]s personnel costs, and so that is reflected in the total
21 [illegible]e.
22 COMMISSIONER ROBLES: The reason I ask that

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1 question is because you may have a base that has a depot and
2 has other functions on it too so you can't, you know, assume
3 that you are going to save all those base operations costs.
4 So I just want to make sure we are clear about that analysis.
5 MRS. REESE: This reflects total, sir.
6 COMMISSIONER ROBLES: You have to certify which
7 part of that base ops cost goes to the depot function, which
8 part goes to myriad. And there are some of those bases that
9 have a myriad of other things going at the base.
10 The second part question, last line, environmental.
11 I notice that there are four installations on the national
12 priority list and there is one that's not, yet the one that's
13 not is the one that got a red plus score.
14 Could you kind of tell me the logic behind that?
15 MR. OWSLEY: Yes. This last line is a submittal in
16 the COBRAs which is done by each of the services, whether it
17 is the Air Force, Navy, or Army. And in the case of the red
18 that is on there at the time of the submittal of the COBRAs
19 the information to us, San Antonio had a problem with water
20 and asbestos. It is our understanding and we have been given
21 a letter, although not officially through the Air Force yet,
22 that the water problem has gone away at San Antonio. We do

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1 not have any input on the asbestos problem.
2 So those ratings are by the services themselves and
3 we have asked the Air Force to resubmit us something on San
4 Antonio based on information we received when we were at the
5 base.
6 COMMISSIONER ROBLES: Okay, because it just doesn't
7 make logic and I happen to know that that water issue was
8 more politics and newspaper articles than fact, and I think
9 since then that has been cleared. The asbestos issue would
10 be interesting to see would that in itself cause that to be a
11 red. But, you know, you always sort of have to be suspect
12 when you have four NPL installations that are yellow and you
13 have one that's not, yet it's a red installation. That seems
14 to me to defy logic again.
15 MR. LYLES: Again, Commissioner, I understand your
16 point. Just to make clear, this is the data that was
17 submitted to us by the Air Force as of March 1st so if any of
18 these figures have changed --
19 COMMISSIONER ROBLES: And that's what I'm asking:
20 Have you had any update on the data? And you're saying not
21 yet.
22 MR. LYLES: Not yet. Not officially.

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1 COMMISSIONER ROBLES: But not to worry, here it
2 comes.
3 CHAIRMAN DIXON: Are there any other questions from
4 commissioners before the first motion is entertained by the
5 chair?
6 COMMISSIONER DAVIS: Mr. Chairman, I would like to
7 ask one clarifying question.
8 CHAIRMAN DIXON: Commissioner Davis.
9 COMMISSIONER DAVIS: Mr. Owsley, on one-time cost
10 and annual savings, I heard our staff director say that this
11 is the March 1st figures. So we will receive updates on
12 those numbers as the process continues; is that correct?
13 MR. OWSLEY: We have received two revisions from
14 the Air Force since the original submittal. We are expecting
15 additional information over -- and I assume that will be new
16 COBRAs, but we have not received them as yet.
17 COMMISSIONER DAVIS: So there could be considerable
18 variance or minimal variance between the numbers?
19 MR. OWSLEY: I would not speculate on that until we
20 get the COBRAs from the Air Force.
21 MRS. REESE: Commissioner Davis, the numbers
22 reflected here are level playing field COBRAs. The revisions

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that we have gotten from the Air Force have been on their base closure recommendation to downsize the depots.

COMMISSIONER DAVIS: Thank you, Mrs. Reese. I appreciate that.

CHAIRMAN DIXON: Are there any other questions from Commissioners?

COMMISSIONER COX: I'm sorry, if I could just as on that --

CHAIRMAN DIXON: Commissioner Cox.

COMMISSIONER COX: On the level playing field, you mean that they don't specifically assign certain workloads to another as far as the closure to another base, to a specific another base?

MR. OWSLEY: Commissioner, that is correct. And the Air Force does that so that they can judge each base equally by sending it to a Base X. And this is done by other services as well to keep things even rather than to select different places, because then you could not provide an analysis.

COMMISSIONER COX: Right. But one of the reasons you would expect those COBRAs to change as we look specifically on if you close this base these functions would

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go where, because then you have specific dollar amounts that can be added up.

MR. OWSLEY: Yes. I would expect as we ask for additional COBRAs as a result of this hearing, if that be the case, that the Air Force then will look at this as where they would propose to do the work most efficiently.

CHAIRMAN DIXON: Are there any other questions from commissioners before the Chair entertains a motion?

(No response.)

CHAIRMAN DIXON: Is there a motion on the report given by Mr. Owsley referencing Air Force depots from any Commissioner?

COMMISSIONER CORNELLA: Mr. Chairman.

CHAIRMAN DIXON: Commissioner Cornella.

COMMISSIONER CORNELLA: I would like to make a motion.

CHAIRMAN DIXON: You are recognized for a motion, Commissioner Cornella.

MOTION

COMMISSIONER CORNELLA: In the motion I am about to offer I will include under each the distribution depot co-located with an air logistics center. This appears to be a

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logical procedure because the primary reason for the existence of the co-located distribution depot is to support the air logistics center.

The motion: I move that Hill Air Force Base, Utah, currently on the list of bases recommended by the Secretary of Defense for realignment, be considered by the Commissioner for closure or to increase the extent of realignment; and Kelly Air Force Base, Texas, McLellan Air Force Base, California, Robins Air Force Base, Georgia, Tinker Air Force Base, Oklahoma, the Defense Distribution Depots Ogden, Utah, San Antonio, Texas, Sacramento, California, Warner-Robins, Georgia, and Oklahoma City, Oklahoma, be added to the list of bases to be considered by the Commissioner for closure or realignment as a proposed change to the list of recommendations submitted by the Secretary of Defense.

CHAIRMAN DIXON: Is there a second to the motion by the distinguished commissioner?

COMMISSIONER COX: I'll second.

CHAIRMAN DIXON: The motion is made by Commissioner Cornella and seconded by Commissioner Cox. Is there any comment before the Chair asks for a roll call?

(No response.)

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CHAIRMAN DIXON: The clerk, or the counsel for the Commissioner, will call the roll.

MS. CREEDON: Commissioner Cornella?

COMMISSIONER CORNELLA: Aye.

MS. CREEDON: Commissioner Cox?

COMMISSIONER COX: Aye.

MS. CREEDON: Commissioner Davis?

COMMISSIONER DAVIS: Aye.

MS. CREEDON: Commissioner Kling?

COMMISSIONER KLING: Aye.

MS. CREEDON: Commissioner Montoya?

COMMISSIONER MONTOYA: Aye.

MS. CREEDON: Commissioner Robles?

COMMISSIONER ROBLES: Aye.

MS. CREEDON: Commissioner Steele?

COMMISSIONER STEELE: Aye.

MS. CREEDON: Chairman Dixon?

CHAIRMAN DIXON: Aye.

MS. CREEDON: The motion is carried and the vote is eight ayes and zero nays.

CHAIRMAN DIXON: And the motion is carried, eight ayes, zero nays, and the five Air Force depots and other

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related agencies are placed on the list.

Will you proceed, Mr. Owsley, with Army depots, please?

MR. OWSLEY: The Army currently operates five depots. Tobyhanna is an electronics oriented depot. Anniston, Red River, and Letterkenny are combat vehicle depots. Also bear in mind that Letterkenny also has been assigned responsibility for repair of the DOD's tactical missile inventories. Corpus Christi depot serves as the Army's only aviation depot having responsibility for the repair and overhaul of rotary wing aircraft.

Please note that the joint cross service group identified Red River and Letterkenny as closure candidates to eliminate excess capacity.

The Army basing strategy: The Army basing strategy was designed to retain three depots. The Army wanted to keep an electronics depot, a combat vehicle depot, and an aviation depot. The Army rated Tobyhanna, Anniston, Red River, and Letterkenny. Ultimately, the Army decided it would keep only one of three combat vehicle depots.

Due to its higher military ranking and capability to handle all items within the combat vehicle inventory,

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Anniston was retained and Red River and Letterkenny depots have been reconsidered for closure or realignment. The Letterkenny recommendation to close or realign results in the transfer of tactical missile electronics repair work to Tobyhanna.

The 1993 Commissioner reversed DOD's recommended realignment and instead established a consolidated DOD depot activity for repair of most tactical missiles. The 1995 DOD recommendation preserves inter-servicing but instead sends the guidance and controls sections to Tobyhanna. Under DOD's 1995 proposal, tactical missile systems would continue to be stored at Letterkenny. Tobyhanna is the depot that has traditionally repaired and overhauled the electronic items. Also under DOD's 1995 recommendation, all remaining combat vehicle work will be transferred to the Anniston depot.

The map that is being displayed shows the 1993 transition of tactical missile work from eleven sites into one central location, as mandated by the 1993 Commissioner. The shaded systems indicate the workload that has already transitioned into Letterkenny. So far, Letterkenny has spent about 26 million of the $42 million consolidation budget. In terms of workload transfers, about one-half of the work

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packages have already transferred.
My next chart will address the 1995 recommendation. s chart shows that for the 1995 DOD recommendation the r-service repair of tactical missile and guidance and ntrol section will be accomplished at Tobyhanna depot, located about 170 miles from Letterkenny. Letterkenny combat vehicle workload will be transferred to Anniston Army depot. Disassembly and storage will remain at Letterkenny.
The next chart provides some preliminary comparative costs and savings data for three alternatives, including DOD's recommendation. The DOD recommendation is summarized on column one. You will note the $50 million one-time cost for realignment of Letterkenny. Annual steady state savings are estimated to be $78 million, which provides an immediate return on investment.
Please note that DOD's recommendation sends guidance and control work to Tobyhanna and combat vehicle work to Anniston. Tactical missile and conventional ammunition storage are enclaved at Letterkenny. The enclave area of Letterkenny would store and periodically test the full-up rounds for serviceability. This option was reviewed by the joint cross service group of DOD and found to be an

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acceptable means of preserving inter-servicing and, at the same time, eliminates excess depot capacity.
Column two provides preliminary cost data for an option suggested by the community representing Hill Air Force Base. At the request of Commissioner staff, the Army developed a COBRA scenario which would consolidate tactical missile maintenance and tactical missile storage surveillance and disassembly at Hill. That leaves Letterkenny open as a storage site for conventional ammunition.
You will note the one-time costs are estimated to $220 million. Annualized steady state savings are imated to be $65 million per year. Although we have not had enough time to verify and analyze these numbers, the high one-time cost may be driven by the fact that Hill may not have sufficient capacity to assume Letterkenny's current missile storage and disassembly mission.
The final category I will be discussing -- the third alternative that we are going to be discussing is the closing of the Tobyhanna electronics depot and moving it -- consider moving it to Letterkenny where it would be consolidated with the ongoing missile work.
Again, as you look at these there is considerable

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differences involving one-time costs and steady state savings. Due to the newness of some of these numbers and to the questions about the availability of missile storage sites, we recommend further analysis needs to be done to provide the commissioners with sufficient data.
Thank you.
CHAIRMAN DIXON: Have you concluded your report on Army depots, Mr. Owsley?
MR. OWSLEY: Yes, we have, and we are available for further questions.
CHAIRMAN DIXON: Are there any Commissioners who desire to ask questions of Mr. Owsley or his staff before a motion is entertained by the chair?
Commissioner Cox.
COMMISSIONER COX: Mr. Owsley, is it possible to do the storage and disassembly of the missiles at Tobyhanna?
MR. OWSLEY: No, it is not.
COMMISSIONER COX: At any cost?
MR. OWSLEY: Not without -- they are not a storage cility. It would be like starting from ground zero.
COMMISSIONER COX: I see. And the Hill community as testified that they could do the storage, but I think

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1 what you are saying there is we are not sure and that may be
2 what is driving the high one-time cost?
3 MR. OWSLEY: There is some question whether there
4 is enough capacity to do the total storage and, therefore,
5 there may have to be igloos constructed to hold the missiles
6 or there might have to be another areas found somewhere near
7 Hill. And that is why we say we have not had time to analyze
8 that.
9 COMMISSIONER COX: I see. And so we would have to
10 really look at it and put it on a list to see if we could
11 find a consolidation actually at Hill?
12 MR. OWSLEY: Yes.
13 COMMISSIONER COX: You mentioned that the DOD
14 recommendation created an enclave, obviously, because of the
15 storage and disassembly as well as the ammunition. How
16 much -- how big is that enclave?
17 MR. OWSLEY: I would like Glenn Knoepfle to answer
18 that, please.
19 CHAIRMAN DIXON: Mr. Knoepfle.
20 MR. KNOEPFLE: Letterkenny is about 19,000 acres,
21 of which 12,000 of those acres are for ammunition and missile
22 storage.

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1 COMMISSIONER COX: I see. Okay, thank you.
2 CHAIRMAN DIXON: Thank you, Commissioner Cox.
3 Commissioner Kling.
4 COMMISSIONER KLING: Thank you, Mr. Chairman. Mr.
5 Owsley, I guess when -- I realize that you said that there's
6 a -- that we're not sure of these figures and that there can
7 be some variances in them, and I accept that.
8 However, if you look at your two alternatives here,
9 you see where the one-time costs are up so dramatically from
10 the original Army recommendation and, at the same time while
11 the costs are up so much, the annual savings reduce in those
12 two alternative programs.
13 So even -- I guess I'm asking the question that
14 that seems so -- there's so much difference in that that even
15 if you -- even if there were some errors in these programs,
16 it seems like just looking at this that there would be a --
17 you still would not -- you would still have material one up-
18 front cost and you would have a reduction in the savings that
19 would evolve.
20 And so I ask you the question, is that probably a
21 factual statement and, if so, you wonder to yourself about
22 these alternatives here.

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1 MR. OWSLEY: Well, Commissioner, the reason I said
2 we need more time to analyze these -- I would like to take
3 the one-time costs first, if I may. The one-time costs in
4 the center column is largely driven by an assumption that
5 there is approximately $150 million worth of additional
6 igloos required.
7 We have had some input from the receiving location
8 that says that they have an alternative for us to listen to;
9 but that came just recently, and we have not had time to get
10 back to that base and see if that alternative would be
11 acceptable.
12 In the third column the one-time cost again is an
13 initial COBRA run which assumes a large amount of
14 construction costs which we are not sure would be required to
15 move that operation. We have not had time, since that was a
16 recent request, to get that information to assure ourselves
17 that those costs would be required.
18 CHAIRMAN DIXON: May I follow-up on that,
19 Mr. Owsley, if view of the question of Mr. Kling and your
20 answer? If 150 million is igloos, obviously, you can also
21 use warehousing, which we've observed other places. Did you
22 look for any of that?

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1 MR. OWSLEY: Excuse me, Mr. Chairman. There are
2 very strict rules guiding the storage of ammunition or
3 missiles, and you could not use conventional warehousing for
4 that because of the danger of explosiveness.
5 CHAIRMAN DIXON: You can't use warehouses at this
6 installation?
7 MR. OWSLEY: Not standard or any -- not even
8 specialized warehousing. It has to be very thick
9 construction and isolated in many ways.
10 CHAIRMAN DIXON: Thank you.
11 COMMISSIONER KLING: Just one more.
12 CHAIRMAN DIXON: One more question.
13 COMMISSIONER KLING: Would you just comment on the
14 military value? Because Tobyhanna, when you look at it, it
15 shows a rating of 1 out of 4.
16 CHAIRMAN DIXON: Did you have a question,
17 Mr. Knoepfle?
18 MR. KNOEPFLE: Excuse me?
19 CHAIRMAN DIXON: Did you hear the question?
20 MR. KNOEPFLE: Yes, I did. The military value
21 rating for Tobyhanna Army Depot versus Letterkenny Army Depot
22 was driven in part by the size of the depot.

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1 The Army judged military value, gave some weight to
2 the capacity, how much work hours the depot could support and
3 less weight to the number of square feet in the buildings and
4 the acreage.
5 Tobyhanna is about 1,200 acres. Letterkenny is
6 about 19,000 acres, as we said, and the square footage at
7 Tobyhanna is less than it is at Letterkenny. So those are
8 the factors that drove it. Now -- that's, basically, the
9 answer that I have.
10 COMMISSIONER KLING: That's the total reason for
11 this -- not total, but this is the majority of the reason?
12 That's the main focus?
13 MR. KNOEPFLE: That's the main reason, yes.
14 COMMISSIONER KLING: Thank you.
15 CHAIRMAN DIXON: Commissioner Steele.
16 COMMISSIONER STEELE: Yes. My question is very
17 brief. Earlier -- or, actually, very early in the process,
18 we had asked the Department for a COBRA on the possibility of
19 closing Anniston and moving things to Red River or other
20 places, and I believe that's one instance where we did get a
21 COBRA back, and it came out cost prohibitively high. I just
22 wanted to make sure that was the fact.

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1 MR. KNOEPFLE: We have that COBRA, but I think --
2 I'd have to --
3 MR. LYLES: -- we'll have to supply you with the
4 figures, but you're essentially correct.
5 COMMISSIONER STEELE: I don't need exact numbers.
6 I had heard that it came back and it was high. I just wanted
7 to verify.
8 MR. LYLES: You're essentially, correct.
9 CHAIRMAN DIXON: I want to ask the reporter if
10 she's able to ascertain who is answering when these exchanges
11 get a little mixed up. Do you recognize the players up
12 there? Okay. That was Mr. Lyles, the staff director.
13 COMMISSIONER STEELE: Okay. Thank you very much.
14 That's all, Mr. Chairman.
15 CHAIRMAN DIXON: Any other commissioner have a
16 question?
17 COMMISSIONER COX: I'm sorry. Just one more
18 question.
19 CHAIRMAN DIXON: Commissioner Cox has one more
20 question.
21 COMMISSIONER COX: Essentially, what we have here
22 is, in a sense, an option to more or less close Letterkenny

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1 and at least try, see if we can, consolidate everything at
2 Hill, or more or less fill up Letterkenny with Tobyhanna. Is
3 that fair? It gives us this, sort of, the realm of options
4 there?
5 MR. OWSLEY: That is a good summary of those
6 options.
7 COMMISSIONER COX: Thank you.
8 CHAIRMAN DIXON: Thank you for a good summary,
9 Commissioner. Are there any -- Commissioner Davis.
10 COMMISSIONER DAVIS: Mr. Chairman, thank you very
11 much. As you can see from the questions, this is probably
12 one of the more complex issues we ran into, so I'll get up, a
13 little bit higher up in the ether.
14 Given that we're -- that DOD has already proposed
15 shutting down one depot in North Texas and we have -- what we
16 have on hand today with Letterkenny and Tobyhanna, given
17 these options, can the Army perform their depot function
18 regardless of the costs that you propose today, Jim?
19 MR. LYLES: Commissioner, it seems to me that is a
20 very good question, and it's one that I'm not sure we can
21 answer for you today. The Army's position is that they can
22 downsize all of their depot workload into three depots.

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1 And I think part of the analysis we're going to be
2 doing over the next six to seven weeks will try to get at
3 that very question.
4 COMMISSIONER DAVIS: Well, of course, my concern is
5 that we sustain the Army's capability to do its job.
6 MR. LYLES: Absolutely.
7 CHAIRMAN DIXON: Are there any further questions
8 from Commissioners before the Chair entertains a motion?
9 (No response.)
10 CHAIRMAN DIXON: The Chair will entertain a motion,
11 if one is made.
12 COMMISSIONER ROBLES: Mr. Chairman, I'd like to
13 make a motion.
14 CHAIRMAN DIXON: Commissioner Robles is recognized
15 for the purpose of making a motion.
16 M O T I O N
17 COMMISSIONER ROBLES: I move that Tobyhanna Army
18 Depot, Pennsylvania, and the Defense Distribution Depot
19 Tobyhanna, Pennsylvania, be added to the list of bases to be
20 considered by the Commission for closure or realignment and a
21 proposed change to the list of -- as a proposed change to the
22 list of recommendations submitted by the Secretary of

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1 Defense; and furthermore, that Letterkenny Army Depot,
2 Pennsylvania, currently on the list of bases recommended by
3 the Secretary of Defense for realignment be considered by the
4 Commission for closure or to increase the extent of the
5 realignment.
6 CHAIRMAN DIXON: Is there a second to the motion by
7 the Distinguished Commissioner?
8 COMMISSIONER COX: I second.
9 CHAIRMAN DIXON: It is seconded by Commissioner
10 Cox, and counsel will -- are there any comments before
11 counsel calls the roll?
12 (No response.)
13 CHAIRMAN DIXON: Counsel, call the roll.
14 MS. CREEDON: Commissioner Robles.
15 COMMISSIONER ROBLES: Yay.
16 MS. CREEDON: Commissioner Steele.
17 COMMISSIONER STEELE: Yes.
18 MS. CREEDON: Chairman Dixon?
19 CHAIRMAN DIXON: Aye.
20 MS. CREEDON: Commissioner Cornella?
21 COMMISSIONER CORNELLA: Aye.
22 MS. CREEDON: Commissioner Cox?

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1 COMMISSIONER COX: Aye.
2 MS. CREEDON: Commissioner Davis?
3 COMMISSIONER DAVIS: Aye.
4 MS. CREEDON: Commissioner Kling?
5 COMMISSIONER KLING: No.
6 MS. CREEDON: Commissioner Montoya?
7 COMMISSIONER MONTOYA: Aye.
8 MS. CREEDON: Mr. Chairman, the vote is seven ayes
9 and one nay.
10 CHAIRMAN DIXON: The vote is seven ayes, one nay,
11 and the motion is adopted.
12 We will now proceed to Navy Test and Evaluation
13 Centers, please.
14 MR. OWSLEY: The final category I will be
15 discussing is one of Naval Air Warfare Centers called NAWCs.
16 DOD has recommended the closure of four centers located in
17 Lakehurst, New Jersey; Indianapolis, Indiana; Warminster,
18 Pennsylvania; and Orland, Pennsylvania.
19 The military values shown in column 1 was
20 established by the Navy with the highest score indicating the
21 highest rating. The Joint Cross Service Working Group
22 offered as an alternative the Naval Air Warfare Center at

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1 Point Mugu, California.
2 Its alternative centered around testing and
3 evaluation done on open-air ranges. The previously mentioned
4 four centers recommended for closure by DOD do not do this
5 kind of testing and therefore would not reduce capacity,
6 excess capacity, in the open-air test ranges.
7 The Naval Air Warfare Center Weapons Division is
8 headquartered at China Lake, California. Point Mugu Naval
9 Air Warfare Center is a subordinate command of that division.
h installations do similar weapons, armament testing and
uation activities with China Lake primarily involved with
to-land testing and Point Mugu with air-to-sea testing.
13 The types of activities supporting the open-air testing are
14 similar in nature.
15 Our next chart will concentrate on Point Mugu. The
16 Joint Cross Service Working Group identified excess capacity
17 in the use of test and evaluation open-air ranges. After a
18 one-year study, an alternative offered was the realignment of
19 Point Mugu to their division headquarters at China Lake.
20 In June of 1994, the DOD Inspector General
21 completed a report that indicated large potential savings
22 would be realized if Point Mugu was consolidated or realigned

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1 with functions at China Lake.
2 The Navy has taken exception to most of the
3 Inspector General's report. The Joint Cross Service Working
4 Group's alternative to realign Point Mugu to China and the
5 Inspector General's report retains the essential sea and air
6 ranges, including the instrumentation.
7 Supporting for the remaining activities would be
8 provided by nearby Port Hueneme Construction Battalion
9 Center. The management and control would remain under the
10 division at China Lake.
11 The Joint Cross Service alternative to realign the
12 Point Mugu activity have been assessed by the DOD Inspector
13 General to have potentially large savings. We do not yet
14 have a COBRA from the Navy, but we would anticipate savings.
15 We have requested that COBRA from the Navy, and we
16 have an anticipated date of one week from now. I would point
17 out that we have a point-by-point discussion rebuttal from
18 the Navy which we received just recently.
We have not had time to analyze the Inspector
neral paper point by point as the Navy has done. If this
mains open, we will do that. This is our final chart on
22 that area and for our presentation. Are there any further

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1 questions?
2 COMMISSIONER MONTOYA: Mr. Chairman, I have a
3 question.
4 CHAIRMAN DIXON: Commissioner Montoya.
5 COMMISSIONER MONTOYA: As I recall, there is a
6 fairly new California Air Guard operation at Point Mugu that
7 was built in the last five to eight years, I think the last
8 five years, actually. When you talk about mothballs runways
9 and hangars, how does it impact that operation?
10 MR. OWSLEY: We personally have not looked at that
11 yet. There is a recommendation or a statement that there are
12 other airfields in the area that the National Guard could
13 use, nor would we assume that simply because, you know, a
14 recommendation was made to mothball that it might not be the
15 most advantageous thing to do. That would be done as part of
16 further analysis.
17 COMMISSIONER MONTOYA: Okay. So you haven't looked
18 into any detail at the Guard operation there at this point?
19 MR. OWSLEY: No, we have not.
20 COMMISSIONER MONTOYA: Okay. Thank you.
21 CHAIRMAN DIXON: Thank you, Commissioner.
22 COMMISSIONER DAVIS: Mr. Chairman?

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1 CHAIRMAN DIXON: Commissioner Davis.
2 COMMISSIONER DAVIS: Mr. Owsley, as you know, I've
3 been fussing with you over time about making sure we don't
4 eat our seed corn and we preserve our national treasures, and
5 in my view, Point Mugu range capability is one of those
6 national treasures. In this process, will be do anything to
7 damage that capability?
8 MR. OWSLEY: No, sir, we would not. Both the Cross
9 Service Group and Inspector General says that is mandatory to
10 maintain that range. It is the only one of that type in this
11 country.
12 COMMISSIONER DAVIS: Thank you, sir.
13 COMMISSIONER COX: Mr. Owsley, under this --
14 CHAIRMAN DIXON: Commissioner Cox.
15 COMMISSIONER COX: -- proposal, as you mentioned, I
16 take it the IG is agreed that we should maintain the range.
17 How many people does the IG assume will be left to maintain
18 that range?
19 MR. OWSLEY: Since we do not have complete
20 financial data, I cannot give you that answer.
21 COMMISSIONER COX: I see.
22 CHAIRMAN DIXON: Are there any further questions

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1 from any of the Commissioners before the Chair entertains a
2 motion?
3 COMMISSIONER MONTOYA: I have one more.
4 CHAIRMAN DIXON: Commissioner Montoya.
5 COMMISSIONER MONTOYA: We mentioned that the Port
6 Hueneme is a possibility as a follow-on support base, a
7 consolidated support base, and I haven't been there in two or
8 three years myself. Have you made any visits or inquired as
9 to the land capacity or facility capacity that might be
10 available on that basis to absorb possible relocation?
11 MR. OWSLEY: No, sir, we have not. I was there
12 about the same length of time since you have been. We have
13 been told by several people, and I believe that we might find
14 that the case, the buildings that they erected that the IG
15 recommended be used should you transfer people there are very
16 old and, in fact, the 1991 Commission said that those
17 buildings should be taken down.
18 So I believe that to transfer any significant
19 number of people would require some military construction.
20 MR. LYLES: Even though I think that would be -- if
21 the Commission decides to add that to the list, that would be
22 a subject for further analysis.

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1 COMMISSIONER COX: Commissioner, I just might just
2 point out that the Navy --
3 CHAIRMAN DIXON: Commissioner Cox.
4 COMMISSIONER COX: -- report indicates that there
5 would be several problems with that, that the buildings that
6 they had considered are no longer available, in any case,
7 today, and that the Naval Engineering Laboratory property,
8 because of the kind of property that it is really will not
9 work at that port.
10 COMMISSIONER MONTOYA: Well, I think the port has
11 designs on some of that property also. That's a very
12 aggressive, expanding port, if I'm not mistaken. Thank you.
13 CHAIRMAN DIXON: Are there any further
14 Commissioners' questions before the Chair entertains a motion
15 with respect to this part of Mr. Owsley's report?
16 (No response.)
17 CHAIRMAN DIXON: Is there a Commissioner who
18 desires to make a motion with respect to this report?
19 M O T I O N
20 COMMISSIONER MONTOYA: Mr. Chairman, being familiar
21 with that area --
22 CHAIRMAN DIXON: Commissioner Montoya.

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1 COMMISSIONER MONTOYA: -- I will so move, and I
2 move that Naval Air Warfare Center Weapons Division, Point
3 Mugu, California, be added to the list of bases to be
4 considered by the Commission for closure or realignment as a
5 proposed change to the list of recommendations submitted by
6 the Secretary of Defense.
7 CHAIRMAN DIXON: Is there a second to that motion?
8 COMMISSIONER STEELE: Mr. Chairman, I would second
9 that motion.
10 CHAIRMAN DIXON: Commissioner Steele seconds the
11 motion put by Commissioner Montoya. Is there any discussion
12 on the motion?
13 (No response.)
14 CHAIRMAN DIXON: Counsel will call the roll.
15 MS. CREEDON: Commissioner Montoya.
16 COMMISSIONER MONTOYA: Aye.
17 MS. CREEDON: Commissioner Robles.
18 COMMISSIONER ROBLES: Aye.
19 MS. CREEDON: Commissioner Steele.
20 COMMISSIONER STEELE: Aye.
21 MS. CREEDON: Commissioner Cornella.
22 COMMISSIONER CORNELLA: Aye.

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1 MS. CREEDON: Commissioner Cox?
2 COMMISSIONER COX: Aye.
3 MS. CREEDON: Commissioner Davis.
4 COMMISSIONER DAVIS: Aye.
5 MS. CREEDON: Commissioner Kling.
6 COMMISSIONER KLING: Aye.
7 MS. CREEDON: Mr. Chairman.
8 CHAIRMAN DIXON: Aye.
9 MS. CREEDON: Mr. Chairman, the vote is eight ayes
10 and zero nays.
11 CHAIRMAN DIXON: And the motion put by Commissioner
12 Montoya and seconded by Commissioner Steele is adopted.
13 MR. OWSLEY: Thank you. That concludes the Cross
14 Services' presentation for the day.
15 CHAIRMAN DIXON: Thanks you for a very excellent
16 report by you and your staff, Mr. Owsley. We are indebted to
17 you.
18 MR. OWSLEY: Thank you.
19 MR. LYLES: Mr. Chairman, the next briefing will
20 focus on Air Force issues, and Frank Cirillo, the Air Force
21 team chief on the Commission's Review and Analysis staff will
22 present this briefing.

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1 CHAIRMAN DIXON: Is someone from the staff changing
2 the names of the players for us? Thank you so much. Are you
3 prepared to proceed, Mr. Cirillo?
4 MR. CIRILLO: Yes, sir.
5 CHAIRMAN DIXON: We are delighted to have you here
6 this morning, sir. Please make your presentation.
7 MR. CIRILLO: Thank you, Mr. Chairman.
8 Commissioners, this first slide represents the 14 categories
9 the Department of the Air Force used in their analysis. The
10 shaded categories --
11 CHAIRMAN DIXON: Mr. Cirillo, could you get just a
12 little closer to the mike? I'm having a little trouble. Put
13 it closer to you, dear friend. Can you do that?
14 MR. CIRILLO: Yes, sir.
15 CHAIRMAN DIXON: Thank you. That's very nice.
16 MR. CIRILLO: The shaded categories have
17 installations to be considered as additions to the Secretary
18 of Defense's recommendations. I'll brief the missile and
19 large aircraft categories together due to their relationship,
20 and then I'll cover the undergraduate pilot training
21 category. The depot category has previously been covered by
22 Mr. Owsley and the Cross Service Team. Finally, I'll cover

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1 those installations being considered today in the Air Force
2 Reserve category.
3 Chart No. 2 in the map on your left represent the
4 missile and large aircraft categories. The four bases
5 indicated with an M are the missile bases. Also note in this
6 slide that four bases were excluded by the Air Force for
7 mission or geographical reasons.
8 One of the bases included by the Air Force, Francis
9 E. Warren in Cheyenne, Wyoming, will be discussed later on
10 for your consideration.
11 The tiers shown at the left for the nonexcluded
12 bases reflect the Air Force methodology for ranking
13 respective installations within each category.
14 The Base Closure Executive Group reviewed all eight
15 selection criteria for all bases as graded by the Air Force
16 staff and voted and grouped the bases in three tiers
17 according to the necessity to retain.
18 Those bases in Tier 1 are considered the most
19 necessary to retain, and those in Tier 3 the least necessary
20 depending on the capacity of that category. And for your
21 information, Mr. Chairman, the Secretary of the Air Force
22 used these tiers to develop our closure and realignment

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1 recommendations.
2 Looking at Chart No. 4, the Air Force determined
3 that there is an excess of one missile base and two to three
4 large aircraft bases. Part of their analysis as well as the
5 staffs was the fact that three of the four missile bases and
6 other categories such as depots have large aircraft missions
7 and capacity.
8 The Air Force has recommended the elimination of
9 the airfield at Malmstrom Air Force Base, Montana. This is
10 offset by the recommendation for MacDill Air Force Base. The
11 staff generally agrees with the Air Force capacity analysis.
12 Our Chart No. 5 are the four northern tier missile
13 and large aircraft bases. Today, the Commission will be
14 considering adding Francis E. Warren and expanding the
15 options for Grand Forks, Malmstrom and Minot.
16 Chart 6 shows the DOD-recommended realignments for
17 the four missile, large aircraft bases under review. We have
18 both faced the options recommended by the Department and have
19 shown their rationale for not recommending complete closure.
20 DOD recommended two realignments for the northern
21 tier bases on the missile side, which is shown on the top.
22 They recommended inactivation of the missile field at Grand

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1 Forks.
2 They also suggested that Minot's missiles could be
3 [illegible]tuted if the Secretary determined that ABM
4 [illegible]derations precluded the Grand Forks' recommendation. As
5 such, the Commission voted on the 7th of March to add Minot
6 Missile Field for consideration.
7 We recently received a letter from Secretary
8 Deutsche indicating that an inter-agency review has now been
9 completed and that, and I quote, "There will be no
10 determination by the Secretary that would require retention
11 of the missile group at Grand Forks."
12 DOD selected the Grand Forks Missile Field because
13 it ranked lower than the others in military effectiveness and
14 maintainability. Francis E. Warren was excluded from the Air
15 Force analysis due to the START Treaty implications of early
16 drawdown of the Peacekeeper missiles.
17 On the aircraft side, which you see on the bottom
18 of that chart, DOD recommended the realignment of Malmstrom
19 Air Force Base by shutting down the airfield and relocate the
20 tanker aircraft to MacDill Air Force Base, Florida.
21 The Malmstrom Air Field was selected because of
22 operating limitations and because of tanker concentration in

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1 the Northwest. DOD did not recommend realigning of the
2 tankers at Grand Forks because it is one of the three core
3 tanker bases in the Air Force; nor did they recommend moving
4 the B-52s at Minot Air Force Base, because they were
5 satisfied with the current bomber alignment of forces.
6 On Chart No. 7, we've listed the specific criteria
7 areas along the left side arranged in the general order of
8 the eight selection criteria starting with those elements
9 reflecting military value.
Going on with the description of the chart, we show
[illegible] the respective Air Force tiering levels as described
[illegible]lier. The tiering was determined after balloting by the
13 Air Force Closure Group, or BCEG.
14 The second row shows the actual ranking after those
15 votes within the BCEG. The relatively ranking of bases
16 resulted from balloting on the 18 nonexcluded large aircraft
17 bases as analyzed by the Air Force. You'll see many charts
18 such as these as we proceed, in fact, have seen some already
19 with Mr. Owsley's presentation.
20 I'll be glad to discuss other information such as
21 the one-time cost to close or annual savings, but what this
22 slide specifically displays is the KC-135 option for

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1 Malmstrom that was recommended by DOD and how it stacks up
2 against the criteria.
3 Chart No. 8 shows the Grand Forks Missile Field
4 realignment recommended by DOD and the Minot Missile Field
5 realignment added for consideration by the Commission on
6 March the 7th.
7 Again, we show the Air Force tiering and ranking
8 achieved through the BCEG balloting. The bases are very
9 similar size. So you'll notice the realignment costs reflect
10 that similarity.
11 Chart No. 9 repeats the Grand Forks and Minot
12 realignment options in the shaded area and adds realignment
13 of Minuteman 3 missiles at Francis E. Warren and the closure
14 of Malmstrom Air Force Base.
15 The realignment of Minuteman 3 missiles at Francis
16 E. Warren would permit the peacekeeper drawndown to continue
17 to 2003 as scheduled, thereby not jeopardizing START II.
18 It would then lead to closure of Francis E. Warren
[illegible]d produce substantially more savings, in staff's estimate,
[illegible]t savings shown here for the actual realignment.
[illegible] Malmstrom Air Force Base is shown as a closure in
22 this case because the realignment of the 200 Minuteman 3

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1 missiles at Malmstrom would be added to the KC-135
2 realignment recommended by DOD.
3 As you can see by this, complete closure would
4 address both the need to relocate the tankers from the
5 Northwest to the Southeast, and the need to close one
6 Minuteman 3 missile field is required by the Nuclear Posture
7 Review.
8 It is also important to note that the complete
9 closure of Malmstrom also produces a greater saves than the
10 realignment recommended by DOD:
11 Chart 10 shows the Malmstrom closure once again in
12 the shaded area, and it also shows the closure of Grand Forks
13 and Minot Air Force Base. Like Malmstrom, a closure of Grand
14 Forks would address both the tanker distribution issue and
15 the need to eliminate one Minuteman 3 missile field. The
16 Grand Forks and Minot closure options produce far more
17 savings than the DOD-recommended realignments.
18 Chart No. 11 shows the three closure options we've
19 just discussed plus the Francis E. Warren Minuteman 3
20 realignment, which would lead to eventually closure after
21 2003.
22 I call your attention to the force structure and

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1 cost impact factors, and I'm going to bring up another chart
2 now, Chart No. 12, which summarizes the major issues gathered
3 from the staff analysis and community input.
4 Note that the Nuclear Posture Review requirement of
5 500 or 450 Minuteman 3 missiles can be satisfied no matter
6 which ICBM field is closed, but closing Malmstrom would lead
7 to a force of 450 Minuteman 3 missiles, which does not
8 satisfy the Commander-in-Chief of STRATCOM's preference for
9 500 Minuteman 3 missiles.
10 Our missile sites are relatively equal to alert
11 rate to maintenance costs. You can see that by referring to
12 that. The higher depot support costs at Malmstrom and F.E.
13 Warren can be partially explained by the fact that each of
14 those bases has 200 silos while the other two have 150.
15 The last two rows are airfield related. The tanker
16 saturation comment reflects the that that there are an
17 overabundance of tanker aircraft in the Northwest. The DOD
18 recommendation relocates the tankers, 12 of them, at
19 Malmstrom to MacDill Air Force Base, Florida, to partially
20 relieve a tanker shortfall that exists in the Southeast.
21 The airfield elevation data relate to the pressure
22 altitude difficulties at Malmstrom Air Force Base, which was

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1 a factor in the Air Force recommendation to shut down that
2 airfield.
3 Mr. Chairman, we're prepared to answer any
4 questions that you might have in this category.
5 CHAIRMAN DIXON: Have you completed your discussion
6 of the Air Force ICBM bases, Mr. Cirillo?
7 MR. CIRILLO: I have.
8 CHAIRMAN DIXON: Are there any Commissioners that
9 have questions of Mr. Cirillo or his staff?
10 (No response.)
11 CHAIRMAN DIXON: If there are not any questions,
12 the Chair will entertain a motion from a Commissioner with
13 respect to the very excellent report by Mr. Cirillo.
14 COMMISSIONER DAVIS: Mr. Chairman, I request the
15 ability to make a motion.
16 CHAIRMAN DIXON: Commissioner Davis, you are
17 recognized for the purpose of making a motion.
18 M O T I O N
19 COMMISSIONER DAVIS: As you know, sir, this is a
20 very complex issue that will have a very profound affect on
21 some great Americans that have supported the Department of
22 Defense for many, many years.

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We have no choice but to close missile fields because of treaties we've signed up to. As you know, the Commission added Minot because of that contingency via possible violation of the ABM Treaty, and I would like to say that yesterday we received from DEPSECDEF a letter, which I would ask your permission to enter into the record.

CHAIRMAN DIXON: You might want to read that letter, Commissioner. It will be in the record, of course.

COMMISSIONER DAVIS: Basically, the applicable portion is that DEPSECDEF Deutsche said, "I'm pleased to report that the inter-agency review has been completed, and that the contingency has been favorably resolved.

"There will be no determination by the Secretary that would require retention of the missile group at Grand Forks."

In that light, I move that Grand Forks Air Force Base, North Dakota, currently on the list of bases recommended by the Secretary of Defense for realignment be considered by the Commission for closure or to increase the extent of realignment.

CHAIRMAN DIXON: Is there a second to the motion made by the Distinguished Commissioner?

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COMMISSIONER COX: I second.

CHAIRMAN DIXON: Commissioner Cox seconds the motion made by Commissioner Davis. Is there any comment on the motion made by Commissioner Davis?

(No response.)

CHAIRMAN DIXON: The counsel will call the roll.

MS. CREEDON: Commissioner Davis.

COMMISSIONER DAVIS: Aye.

MS. CREEDON: Commissioner Kling.

COMMISSIONER KLING: Aye. And I would just like to comment that the Secretary's letter certainly had a material bearing on my thoughts on this matter. My vote is aye.

MS. CREEDON: Commissioner Montoya.

COMMISSIONER MONTOYA: Aye.

MS. CREEDON: Commissioner Robles.

COMMISSIONER ROBLES: Aye.

MS. CREEDON: Commissioner Steele.

COMMISSIONER STEELE: Aye.

MS. CREEDON: Commissioner Cox.

COMMISSIONER COX: Aye also, following on Mr. Kling's comment that the Secretary's letter was a significant factor.

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MS. CREEDON: Commissioner Cornella.

COMMISSIONER CORNELLA: I wish to recuse on this vote.

CHAIRMAN DIXON: Commissioner Cornella recuses himself on this vote. Let the record show that.

MS. CREEDON: Mr. Chairman.

CHAIRMAN DIXON: Aye.

MS. CREEDON: Mr. Chairman, the vote is seven eyes and no nays.

CHAIRMAN DIXON: On that motion, there is 7 ayes, no nays and a recusal by Commissioner Cornella, and the motion by Commissioner Davis is adopted on the Air Force ICBM bases.

Are you prepared to proceed, Mr. Cirillo, on the next issue?

MR. CIRILLO: Yes, I am. Chart 13 on the map on your left reflect the bases in the Air Force's Undergraduate Pilot Training category.

As shown, the Air Force recommended Reese Air Force Base for closure. Options generated by the DOD Undergraduate Pilot Training Joint Cross Service Working Group included Reese and Vance Air Force Base.

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The Air Force determined there was an excess of one Air Force base in this category, and the staff concurs. We will be discussing the three shaded bases.

Randolph Air Force Base is a location of a major command headquarters. It is the Air Force-managed site of the recently established Joint Service Navigator Training Program.

Sheppard Air Force Base, site of the NATO pilot Frank and a major Air Force technical training center, was excluded by the Air Force as a critical technical training base.

Chart No. 15 shows the criteria-related elements for Reese Air Force Base as well as the three bases up for discussion today. I call your attention to data row 3 where we have shown the average functional values as determined by the Secretary of Defense Undergraduate Pilot Training Joint Cross Service Working Group.

These values, Mr. Chairman, were averaged from the ten functional areas assessed by the group. The importance of these numbers is that the Air Force averaged the scores as shown in row 3 and statistically used these averages in determining the color code rating of Criteria 1, which is the

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first military value criteria.

For information, the Air Force analysis throughout includes using color indicators where green color leans to retaining the base and a red color sides towards closure. The assessment of all criteria was the basis of the Air Force Closure -- Base Closure Executive Group tiering and ranking as shown in the first two data rows.

The Reese community has pointed out flaws in Undergraduate Pilot Training Joint Cross Service Group analysis and have questioned the application of flaw data by both the Joint Cross Service Working Group and the Air Force.

As a result of these concerns as well as being an integral part of staff analysis, we've run some other excursions as shown in the two staff analysis rows.

Keeping that chart up, we'll bring up Chart No. 16. Chart No. 16 shows the methodology of our staff analysis as shown on the other chart. The first objective was to determine the validity of the Air Force analysis.

Our results differed from the analysis, as you can see by the scores back in row 4. The staff analysis considers only those functional areas and measures of merits specific to the Air Force Undergraduate Pilot Training

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requirements.

In the second analysis, the objective was to assess the effect of the flaw data as identified by the community on Chart 15. You'll note the results of the second analysis demonstrate how close the bases are in military value.

In all three cases, the potential range was between 0 and 10. The higher number represents the best functional value for that analysis which was used in Criteria 1 for the Air Force.

Mr. Chairman, Commissioners, we'll try to answer any questions that you might have in this category.

CHAIRMAN DIXON: Mr. Cirillo, have you completed your report on Air Force Undergraduate Pilot Training bases?

MR. CIRILLO: Yeah, I have, Mr. Chairman.

CHAIRMAN DIXON: Is there any Commissioner that has a question of Mr. Cirillo?

COMMISSIONER DAVIS: Mr. Chairman?

CHAIRMAN DIXON: Commissioner Davis.

COMMISSIONER DAVIS: Mr. Cirillo, I know you probably have a chart because I've been asking for it. Do you have a chart that shows the capacity of each base?

MR. CIRILLO: Yes, we do. Can we bring up Air

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1 Force backup No. 101? And I'll describe that chart to you
2 en we get it up.
3 COMMISSIONER DAVIS: My concern, as you know, is I
4 nt to -- again, it's not eating your seed corn, and I want
5 to make sure that any closure action this Commission might
6 take would not prevent our capability to meet the Air Force
7 requirements.
8 MR. CIRILLO: Right. I will describe this chart to
9 you, and then I will turn any questions over to Lieutenant
10 Colonel Beyer, who is here. Lieutenant Colonel Beyer is on
11 detail from the United States Air Force.
12 This is a base capacity chart as determined by the
13 staff. What you see on the left is the block representing
14 capacity, and what he see on the right is the block
15 representing the requirement.
16 You see the capacity of the four bases being
17 discussed here totally 1,620. Removing the capacity that is
18 used by the lowest base as far as capacity numbers comes up
19 to the numbers shown leaving approximately 150 or 12 percent
20 excess capacity.
21 What this shows is that there is slightly more than
22 100 percent of capacity if the one base is closed, but if two

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1 bases were closed, you would be under the capacity required
2 by the Air Force to perform its training.
3 COMMISSIONER DAVIS: But that's a maximum capacity
4 capability or five-day-a-week capacity capability?
5 MR. CIRILLO: That's correct.
6 COMMISSIONER DAVIS: Which is it?
7 COLONEL BEYER: It's based on a five-day-a-week
8 training workload, but I should point out that built into
9 that capacity is the ability to recover from unforeseen
10 cumstances such as weather, aircraft maintenance, a
11 ortage of instructor pilots.
12 So that excess capacity is utilized. The weekend
13 capacity is utilized for that purpose, if need be, on a
14 regular basis.
15 MR. CIRILLO: And the capacity is based on the
16 instructor pilots, the maintenance and things like that, not
17 on a number of actions that have to take place. There is
18 adequate airspace to meet that capacity.
19 COLONEL BEYER: The limiting factor for capacity at
20 Air Force UPT bases is the number of operations at the home
21 base. As it turns out, the airspace available and the
22 axillary fields do not limit the capacity.

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1 COMMISSIONER DAVIS: If I may, a follow-on, sir.
2 CHAIRMAN DIXON: Mr. Davis.
3 COMMISSIONER DAVIS: Of those bases up there, which
4 is considered by the United States Air Force as the best
5 bomber training air base, bomber-fighter training air base?
6 MR. CIRILLO: From our staff analysis, it would be
7 Columbus Air Force base.
8 COMMISSIONER DAVIS: Why is that?
9 MR. CIRILLO: It did have a bomber mission. It was
10 a bomber base at one time, was a base owned and operated by
11 the Strategic Air Command.
12 COMMISSIONER DAVIS: Thank you, Mr. Chairman.
13 MR. CIRILLO: And also range facilities.
14 CHAIRMAN DIXON: Are there any further questions by
15 any of the Commissioners regarding this excellent report by
16 Mr. Cirillo?
17 COMMISSIONER CORNELLA: Mr. Chairman, I have a
18 question.
19 CHAIRMAN DIXON: Commissioner Cornella.
20 COMMISSIONER CORNELLA: Going to row 5 or the
21 unctional Value Staff Analysis 2 and the 6.3 rating for
22 Reese Air Force Base --

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1 CHAIRMAN DIXON: Could we have that on the screen?
2 Thank you.
3 COMMISSIONER CORNELLA: That was arrived at with a
4 corrected data call? Is that how that -- can you tell us how
5 you achieved that?
6 MR. CIRILLO: Yes. The best way to do that is
7 probably to bring up the functional values that were looked
8 at.
9 COMMISSIONER CORNELLA: Well, my question is this,
10 and you may not have to bring up any more charts. My
11 question is did you do that for the other three
12 installations? Was that done? You did not ask for another
13 data call from these --
14 MR. CIRILLO: That's correct. What happened in
15 this case, there was a White Paper, as it was called, that
16 was submitted by the community. The White Paper was given to
17 us. We also gave it to the United States Air Force for them
18 to make their comments on.
19 The Air Force did recognize some of the data as
20 being flawed and changed the numbers because of that. We
21 made those changes in the data. There are other changes that
22 the community is still concerned about that feel have to be

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1 looked at and reviewed at, and staff still has to look at
2 that further.
3 So the answer to your question is we didn't go
4 out -- since we didn't get any other flaw data comments to
5 any extent, we used only the data that was provided by that
6 community and corrected by the Air Force in this particular
7 case.
8 COMMISSIONER CORNELLA: But if you would ask for
9 another data call --
10 MR. CIRILLO: Pardon me?
11 COMMISSIONER CORNELLA: If you would ask for a data
12 call from the other installations, those numbers could
13 possibly change and either go up or go down? I mean, you
14 don't know which way -- is that correct?
15 MR. CIRILLO: That's correct. What we would ask,
16 we would get it from the community. In order for us to get
17 it certified, we would try to get it certified through the
18 United States Air Force and the Department of Defense.
19 That would be -- but we would certainly look at the
20 numbers that we got from the community. We would apply them,
21 because we do an independent analysis, and if we're not
22 comfortable with the certified analysis, we will go out and

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1 look at those numbers as well as get assistance in field
2 surveys.
3 The elements that you see there, the elements that
4 we used in both the analysis by the Joint Cross Service Group
5 and the Air Force, the highlighted areas are those functional
6 areas that were used by us as being Air Force related.
7 CHAIRMAN DIXON: Are there any further
8 Commissioners who care to ask a question? Commissioner
9 Steele?
10 COMMISSIONER STEELE: I'm sorry. You may have
11 answered this. I'm just not totally clear. On the two
12 analyses that you ran, did you use just the highlighted
13 functional areas, or did you use the areas that the Air Force
14 used when they determined military value data?
15 CHAIRMAN DIXON: Colonel Beyer.
16 COLONEL BEYER: We took the measures of merit that
17 the Joint Cross Service Group used for each of those ten
18 functional areas and first took the ones that were
19 appropriate to the Air Force and then deleted the ones that
20 were not appropriate to the Air Force.
21 We ended up with 6 out of 13, and we only used --
22 I'm talking about the measures of merit portion of the chart.

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1 COMMISSIONER STEELE: Okay. I was talking about
2 the functional areas. I'm sorry.
3 COLONEL BEYER: Okay. The functional areas of
4 which there were ten, were averaged together by the Air Force
5 to come up with a composite score for each base. Instead of
6 using that procedure, we went directly to the measures of
7 merit, which were weighted differently for each of those ten
8 functional areas.
9 So instead, we came up with one, if you will, an
10 eleventh functional area Air Force UPT, and we weighted six
11 of those measures of merit only. The other seven were
12 considered inappropriate in comparing Air Force UPT bases.
13 COMMISSIONER STEELE: Okay. I see only four
14 highlighted. Is there a reason why only four instead of six
15 are highlighted?
16 COLONEL BEYER: Okay. The six I'm referring to are
17 measures of merit. The four that you're referring to are the
18 functional areas.
19 COMMISSIONER STEELE: Let's stay up there for me,
20 please, okay?
21 COLONEL BEYER: Okay. The functional areas were
22 reviewed by the Joint Cross Service Group for each base,

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1 given a score. The Air Force then took those scores for each
2 base and added them together and came up with a composite
3 score for each base.
4 COMMISSIONER STEELE: And what you used was just
5 those four functional areas or the ones that the Air Force
6 used, which was more than four, I believe?
7 COLONEL BEYER: Neither.
8 COMMISSIONER STEELE: Okay.
9 COLONEL BEYER: What we did was you see there are
10 ten functional areas there. The Joint Cross Service Group
11 took the 13 measures of merit and weighted them differently
12 for each functional area.
13 Our analysis derived an 11th functional area, which
14 I'll term Air Force UPT, and we weighted only six of the
15 measures of merit. The other seven we considered to be
16 inappropriate or irrelevant to a comparison of Air Force UPT
17 bases.
18 COMMISSIONER STEELE: Okay. All right. So I got
19 it. The Air Force did use more functional areas. You chose
20 to limit the functional areas specifically to UPT, not
21 looking at the Cross Service functional analysis outside of
22 just UPT; is that correct? Am I --

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1 COLONEL BEYER: That is not -- that is not --
2 COMMISSIONER STEELE: I'm not with you?
3 COLONEL BEYER: -- accurate. No.
4 COMMISSIONER STEELE: Okay. Sorry.
5 COLONEL BEYER: We created an 11th functional area.
6 We started with a clean sheet of paper.
7 MR. CIRILLO: Why don't we go ahead and bring back
8 up 209 on the left, on the Commissioners' left and hand them
9 220 as well.
10 COLONEL BEYER: These are the six measures of merit
11 out of the 13 with the weights shown, and those weights were
12 determined by discussions with experts in the Air Force on
13 Air Force UPT. And that is how we developed a score for each
14 base. That chart shows Staff Analysis 1, the results.
15 COMMISSIONER STEELE: I think I understand what you
16 did. I just wasn't sure why you did it in the sense that the
17 Air Force looked broader. So that's what I was just trying
18 to see what drove you there. Thank you. I'm satisfied.
19 CHAIRMAN DIXON: Thank you.
20 COMMISSIONER COX: Colonel Beyer.
21 CHAIRMAN DIXON: Commissioner Cox.
22 COMMISSIONER COX: I'm sorry. I just want to make

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1 sure on this chart that I'm sure what we have here. One, on
2 of staff weight, those numbers reflect the weight that you
3 gave, then, each of the six areas of merit --
4 COLONEL BEYER: That's correct.
5 COMMISSIONER COX: -- and came up with a number,
6 and presumably, that's based on your experience and your
7 expertise in that area?
8 MR. CIRILLO: Right. That's correct. What you see
9 there is two things. You'll see the weighted one based on
10 staff expertise, staff experience. What we also did is
11 another attempt.
12 We said let's go ahead and average this out and
13 just see if we didn't weight it to see if our weights might
14 be prejudice. And what you see down on the bottom row there,
15 which is not reflected in the original chart you saw, is just
16 averaging all those without giving any preference to weights
17 that are shown, just average everything at one-sixth equal
18 weight. It came out the same ranking.
19 COMMISSIONER COX: No judgment applied there?
20 MR. CIRILLO: That's right.
21 COMMISSIONER COX: Each of the six given equal
22 weight.

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1 MR. CIRILLO: And the whole reason that we're
2 keying that -- just a brief thing -- the chart on your right
3 is what the Base Closure Executive Group looked at, and
4 that's Chart No. 220, and because of the way that the
5 averages were done, you'll see the red color code that showed
6 up there, all those scores, if you're looking to make a vote,
7 that red kind of jumps out at you.
8 And that's one of the concerns of the community is
9 the red did jump out, and their concerns were even though
10 this seems like a busy number and possibly insignificant
11 because of the complexity of it, it did reflect that chart on
12 your right, which is what the Base Closure Executive Group
13 reviewed when they made their recommendation to make a
14 closure.
15 COMMISSIONER COX: And if I just might make a
16 comment, sort of, no matter how you look at it, these bases
17 are very close.
18 CHAIRMAN DIXON: Did you hear the question,
19 Mr. Cirillo or the statement which was, sort of, in the form
20 of a question?
21 MR. CIRILLO: I'm sorry. I did not.
22 COMMISSIONER COX: I just want to make sure I'm

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1 seeing it correctly that no matter whether you weight it or
2 un-weight it or use the Air Force or use your first analysis
3 or your second analysis, the bases come out extremely
4 close, given those percentages.
5 MR. CIRILLO: That's correct. That's correct.
6 CHAIRMAN DIXON: Are there any other questions from
7 the Commissioners now that we've had that very sage
8 observation, I think, from Commissioner Cox?
9 (No response.)
10 CHAIRMAN DIXON: Is there a motion with respect to
11 Air Force Undergraduate Pilot Training bases? The Chair
12 recognizes Commissioner Cornella.
13 M O T I O N
14 COMMISSIONER CORNELLA: As I feel a comparison is
15 needed in this area, I would like to make a motion, and I
16 move that Columbus Air Force Base, Mississippi; Laughlin Air
17 Force Base, Texas; and Vance Air Force Base, Oklahoma, be
18 added to the list of bases to be considered by the Commission
19 for closure or realignment as a proposed change to the list
20 of recommendations submitted by the Secretary of Defense.
21 CHAIRMAN DIXON: And is there a second to the
22 Distinguished Commissioner's motion?

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1 COMMISSIONER COX: I second the motion.
2 CHAIRMAN DIXON: Commissioner Cox seconds the
3 motion by Commissioner Cornella with respect to Air Force
4 Undergraduate Pilot Training bases. Is there any comment
5 from any Commissioner with respect to this meetings?
6 COMMISSIONER DAVIS: Mr. Chairman.
7 CHAIRMAN DIXON: Commissioner Davis.
8 COMMISSIONER DAVIS: From the capacity analysis, I
9 think it shows to close more than one base would hamper the
10 Air Force's capability to meet their pilot training, but to
11 make sure that we have a fair and reasonable analysis, I
12 would like to join Commissioner Cornella in his motion.
13 CHAIRMAN DIXON: The record will show the joint
14 motion made by the two Commissioners. Is there any further
15 comment?
16 (No response.)
17 CHAIRMAN DIXON: The counsel will call the roll.
18 MS. CREEDON: Commissioner Cornella.
19 COMMISSIONER CORNELLA: Aye.
20 MS. CREEDON: Commissioner Cox.
21 COMMISSIONER COX: Aye.
22 MS. CREEDON: Commissioner Davis.

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1 COMMISSIONER DAVIS: Aye.
2 MS. CREEDON: Commissioner Kling.
3 COMMISSIONER KLING: Aye.
4 MS. CREEDON: Commissioner Montoya.
5 COMMISSIONER MONTOYA: Aye.
6 MS. CREEDON: Commissioner Robles.
7 COMMISSIONER ROBLES: Aye.
8 MS. CREEDON: Commissioner Steele.
9 COMMISSIONER STEELE: Aye.
10 MS. CREEDON: Mr. Chairman.
11 CHAIRMAN DIXON: Aye.
12 MS. CREEDON: Mr. Chairman, the total is 8 ayes and
13 0 nays.
14 CHAIRMAN DIXON: Motion is adopted. Mr. Cirillo,
15 are you prepared to go Air Force Reserve bases at this point
16 in time.
17 MR. CIRILLO: Yes, I am, Mr. Chairman.
18 CHAIRMAN DIXON: If you will indulge me, the Chair
19 is obligated to read a statement at this point.
20 "Ladies and gentlemen, I believe this is the
21 appropriate time to make a brief statement regarding bases on
22 which I have recused myself from participation. It was my

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1 privilege for 42 years to serve the citizens of Illinois as
2 an elected official.
3 For 20 of those years, I served in state-wide
4 offices. Clearly, my relationship with the people of my home
5 state is a special one of which I am very proud. At the same
6 time, however, I do not wish that relationship ever to cloud
7 the work of this Commission.
8 I wish to ensure that there is no chance of even an
9 appearance of loss of impartiality in the performance of my
10 official duties. For that reason, I will recuse myself from
11 participation in any part of the base closure process that
12 affects my state of Illinois and its installations, even
13 though such a recusal is not required by the ethics statutes
14 that govern us.
15 However, those statutes do require recusal when any
16 commissioner has a direct financial interest that would be
17 affected by a base closure or realignment. I find myself in
18 such a situation on the Army proposal to disestablish its
19 division troop command.
20 So I will recuse myself on the Adcom proposal and
21 any others that may be related to Adcom. Having said
22 that, we are now ready for the staff presentation. O' Hare

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1 Air Force Reserve unit and others.
2 MR. CIRILLO: Thank you, Mr. Chairman. Referring
3 to Chart 17 and the map on your left, these cover the Air
4 Force Reserve category, which is the last total category
5 we'll cover today, although there will be two sections.
6 The Air Force has recommended closure of one
7 fighter Air Reserve base, Bergstrom, and one tactical airlift
8 Air Reserve base located at the Greater Pittsburgh
9 International Airport.
10 The Air Force determined there is an excess of two
11 fighter and two tactical airlift Air Reserve bases. The
12 staff concurs. The Air Force did not establish tiers for the
13 Air Reserve category but rather made their recommendations
14 primarily based on cost and geographical considerations.
15 The shaded bases have been proposed for discussion
16 today. I'll cover the reserve fighter and airlift bases
17 separately. Referring to Chart No. 19, I'll discuss the Air
18 Reserve F-16 fighter bases first.
19 As you recall, the Air Force recommended closure of
20 Bergstrom Air Reserve Base, and we'll be discussing the other
21 two soon. Chart No. 20 is the Fighter Air Reserve base
22 analysis chart.

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1 As I stated earlier, the Air Force closure
2 recommendations in that category can not consider relative
3 tiering. Instead, the Air Force keyed on factors such as
4 recruiting demographics and cost-effectiveness.
5 One point I need to make here is the Bergstrom
6 community concern that the Air Force decision was based on an
7 inflated annual base operating budget, as compared to the
8 forecast operating budget shown. We're still reviewing that
9 concern.
10 In addition, the Bergstrom community states that
11 the Air Force has a commitment to retain reserve operations
12 at the base now designated as the site of the new Austin
13 airport due to commitments in the two previous Commissions.
14 Mr. Chairman, do you have any questions?
15 CHAIRMAN DIXON: Thank you very much for a fine
16 presentation, Mr. Cirillo. Does any Commissioner have a
17 question of Mr. Cirillo on this presentation? Commissioner
18 Cox.
19 COMMISSIONER COX: Mr. Cirillo, I wonder if you
20 could follow-up on your comment about the communities concern
21 on the cost of the base and give us a little bit of the
22 argument.

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1 MR. CIRILLO: Surely. What the argument is, and
2 I'll introduce the discussion, and turn it over to Lieutenant
3 Colonel Beyer, is that the base operating cost and is cost
4 that the annual savings are based upon reflects the operating
5 of costs that exists now as compared --
6 COMMISSIONER COX: And they're paying for the whole
7 base today?
8 MR. CIRILLO: Right now here paying for a good
9 portion of the base, and the reason for that is there is a
10 lot of environmental restoration projects going on, and there
11 have been some delays.
12 So the Air Force has had to maintain considerably
13 more infrastructure than they will when the Air Force -- when
14 the airport, Austin Airport, takes over the rest of the best.
15 The community concern is that when those -- if
16 those contracts would have been completed if the Air Force
17 would have used the figures that goes beyond 97, when the
18 airport is actually in operation, that the cost would be
19 lower, and it looks like it would be about $5,000 -- sorry,
20 $5 million lower based on the numbers that we have.
21 We're still looking at that, but there does appear
22 to be merit

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COMMISSIONER COX: And just so I understand, that's because once the airport opens, which I believe part of it is scheduled to open in 1996, the Air Force will become a temp instead of picking up the cost of the whole -- of most of the base?

MR. CIRILLO: That's correct, and then they wouldn't -- the bases that they're now operating, maintaining, running the utilities for, although the majority of them are pickled, still require a certain amount of base operating support.

COMMISSIONER COX: I see. You also mentioned that the '93 Base Closure Commission on which I served did not take the Army recommendation at that point to close it because of a commitment or what we believe to be a commitment made. I wonder if you have a copy of that statement made by, I believe, Mr. Boatright?

MR. CIRILLO: I sure do. Let me put -- what I do have, and I'll put up backup Charts No. 105 and 106, if we can get the copies to the Commissioners.

COMMISSIONER COX: Thank you.

MR. CIRILLO: On 105 on your --

CHAIRMAN DIXON: 105 and 106?

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MR. CIRILLO: Right.

CHAIRMAN DIXON: Okay. 105.

MR. CIRILLO: 106 refers specifically to what you're speaking about, and these are statements out of the 1991 Commission report and the 1993 Commission report. In the 1991 Commission report, and I'll let you read that, the indications there are a commitment that the community is concerned about relating to the establishment of the airport and the retention of the reserves.

The Commission, in 1993, addressed the Air Force recommendation to close that airport and indeed rejected that recommendation and came up with the recommendation that you see in the bottom half of that chart. COMMISSIONER COX: And I can presume from this, then, that they did make a decision on the civilian airport in time in 1991.

MR. CIRILLO: That's correct. As a matter of fact, they did it about a month earlier than that, a couple months earlier than that. They did it just as the report was coming out to the Commission.

COMMISSIONER COX: And that decision, what did that entail? There was, I believe, a referendum?

MR. CIRILLO: I'll turn this over to Lieutenant

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Colonel Beyer. Before I do that, I do have that quote, if you want Mr. Boatright's quote.

COMMISSIONER COX: Oh, good. I'm sorry. I forgot. Thank you.

MR. CIRILLO: I do have that. "Certainly, we would like to see an airport there, because then we would leave the unit right where it is, but that's your decision, the community decision. However you decide it, we'll make it work for the Department of the Air Force." That's the quote that we've heard. Lieutenant Colonel Beyer will now address that further.

COLONEL BEYER: In May of '93, the Austin citizens passed a referendum of $400 million to move their municipal airport to Bergstrom, and part of the reason that this was put to a vote was because they wanted to retain the reserve operation at the airfield.

It wasn't just a matter of turning the base over them to be a municipal airport. It was to allow the reserves to stay as well.

COMMISSIONER COX: I see. Thank you. Thank you.

CHAIRMAN DIXON: Does any other Commissioner have a question of Mr. Cirillo or Colonel Beyer or anyone regarding

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this particular subject matter?

(No response.)

CHAIRMAN DIXON: If not, the Chair will entertain a motion with respect to Air Force Reserve bases. Is there a motion?

M O T I O N

COMMISSIONER COX: Mr. Chairman, I move that Carswell Air Reserve Station, NAS Fort Worth, JRB, Texas, be added to the list of bases to be considered by the Commission for closure or realignment as a proposed change to the list of recommendations submitted by the Secretary of Defense.

CHAIRMAN DIXON: Moved by Commissioner Cox that Carswell be added. Is there a second to that motion?

COMMISSIONER ROBLES: Mr. Chairman, I second the motion.

CHAIRMAN DIXON: Seconded by Commissioner Robles. Are there any comments regarding that motion?

(No response.)

CHAIRMAN DIXON: Counsel will call the roll on this motion.

MS. CREEDON: Commissioner Cox.

COMMISSIONER COX: Aye.

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MS. CREEDON: Commissioner Davis.

COMMISSIONER DAVIS: Aye.

MS. CREEDON: Commissioner Kling.

COMMISSIONER KLING: Aye.

MS. CREEDON: Commissioner Montoya.

CHAIRMAN DIXON: We will -- if it does not change the result, I ask unanimous consent to entertain the vote of Commissioner Montoya when he returns in a moment.

MS. CREEDON: Commissioner Robles.

COMMISSIONER ROBLES: Aye.

MS. CREEDON: Commissioner Steele.

COMMISSIONER STEELE: Aye.

MS. CREEDON: Commissioner Cornella.

COMMISSIONER CORNELLA: Aye.

MS. CREEDON: Mr. Chairman.

CHAIRMAN DIXON: The Chair votes aye. Is there any objection to permitting the record to show the vote of Commissioner Montoya when he returns, since it will not change the result?

COMMISSIONER COX: No objection.

CHAIRMAN DIXON: I thank my colleagues, and the motion by Commissioner Cox, seconded by Commissioner Robles

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with respect to Carswell is adopted unanimously.

COMMISSIONER STEELE: Mr. Chairman, I'd like to entertain another motion, please.

CHAIRMAN DIXON: The Chair recognizes Commissioner Steele for a motion.

M O T I O N

COMMISSIONER STEELE: I move that Homestead Air Reserve Station Florida, currently on the list of base is recommended by the Secretary of Defense for realignment be considered by the Commission for closure or to increase the extent of the realignment.

CHAIRMAN DIXON: Is there a second to the motion made by the Distinguished Commissioner?

COMMISSIONER CORNELLA: Mr. Chairman, I second that motion.

COMMISSIONER COX: I'm sorry, Mr. Chairman. Could I ask a question on this motion of the staff?

CHAIRMAN DIXON: Of course. Yes. It's been seconded by Commissioner Cox -- pardon me, by Commissioner Cornella, and Commissioner Cox is recognized for a question on Homestead.

COMMISSIONER COX: I wonder if you might just

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1 ew with me the history of Homestead. In 1993, I believe,
2 ecided that this Air Reserve group should go to
3 estead. Some monies have been spent, I wonder if you
4 ld just go through a little bit of the history of that
5 before we look at this issue.
6 MR. CIRILLO: I'll be glad to, Commissioner Cox.
7 In 1993, the Air Force recommended the complete closure of
8 Homestead Air Force Base, which received damage from
9 Hurricane Andrew.
10 As a result of that hurricane, there were
11 supplementary funding that came out of the Congress to repair
12 facilities on that installation for use by the community or
13 use by others if the facility could be reused, extensive
14 damage on the base.
15 The Commission received that recommendation. They
16 considered it, and the end result was the Commission voted to
17 rejected recommendation of the Secretary of Defense, and the
18 rejection ended up in the recommendation that two things
19 would happen.
20 Number one, the Reserve F-16 fighter unit would
21 remain at Homestead Air Force Base, and the 301st Rescue Unit
22 that was located at Patrick Air Force Base temporarily and

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1 evacuated just after the storm would come back to Homestead
2 Air Force Base after their facilities were prepared for them.
3 That was the recommendation that came out. The Air
4 Force came back in this round and they recommended nothing
5 for Homestead except for the redirect of the 301st, which was
6 supposed to return from Patrick Air Force Base to Homestead
7 Air Force Base, and the Air Force has on the table, if you
8 will, the redirect which would retain the 301st Rescue Unit,
9 eserve Unit as well at Patrick Air Force Base because of the
10 lationship it has with Cape Canaveral as well as with this
11 hter unit that happens to be there.
12 COMMISSIONER COX: And what is the status of
13 funding that might have been available by virtue of the BRAC
14 '93 decision on the Air Reserve?
15 MR. CIRILLO: I'll turn that over to Lieutenant
16 Colonel Beyer.
17 COLONEL BEYER: The supplemental funds are not
18 Department of Defense funds. So they will be spent on the
19 Homestead --
20 COMMISSIONER COX: In either case.
21 COLONEL BEYER: In either case.
22 COMMISSIONER COX: I see.

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1 COLONEL BEYER: It would take an action by Congress
2 to prevent those funds from being obligated.
3 COMMISSIONER COX: Thank you.
4 CHAIRMAN DIXON: My colleagues, Commissioner
5 Montoya, who was temporarily absent for a moment, has
6 returned. Commissioner Montoya, on a motion to add Carswell,
7 it was adopted seven to nothing in your absence, and
8 unanimous consent was granted in view of the fact that you
9 cannot change the result for you to enter your vote. Do you
10 desire to enter a vote on that motion?
11 COMMISSIONER MONTOYA: I'll vote aye.
12 CHAIRMAN DIXON: And the corrected result on that
13 motion by unanimous consent is eight to nothing.
14 The motion now pending is the motion by
15 Commissioner Steele with respect to Homestead Air Reserve
16 Station Florida. Is there any further discussion by any
17 Commissioner?
18 (No response.)
19 CHAIRMAN DIXON: Counsel will call the roll.
20 MS. CREEDON: Commissioner Steele.
21 COMMISSIONER STEELE: Aye.
22 MS. CREEDON: Commissioner Cornella.

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1 COMMISSIONER CORNELLA: Aye.
2 MS. CREEDON: Commissioner Cox.
3 COMMISSIONER COX: Aye.
4 MS. CREEDON: Commissioner Davis.
5 COMMISSIONER DAVIS: Aye.
6 MS. CREEDON: Commissioner Kling.
7 COMMISSIONER KLING: Aye.
8 MS. CREEDON: Commissioner Montoya.
9 COMMISSIONER MONTOYA: Aye.
10 MS. CREEDON: Commissioner Robles.
11 COMMISSIONER ROBLES: Aye.
12 MS. CREEDON: And Mr. Chairman.
13 CHAIRMAN DIXON: Aye.
14 MS. CREEDON: Mr. Chairman, the vote is 8 ayes and
15 0 nays.
16 CHAIRMAN DIXON: And the motion is adopted. You
17 may proceed, Mr. Cirillo.
18 MR. CIRILLO: Thank you, Mr. Chairman. This is the
19 last section we'll be discussing today. Chart 20 -- sorry.
20 Chart 21 is the C-130 Tactical Airlift bases. Greater
21 Pittsburgh Reserve Station at the International Airport was
22 recommended for closure while the shaded bases are to be

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1 discussed today.
2 Again in this area, the Air Force did not use
3 tiering but made their recommendations based on cost-
4 effectiveness. I'm going to put up two charts, Charts 22 and
5 23, which are our last two charts.
6 I point out that the Air Force used erroneous base
7 operating cost for the three bases -- for three of the bases.
8 I'm sorry. This error affected the Air Force Base Closure
9 Executive Group's perspective of annual base operating budget
10 as well as the net present value to be achieved through
11 closure.
12 Referring to the base operating budget and net
13 present value rows as shaded for the affected bases, the
14 numbers in parentheses represented flawed information used by
15 the Air Force Base Closure Executive Group while the other
16 numbers reflect the revised data just received from the Air
17 Force based on community concerns and staff requests.
18 This erroneous data was especially significant as
19 the Air Force closure recommendations was based on cost-
20 effectiveness. In the original Air Force COBRA figure,
21 Chicago stood out to the BCEG as best closure value, while
22 Pittsburgh would have been next.

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1 Indications are that Pittsburgh was selected due to
2 the fact that the 1993 Commission recommended Chicago as a
3 community-funded closure. In the Air Force revised cost of
4 base realignment action figures, Pittsburgh is the least
5 cost-effective option for the Reserve tactical bases.
6 Note that Pittsburgh has the lowest annual savings
7 and net present value. Mr. Chairman, Commissioners, this
8 concludes this portion and my last section of the briefing.
9 CHAIRMAN DIXON: Are there any questions of
10 Mr. Cirillo concerning this presentation concerning Air Force
11 Reserve bases?
12 COMMISSIONER KLING: Just one.
13 CHAIRMAN DIXON: Commissioner Kling.
14 COMMISSIONER KLING: Mr. Cirillo, just since there
15 was these errors and corrections to these figures, are you
16 comfortable now that these figures are pretty much in order
17 as presented?
18 MR. CIRILLO: Yes, I am. I'm comfortable. We just
19 received the figures. We received them within the week. We
20 have not visited any of the locations shown other than
21 Pittsburgh, but the Air Force -- the community gave the
22 indications. The staff saw it as well. We're comfortable

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1 with what we have right now that these are the correct
2 figures.
3 What they did, by the way, is they used the base
4 operate cost for one of the bases, and they used that same
5 base operating cost, the 5.7 million shown, for the three
6 bases erroneously. It was just an hour. Now they have the
7 right operating costs.
8 COMMISSIONER KLING: Those things do happen.
9 CHAIRMAN DIXON: Thank you. Are there any other
10 Commissioners who care to ask questions of Mr. Cirillo before
11 the Chair entertains a motion?
12 COMMISSIONER COX: I do.
13 CHAIRMAN DIXON: Commissioner Cox.
14 COMMISSIONER COX: Mr. Cirillo, the recommendation
15 is to close Pittsburgh, and we know at least the numbers
16 problems with that. This is not a recommendation to move it
17 somewhere else. We would literally be closing an Air Reserve
18 station?
19 MR. CIRILLO: That's correct. We'd close the Air
20 Reserve station, do away with the unit, but the assets, the
21 C-130 assets, are distributed elsewhere.
22 COMMISSIONER COX: And has the staff looked at

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1 whether this is needed by the force structure capacity needs?
2 Is there an excess capacity of Air Reserves?
3 MR. CIRILLO: I'll turn it over to Mr. DiCamillo.
4 MR. DiCAMILLO: Yes. In his opening remarks,
5 Mr. Cirillo commented that there were two, two Reserve
6 Tactical Airlift bases excess to the current capacity or
7 force structure.
8 COMMISSIONER COX: So in addition to looking at the
9 one that the Air Force has recommended, it's possible that we
10 could look at two, given the force structure?
11 MR. DiCAMILLO: Yes, ma'am.
12 COMMISSIONER COX: Thank you.
13 CHAIRMAN DIXON: Are there any further questions by
14 any Commissioner? Commissioner Steele.
15 COMMISSIONER STEELE: Yes. I was wondering, when
16 you looked at the potential comparisons that we've asked you
17 to look at, do you see any particular discriminators that
18 should incline us to take an extra look at a particular
19 reserve unit or not look at a particular reserve unit, or is
20 it very difficult to discriminate within the category without
21 really given it a closer look?
22 MR. CIRILLO: They're all excellent units. I just

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1 would refer you to the cost benefit. That was what the
2 decision was based on.
3 COMMISSIONER STEELE: Okay. Thank you.
4 MR. CIRILLO: They're all excellent units.
5 COMMISSIONER STEELE: That's all, Mr. Chairman.
6 CHAIRMAN DIXON: Thank you, Commissioner Steele.
7 The Chair will entertain a motion with respect to this
8 question.
9 COMMISSIONER DAVIS: Sir, I would request to be
10 recognized for a motion.
11 CHAIRMAN DIXON: The Chair recognizes Commissioner
12 Davis with respect to Air Force Reserve bases.
13 M O T I O N
14 COMMISSIONER DAVIS: On the surface, this looks
15 like a reasonably simple process, but because of some data
16 problems and previous BRAC actions, I must apologize to all
17 the communities I'm going to involve in my motion. But I
18 must move that the General Mitchell International Airport Air
19 Reserve Station, Wisconsin; Minneapolis-St.Paul IAP, Air
20 Reserve Station Minnesota; Niagara Falls IAP, Air Reserve
21 Station New York; O'Hare IAP Air Reserve Station Illinois and
22 Youngstown, Warren MPT Air Reserve Station Ohio be added to

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1 the list of bases to be considered by the Commission for
2 closure or realignment as a proposed change to the list of
3 recommendations submitted by the Secretary of Defense so we
4 may have a fair and equitable process.
5 CHAIRMAN DIXON: I thank the Commissioner for that
6 motion, and is there a second to that motion?
7 COMMISSIONER KLING: Mr. Chairman, I'd second
8 Commissioner Davis' motion, and I would like to also comment
9 that his point that he made in presenting the motion I
10 certainly agree with.
11 CHAIRMAN DIXON: It has been moved and seconded by
12 Commissioners Davis and Kling with respect to the Air Force
13 Reserve bases. Are there any further comments before the
14 counsel for the Commission calls the roll?
15 COMMISSIONER STEELE: Mr. Chairman.
16 CHAIRMAN DIXON: Commissioner Steele.
17 COMMISSIONER STEELE: A brief comment. I concur
18 with my colleagues. The flip side -- I'll speak for myself,
19 but I'm probably speaking for others. If I didn't move to
20 look at the category without any clear discriminators, I
21 would feel like I was making a premature decision, which
22 would be, perhaps, more unfair to communities. So that's

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1 driving me. That's all, sir.
2 CHAIRMAN DIXON: I thank the Commissioner for her
3 excellent comment. Are there any further comments by any
4 Commissioners before counsel calls the roll?
5 (No response.)
6 CHAIRMAN DIXON: Counsel will call the roll.
7 MS. CREEDON: Commissioner Davis.
8 COMMISSIONER DAVIS: Aye.
9 MS. CREEDON: Commissioner Kling.
10 COMMISSIONER KLING: Aye.
11 MS. CREEDON: Commissioner Montoya.
12 COMMISSIONER MONTOYA: Aye.
13 MS. CREEDON: Commissioner Robles.
14 COMMISSIONER ROBLES: Aye.
15 MS. CREEDON: Commissioner Steele.
16 COMMISSIONER STEELE: Aye.
17 MS. CREEDON: Commissioner Cox.
18 COMMISSIONER COX: Aye.
19 MS. CREEDON: Commissioner Cornella.
20 COMMISSIONER CORNELLA: Aye.
21 MS. CREEDON: Mr. Chairman, as you had indicated in
22 your statement, you are recused from this vote?

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1 CHAIRMAN DIXON: That is correct Counsel. The
2 Chair recuses himself for the reasons already stated.
3 MS. CREEDON: So Mr. Chairman, the votes on this
4 are 7 eyes and 0 nays.
5 CHAIRMAN DIXON: And the motion is adopted.
6 Mr. Cirillo, have you concluded your work on behalf of the
7 Air Force?
8 MR. CIRILLO: I have, Mr. Chairman.
9 CHAIRMAN DIXON: We are indebted to you for an
10 excellent report, sir.
11 MR. CIRILLO: Thank you, Mr. Chairman.
12 MR. LYLES: Mr. Chairman, the next briefing will
13 focus on Navy issues. Alex Yellin, the Navy team chief on
14 the Commission's Review and Analysis staff will present the
15 briefing on Navy issue.
16 CHAIRMAN DIXON: Mr. Yellin, are you prepared to
17 make a presentation with respect to the Navy categories?
18 MR. YELLIN: Yes, sir.
19 CHAIRMAN DIXON: Have you any other colleagues
20 there but Mr. Reedy? Are you the two that will be making
21 this presentation?
22 MR. YELLIN: We have four others.

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1 CHAIRMAN DIXON: I see. All right. Fine. You've
2 been sworn in the event you're asked to testify.
3 MR. YELLIN: Yes, sir. We'll will be making a few
4 changes at the table as we go through the presentation.
5 Please put up Slide 1, please.
6 COMMISSIONER STEELE: Mr. Yellin, could you speak
7 just a little closer? I'm sorry.
8 MR. YELLIN: Yes. Thank you.
9 COMMISSIONER STEELE: Thanks.
10 MR. YELLIN: Slide 1 is a list of the Navy
11 categories that will be discussed today. The technical
12 centers area has already been presented by the Cross Service
13 Group.
14 We have an additional category that we've created
15 down in the lower right which is the -- these are the five
16 bases that the Secretary of the Navy removed from his
17 recommendation list because of job losses in California and
18 Guam, and they will be briefed as a separate category. Put up
19 Slide 2, please.
20 The first category that we're going to be talking
21 about is the Naval Reserve Air Stations. The current Navy
22 recommendation list includes Naval Air Station South Weymouth

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1 as a closure. We will be discussing this morning Naval Air
2 Station Atlanta as an potential addition. Please put up
3 Slide 3.
4 On this slide, we've included information on Naval
5 Air Station Atlanta. On the right-hand column, we've also
6 added the COBRA data and military value information for Naval
7 Air Station South Weymouth, which is already on the list, as
8 I've stated for a potential closure.
9 Naval Air Station Atlanta had the lowest military
10 value grade of any of the reserve air stations. The primary
11 reason for this, when you look at the details of the Navy's
12 analysis, was that Atlanta rated low in demographics and also
13 low in the flight training airspace values.
14 The Navy, however, during their analysis, removed
15 Naval Air Station Atlanta from consideration as a potential
16 closure because they believed, based on information they
17 received from the Navy and the Marine Corps Reserve forces,
18 that the demographically rich area of Atlanta as a potential
19 for recruiting and retaining Navy and Marine Corps reservists
20 was of such an extent that the base should not be on any
21 closure list.
22 The staff has reviewed that information. We have

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1 asked the Navy to provide us the data that they used to
2 determine that Atlanta should be retained. The Navy came
3 back and indicated that their decision was made strictly on
4 input from the reserve force elements of the Navy and Marine
5 Corps, not based on any data or analysis that they prepared.
6 We've also looked at the certified data for Naval
7 Air Station Atlanta to try to determine why they got such a
8 low grade for demographics, which is in sharp contrast to the
9 Navy's decision to eliminate Naval Air Station Atlanta
10 because of good demographics.
11 The base information that we were provided
12 indicated that several of the units there were going through
13 transition to different type of aircraft. An additional unit
14 at Naval Air Station Atlanta had been planned for a
15 decommissioning.
16 The base of stated in their data call that this
17 turmoil had caused excessive vacancies in these two units --
18 or in these three units, and that was the reason why their
19 numbers would look bad, if you looked strictly at a snapshot
20 of their demographics as used by the Navy for their military
21 value grade. Are there any questions about any of the data
22 we've provided about this?

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1 COMMISSIONER COX: Yes. I'm sorry, Mr. Yellin --
2 CHAIRMAN DIXON: Commissioner Cox.
3 COMMISSIONER COX: On the chart there, the last
4 point, I just want to make sure I understand that under the
5 current DOD recommendations, the Navy is actually proposing
6 to move more assets to Atlanta?
7 MR. YELLIN: Yes. Commissioner Cox, the date that
8 we've provided here, the COBRA data for Naval Air Station
9 Atlanta, is based on a closure of Atlanta as they are
10 currently staffed and the current squadrons that are there.
11 The redirect of the Naval Air Station Cecil Field
12 recommendation in '93, the '95 redirect that we have on our
13 table to consider this year would move two squadrons of F-18
14 fighters to Atlanta.
15 They are currently planned to go from Cecil Field
16 to Buford, South Carolina. The Navy has indicated that
17 because of better demographics and also an additional use or
18 alternative use for those facilities at Buford in their
19 redirect has caused them to include that as part of the
20 recommendation on Cecil Field.
21 COMMISSIONER COX: Does the Navy show a cost
22 savings based on that redirect, or is it simply strategic --

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1 MR. YELLIN: No. What they've indicated to us is
2 that the facilities are available at Atlanta for the F-18
3 squadrons. They were also available at Buford. They have
4 not yet moved, so the cost of moving them to Buford or
5 Atlanta are about the same. So there is no differential in
6 Navy cost for that.
7 COMMISSIONER COX: The NAS Atlanta, is it a stand-
8 alone facility?
9 MR. YELLIN: Atlanta is a tenant at Dobbins Air
10 Reserve Base.
11 COMMISSIONER COX: I see. And South Weymouth, is
12 that --
13 MR. YELLIN: South Weymouth is a free-standing
14 base.
15 COMMISSIONER COX: It is a free-standing.
16 MR. YELLIN: Yes.
17 COMMISSIONER COX: Are any of the other -- on your
18 list of all of the NAFs and NASs, are any of the rest of them
19 free-standing?
20 MR. YELLIN: Willow Grove New Orleans and Fort
21 Worth are all free-standing bases. Naval Air Facility
22 Washington is a tenant at Andrews Air Force Base.

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1 COMMISSIONER COX: Okay. And Fort Worth, the NAS,
2 is it the only activity --
3 MR. YELLIN: NAS Fort Worth is the former Carswell
4 Air Force Base that the Navy took over from the Air Force.
5 The Navy is the primary occupant. The Air Force Reserve
6 there are tenants of the Navy now.
7 COMMISSIONER COX: So there we have the Air Force
8 Reserves --
9 MR. YELLIN: As tenants of the Navy, and at Atlanta
10 the Navy is a tenant of the Air Force.
11 COMMISSIONER COX: I see. And are there any other
12 activities at Fort Worth?
13 MR. YELLIN: The airfield there supports the
14 government GOCO facility, Government On Contract Operative
15 facility where Lockheed builds F-16s. That's adjacent to the
16 airfield in Fort Worth.
17 COMMISSIONER COX: I guess what I'm trying to get
18 to, if we looked at any of the other of these as an
19 alternative to Weymouth, would we be able to close air
20 facilities at any of the other bases?
21 MR. YELLIN: As I stated, Willow Grove New Orleans,
22 South Weymouth and Fort Worth are all -- they're not tenant

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1 activities. They're all their own air stations.
2 COMMISSIONER COX: But there are still activities
3 there that we'd have to --
4 MR. YELLIN: There are tenant activities that would
5 be affected at all of these locations. There are -- as far
6 as South Weymouth, there are some Naval and Marine Corps
7 Reserve facilities that are going be to relocated.
8 If you recall, Naval Air Station South Weymouth was
9 recommended by the Navy for closure in '93. That was
10 rejected by the Commission in '93, and as part of that
11 rejection, we relocated several reserve centers, small
12 facilities, to facilities on the Naval Air Station as part of
13 the '93 recommendation.
14 COMMISSIONER COX: And I'm sorry. Recommendation
15 that Weymouth Reserve Station move to Brunswick, how far away
16 is that?
17 MR. YELLIN: I'll ask Doyle Reedy to answer that.
18 CHAIRMAN DIXON: Mr. Reedy.
19 MR. REEDY: 150 miles north of Boston is Brunswick,
20 Maine.
21 COMMISSIONER COX: And Mr. Reedy, you're an expert
22 in this area. Is it --

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1 MR. REEDY: I wouldn't say that.
2 COMMISSIONER COX: -- likely at 150 miles that the
3 reservists currently participate at Weymouth at least would
4 have the option to continue to participate in Brunswick, or
5 is that just too far.
6 MR. REEDY: No. I think about 46 percent of the
7 reservists live within 100 miles of Brunswick, as I recall.
8 COMMISSIONER COX: I see.
9 MR. YELLIN: I can also make a comment in general
10 that as reserve billets change in some cases, and areas are
11 reduced and some are increased people will move a lot to --
12 150 miles is certainly not as close if you live in Boston to
13 go to South Weymouth, but it is a commuting distance to it.
14 COMMISSIONER COX: Doable.
15 MR. YELLIN: One of the problems we had, as you
16 recall, Commissioner, in '93 is that some of the units from
17 Weymouth were moved extensive distances, which really would
18 prohibit even a reasonable commute to the new location.
19 COMMISSIONER COX: In any ways, we're not looking
20 at closing -- we're not looking at getting rid of the unit;
21 we're looking at moving it?
22 MR. YELLIN: Yes.

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1 COMMISSIONER COX: Right. And I'm sorry. Just to
2 go back and make sure I understand, Atlanta is a tenant of
3 Dobbins?
4 MR. YELLIN: Yes, it is. It's a tenant.
5 COMMISSIONER COX: Have there been any proposals to
6 close Dobbins or --
7 MR. YELLIN: I'm not aware of any.
8 COMMISSIONER COX: -- any other DOD recommendations
9 that would do that or remove assets from Dobbins?
10 MR. YELLIN: No. In fact, the recommendation that
11 this COBRA is based upon would relocate C-9 aircraft from
12 Atlanta into space available, potential space available at
13 Dobbins. So those units would actually stay right there at
14 the air station. Those units, then, would become tenants
15 directly on Dobbins Air Reserve Base.
16 COMMISSIONER COX: I see.
17 CHAIRMAN DIXON: Are you satisfied, Commissioner?
18 COMMISSIONER COX: Yes. Thank you.
19 CHAIRMAN DIXON: Is there any further questioning
20 of Mr. Yellin?
21 COMMISSIONER CORNELLA: Mr. Chairman.
22 CHAIRMAN DIXON: Commissioner Cornella.

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1 COMMISSIONER CORNELLA: Even though that is a
2 tenant on that installation, closure of this activity would
3 result in an annual savings of $22 million a year; is that
4 correct?
5 MR. YELLIN: Yes, sir. That's the Navy's COBRA
6 that was provided to us.
7 COMMISSIONER CORNELLA: Okay. Thank you.
8 MR. YELLIN: And the basis --
9 COMMISSIONER CORNELLA: That's all I needed. Thank
10 you.
11 MR. YELLIN: Yes.
12 CHAIRMAN DIXON: Is there any other questioning of
13 Mr. Yellin?
14 COMMISSIONER ROBLES: Mr. Chairman.
15 CHAIRMAN DIXON: Commissioner Robles.
16 COMMISSIONER ROBLES: I need to understand this
17 demographically risk issue. Let me get this right in any
18 simple soldier terminology. Atlanta, Naval Air Station
19 Atlanta, was rated low in military value by the Navy's
20 internal mechanism?
21 MR. YELLIN: Yes, sir.
22 COMMISSIONER ROBLES: And then the Naval Air

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1 Reserve said, "Woah, time out. If you do that, if you rate
2 it so low and you close it, we're going to have a problem
3 from a demographics point of view for recruiting"?
4 MR. YELLIN: Yes, sir.
5 COMMISSIONER ROBLES: Did the Navy go back and
6 change the military value of Atlanta after that?
7 MR. YELLIN: No, they did not.
8 COMMISSIONER ROBLES: So they said noted, right?
9 MR. YELLIN: Yes, sir. It was noted as a part of
10 their deliberations after the assessment was done of military
11 value and capacity analysis.
12 COMMISSIONER ROBLES: So obviously, since the Navy
13 did not change its military value even after an objection by
14 the Naval Reserve, the Navy leadership still felt that from a
15 military value ranking point of view it still belonged there?
16 MR. YELLIN: Yes, sir. The military value grade
17 was based on a series of very specific questions, and the
18 questions related on demographics to the percentage of
19 current authorized billets that are filled at a specific
20 period of time, and that's the way the Navy graded them.
21 They did not change that during their analysis.
22 COMMISSIONER ROBLES: And the reason I'm asking

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1 that question is because I visited the South Weymouth Naval
2 Air facility, and one of the concerns from the local
3 community and from the folks who testified was that in fact
4 it was the lowest ranked of the Reserve Air Stations, and
5 then all of a sudden it was taken off the list, and they were
6 added to do another realignment with an active base.
7 And they were trying to question why that happened,
8 and they never appeared to get a satisfactory answer. Do we
9 have a more satisfactory answer than noted?
10 MR. YELLIN: The Navy's documents to us stated that
11 when they looked at that category, at the naval Air Reserve
12 category, they looked at places where units could go, and
13 they determined that Naval Air Station Brunswick, which had
14 been discussed as a potential closure within its category,
15 had excess facilities.
16 And because it was within a commuting distance of
17 Boston, they felt that it could absorb the squadrons from
18 Weymouth. The Navy leadership determined that they wanted to
19 have an active duty air station located north of the Norfolk
20 area in the Northeastern part of the United States.
21 Brunswick was the only full-service facility
22 available, and so that's the description given to us about

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1 how the Weymouth decision was arrived at, but you are right
2 saying that the military value numbers definitely do
3 identify Atlanta.
4 In fact, South Weymouth was the number one --
5 within the military value grading, South Weymouth was the
6 number one demographics reserve base.
7 COMMISSIONER ROBLES: Now, a quick follow-on and
8 then I'll be finished. After they made a decision that they
9 needed to move additional leaders to Brunswick because they
10 needed that full service active base and they needed to put
11 the facility there.
12 Were any other units, other reserve units, other
13 than South Weymouth, looked at? And I understand your issue
14 about commuting the short distance. But I also happen to
15 know that in previous rounds they moved people from Detroit,
16 Michigan into South Weymouth -- a considerable distance --
17 and that had not been a constraint in the past.
18 Were any other reserve units looked at -- bases
19 looked at for relocation to Brunswick, other than South
20 Weymouth?
21 MR. YELLIN: I'm not aware of any additional ones
22 that were examined.

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1 COMMISSIONER ROBLES: Thank you.
2 CHAIRMAN DIXON: Is there any other Commissioner
3 who wants to pursue this further? Yes, sir?
4 COMMISSIONER DAVIS: I'm not surprised at the
5 intensive interest of all the Commissioners because of their
6 desire to make this go right. But I have two short
7 questions.
8 It's my experience in the Air Force that when you
9 convert units your manning goes down because of the training
10 process. Is that the Navy's experience also, which would
11 account for the 86 percent manning in Atlanta?
12 MR. YELLIN: Yes, sir. That and also the fact that
13 a unit was announced for deactivation. So people would have
14 a tendency to start leaving that unit, looking for other
15 longer term assignments.
16 COMMISSIONER DAVIS: And, Mr. Yellin, I know that
17 you're a Naval Reserve Officer. Would you drive 150 miles?
18 MR. YELLIN: Yes, sir. I've driven much farther
19 than that for jobs.
20 COMMISSIONER DAVIS: I don't have any further
21 questions.
22 CHAIRMAN DIXON: Have we exhausted it,

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1 Commissioners? Commissioners, are there any further
2 questions?
3 COMMISSIONER COX: Mr. Yellin, just one clarifying
4 point.
5 CHAIRMAN DIXON: Commissioner Cox, one clarifying
6 question.
7 COMMISSIONER COX: You had indicated that the
8 decision on Brunswick versus Weymouth may have happened sort
9 of -- I don't want to say at the last minute, but that that
10 was consideration once Brunswick was considered available.
11 You did say, and I just want to make sure, you mentioned
12 before that this was actually in 1993 the Navy recommended
13 closing Weymouth as well.
14 MR. YELLIN: Yes, Commissioner.
15 COMMISSIONER COX: So this -- at least it's
16 consistent from the Navy's standpoint. This has been now
17 three years that they have recommended closing Weymouth.
18 CHAIRMAN DIXON: This is the second time that this
19 has been submitted.
20 COMMISSIONER COX: So it is something they have
21 thought about for at least some period of time.
22 COMMISSIONER ROBLES: We thank the Commissioner for

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1 that point. Are there any further questions?
2 CHAIRMAN DIXON: One final point. I just want to
3 make sure I understood what I heard when I was up there.
4 That is true that in '93 they recommended foreclosure. In
5 '95, in the deliberations of the BCEG up to the December time
6 frame, was the Navy considering closing South Weymouth?
7 MR. YELLIN: The Navy process where they do
8 military value calculations, capacity calculations, and then
9 do what they call a configuration analysis, that
10 configuration analysis did not identify South Weymouth; it
11 identified Atlanta.
12 COMMISSIONER ROBLES: In this round?
13 MR. YELLIN: In this round, yes.
14 COMMISSIONER ROBLES: Okay.
15 CHAIRMAN DIXON: I thank the Commissioner. Are
16 there any further questions of Mr. Yellin by the
17 Commissioners? We thank you all for your excellent
18 questioning, and we are prepared for a motion if there is
19 one.
20 COMMISSIONER ROBLES: Mr. Chairman, I have a
21 motion.
22 CHAIRMAN DIXON: Commissioner Robles is recognized

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1 for a motion.
2 MOTION
3 COMMISSIONER ROBLES: I move that Naval Air Station
4 in Atlanta, Georgia be added to the list of bases to be
5 considered by the Commission for closure realignment as a
6 proposed change in the list of recommendations submitted by
7 the Secretary of Defense.
8 CHAIRMAN DIXON: Is there a second?
9 COMMISSIONER KLING: Mr. Chairman, I second
10 Commissioner Robles.
11 CHAIRMAN DIXON: Commissioner Robles moves,
12 Commissioner Kling seconds with respect to the Naval Air
13 Station Atlanta, Georgia. Is there any further comment?
14 (No response.)
15 CHAIRMAN DIXON: Counsel will call the roll.
16 MS. CREEDON: Commissioner Robles?
17 COMMISSIONER ROBLES: Aye.
18 MS. CREEDON: Commissioner Steele?
19 COMMISSIONER STEELE: Aye.
20 MS. CREEDON: Commissioner Cornella?
21 COMMISSIONER CORNELLA: Aye.
22 MS. CREEDON: Commissioner Cox?

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1 COMMISSIONER COX: No.
2 MS. CREEDON: Commissioner Davis?
3 COMMISSIONER DAVIS: Aye.
4 MS. CREEDON: Commissioner Kling?
5 COMMISSIONER KLING: Aye.
6 MS. CREEDON: Commissioner Montoya?
7 COMMISSIONER MONTOYA: Aye.
8 MS. CREEDON: Mr. Chairman?
9 CHAIRMAN DIXON: Aye.
10 MS. CREEDON: Mr. Chairman, the votes are seven
11 ayes and one nay.
12 CHAIRMAN DIXON: And the motion is adopted. Mr.
13 Yellin, thank you for your contribution, you may proceed.
14 MR. YELLIN: Thank you. Put up Slide 4 please.
15 The next category is Naval shipyards and ship repair
16 facilities. Long Beach, the Naval Shipyard at Long Beach is
17 on the Navy's list as a proposed closure, along with the ship
18 repair facility in Guam.
19 Please put up Slide 5. Slide 5 summarizes the
20 current recommendations from the Navy to close Long Beach and
21 close Guam. These are the -- this is the COBRA data and
22 personnel data from those two recommendations. Take those

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1 two down and please put up Slide 6, please.
2 Slide 6 is a presentation of the maximum potential
3 capacity for each of the individual Navy shipyards and the
4 ship repair facility at Guam in the year 2001, based on Navy
5 certified data. The light bar -- light portion of the bar is
6 the conventional non-nuclear capacity. The shaded portion of
7 the bar is the nuclear capacity. Please keep up Slide 6 and
8 put up Slide 7.
9 Slide 7 is a presentation of the excess nuclear
10 shipyard capacity for the Navy shipyards in 2001. This is
11 also based on certified data and based on the current plan
12 workload for the Naval shipyards. Each of these sets of bars
13 -- in fact, again, the white bar is for the non-nuclear
14 capacity, the shaded bar is for the nuclear capacity.
15 Each of these pairs of bars are for different sets
16 of scenarios. The first two bars indicate the present
17 condition prior to the currently proposed recommendations.
18 It indicates that the nuclear excess capacity is 37 percent.
19 If you go to the second set of bars, that is the current
20 Defense Department proposal, which is for the closure of Long
21 Beach and Guam.
22 Since Guam and Long Beach do not have nuclear

1 based on the current planned mix of workload bet
2 public and private sectors for conventional non-nu
3 The Navy proposal, in essence, directs work that
4 been done at Long Beach to the private sector on t
5 coast.
6 The Navy, however, has stated that they do
7 to utilize and facilitize private shipyards which are
8 east coast which -- to do 688 Class submarine refue
9 The staff has reviewed past actions of the Navy in
10 relationship to their work done in private shipyards
11 east coast, and the Navy has recently refueled the
12 Enterprise, the carrier Enterprise, at Newport News
13 Shipyard and in the past has refueled submarines of
14 classes than the 688 Class, but they have refueled at
15 submarines in the private sector as recently as 1985.
16 We've had -- Staff and some of the Commissio
17 have had recent discussions with the Navy about the
18 submarine future of the Navy. The Navy has indicat
19 because there are a number of refuelings currently pl
20 for 699 Class attack submarines, particularly in the y
21 2000 to 2005, that they've indicated that that requires
22 to retain the capacity to do that at Portsmouth.

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1 capacity, you have not eliminated any nuclear capacity. So
2 the excess capacity for nuclear work is the same, 37 percent.
3 However, the conventional non-nuclear capacity is reduced
4 below zero excess capacity which is the dark solid line
5 across the middle at the zero line on the table.
6 In essence, what the Navy is saying, based on their
7 planned workload in 2001, currently planned, this creates a
8 deficit of conventional non-nuclear capacity. The Navy's
9 proposal indicates that this would be performed in the
10 private sector. The other bars across, pairs of bars,
11 indicate various alternatives. For example, the third set of
12 bars would add Portsmouth to Long Beach and Guam closures.
13 Portsmouth includes -- has conventional, some
14 conventional capacity and a significant portion of nuclear
15 capacity. That reduces the nuclear excess capacity to 19
16 percent and further adds -- adds a slight bit more to the
17 deficit on the conventional, non-nuclear capacity. The other
18 two bars indicate other alternatives for that.
19 If we could leave up Slide 7 and put up Slide 8.
20 Slide 8 is the presentation of the Navy's COBRA analysis for
21 the potential closure of Portsmouth Naval Shipyard. As you
22 can see, it has one-time costs of $100 million, annual

Pa

1 They have indicated that there are insufficient
2 refueling facilitized dry docks, that's dry docks that ar
3 ready to use for 688 refueling, there are insufficient on
4 available based on their current planning at other shipy
5 in the Navy to do this work without putting a tremendo
6 stress on the schedule for this workload.
7 The Navy has indicated to us that if Portsmouth
8 were closed to maintain their current planned submarine
9 refueling schedule, they would have to schedule the dry docks
10 that are currently -- either currently facilitized or plan
11 for facilitization for 688 refuelings, that would be -- they
12 would have to schedule them in what they characterize as
13 heel-toe scheduling arrangement which allows them no schedul
14 slippage of any of the refuelings that they would then del
15 significantly delay the refueling of follow-on, on
16 submarines.
17 We have also asked the Navy for information about
18 what other dry docks are in the public shipyards, in the N
19 shipyards that are currently being used for things such as
20 defuelings or inactivations of 688 submarines and, also --
21 could be utilized for potential refuelings, and there are
22 additional dry docks available for that purpose that could b

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1 savings of almost $150 million, and although we don't have it
2 on the chart, the net present value for this recommendation
3 is about $2.3 billion.
4 We also note that like the other industrial
5 facilities we've looked at, there are a lot of personnel
6 eliminations and a 5.2 percent, based on our estimate, staff
7 estimate, using the DOD model, a 5.2 percent estimate of
8 economic impact in the community.
9 If you can leave up Slide 8 and put up Slide 9.
10 There are a number of issues that the staff would like to
11 present to you, related to the Naval Shipyard at Portsmouth
12 as a potential addition to our list. One is that the current
13 Navy and Defense Department recommendations retained 37
14 percent excess nuclear capacity. That has been presented to
15 us by the Navy, this is Navy information. The Navy has
16 stated very straightforwardly that it's their, in their
17 judgement that this is an excess capacity that they desire to
18 retain.
19 The second issue is -- relates to the review of
20 private sector capabilities and capacity on the west coast
21 and the east coast. On the west coast as we've noted to you
22 before, the proposed closure of Long Beach creates a deficit

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1 facilitized but the Navy has been very explicit with us that
2 they currently have no plans and do not want to have to
3 facilitize additional dry docks and move that workload, if
4 Portsmouth is closed.
5 Another issue that has been brought up is that
6 there are a number -- in fact, I think the number is 14, 688
7 Class submarines that are planned for inactivation. The
8 current force structure levels and the plans for new
9 submarine construction indicate that they do not need
10 currently to refuel those, that they will inactivate them.
11 The Navy has indicated that they would like to have
12 the alternative in order to maintain or increase force
13 structure levels of 688 or attack submarines, that they would
14 like to have the option to refuel some of those rather than
15 inactivate them depending on the uncertainties of other parts
16 of their submarine future, and that would require, then,
17 additional capacity to do refuelings and their concern that
18 if Portsmouth is not available to do that, that will limit
19 their options in that area.
20 Are there any questions about Portsmouth?
21 CHAIRMAN DIXON: Are there any questions of Mr.
22 Yellin with respect to the Navy Shipyards question. Mr.

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1 Kling, Commissioner Kling?
2 COMMISSIONER KLING: Thank you. Mr. Yellin, just
3 referring to the nuclear side of this, if Portsmouth was
4 closed, Portsmouth was closed, the chart shows that we would
5 still have 19 percent excess capacity; correct?
6 MR. YELLIN: Yes, sir.
7 COMMISSIONER KLING: And I guess that I have to ask
8 you also the question, recognizing that we have that and it
9 is, I guess, possible, even though the Navy doesn't -- would
10 not like to use private sector for the refueling -- if we
11 ever got into the pinch of that and the 19 excess capacity
12 was not adequate, could we not always do that, if it was
13 necessary, though, to go to the private sector?
14 MR. YELLIN: Well, that's why we have looked at
15 what the Navy has done before and the fact that they have
16 recently finished the refueling of the carrier Enterprise at
17 Newport News and the fact that as -- of about 10 years ago,
18 they had refueled other submarines at the private shipyards,
19 that there certainly appears to be the potential for that.
20 We have not examined that in detail yet, but it certainly
21 appears that there is potential for doing that in the private
22 sector.

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1 COMMISSIONER KLING: So we do know that we have an
2 excess. We would have an excess and we do have a possibility
3 to do that as -- because that has been done in the past?
4 MR. YELLIN: There is added cost to do that, and
5 there may be -- and you have to certainly factor in your
6 schedules on time, on lead time, in order to prepare the
7 private shipyards for that work, which is also something that
8 has to be considered in preparing additional capacity at the
9 Navy shipyards for -- to do work in the other dry docks, as I
10 mentioned before.
11 CHAIRMAN DIXON: Any other --
12 COMMISSIONER KLING: Excuse me. I'm sorry. Would
13 that -- going to the cost side of that -- and I understand
14 that there could be some additional costs, but there is also
15 some large cost savings involved here.
16 MR. YELLIN: Yes, sir.
17 COMMISSIONER KLING: Are you pretty comfortable
18 with those numbers that we have, that were put up for the
19 one-time and the one-time closing cost out of the annual?
20 MR. YELLIN: Yes, sir. We have looked at that, an
21 that is consistent with the other Navy shipyard COBRAs. We
22 have looked at that and we feel that the -- those are the

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1 Navy's numbers and we think they have taken a good, hard look
2 at that.
3 COMMISSIONER KLING: You're comfortable with that?
4 MR. YELLIN: We feel comfortable with that right
5 now.
6 COMMISSIONER KLING: And just a last question, I
7 know you addressed and you answered to us that the Navy was
8 going to, with the non-nuclear that the Navy did intend to
9 use the private sector. Any question in your mind, because
10 we will -- if we did do Portsmouth, we would be increasing
11 the non-nuclear workload to go to the private sector. Any
12 question in your mind that that is not capable of being
13 handled?
14 MR. YELLIN: One of the major elements of our
15 analysis on the Long Beach shipyard, which is ongoing, is to
16 look at the planned workload that was planned for Long Beach
17 and to determine whether the private sector along with
18 diverting some of that work to other Navy facilities, whether
19 it is a viable plan or not. That is a key part of that
20 analysis, but right now we don't --
21 COMMISSIONER KLING: You don't envision any?
22 MR. YELLIN: We don't envision that to be a major

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1 problem, but it's something that we're certainly going to be
2 looking at in much more detail.
3 COMMISSIONER KLING: Thank you.
4 CHAIRMAN DIXON: Thank you, Commissioner Kling.
5 Commissioner Montoya?
6 COMMISSIONER MONTOYA: Mr. Yellin, were you part of
7 the '91 and '93 BRAC staffs of just --
8 MR. YELLIN: Yes, sir.
9 COMMISSIONER MONTOYA: Both those years?
10 MR. YELLIN: Yes, sir.
11 COMMISSIONER MONTOYA: In previous shipyard
12 closures, has the Navy ever looked to the outside capacity,
13 private sector capacity in those decisions or were those made
14 primarily for redistributing work inside?
15 MR. YELLIN: Yes, sir, that's correct.
16 COMMISSIONER MONTOYA: The later, inside?
17 MR. YELLIN: They were looked at as a
18 redistribution within the Navy facilities.
19 COMMISSIONER MONTOYA: So Long Beach Naval Shipyard
20 is the first time then that they have really looked to the
21 private sector as a place to put work, specifically?
22 MR. YELLIN: Yes, sir. That -- my recollection of

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1 the -- I mean, I'd have to certainly go back and review that,
2 but that was -- the private sector capacity was not a major
3 element of the review of the past closures.
4 COMMISSIONER MONTOYA: And Mare Island, as I
5 recall, was a nuclear -- was a nuclear yard, submarine-
6 related and where did that work go?
7 MR. YELLIN: That work was going to be distributed
8 primarily to Puget Sound and Pearl Harbor, as I recall.
9 COMMISSIONER MONTOYA: Okay. Thank you.
10 CHAIRMAN DIXON: Thank you, Commissioner Montoya.
11 Commissioner Davis?
12 COMMISSIONER DAVIS: Mr. Yellin, for the purposes
13 of discussion, let's assume that Portsmouth and Long Beach
14 are out of the equation, budget constraints preclude the
15 procurement of additional advance SSNs. Do we have the
16 capability with the remaining process, with the remaining
17 shipyards with facilitization, to refuel and put the 688s
18 back into service?
19 MR. YELLIN: Larry? I'd like Larry Jackson to
20 respond to that.
21 MR. JACKSON: Yes, sir. There is an issue there,
22 assuming that the new SSN cannot be procured, assuming that

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1 the two shipyards are out of the equation. Given the 30-year
2 life of the 688 Class and when they were constructed, we will
3 start -- the Navy will start to see a significant drop off in
4 the numbers of submarines that it has starting about 2008.
5 And at that point, if -- it's my understanding from
6 everything that I've read, talking with experts on this
7 procurement issue, that if we are not procuring the new
8 submarine at that point, that if we're to retain sufficient
9 numbers to meet the JCS criteria or the bottom-up review
10 criteria, that we will need to extend the lives of the 688
11 beyond the 30-year point.
12 I have heard public testimony from Admiral DeMarrs
13 indicating that the Naval reactors, NAVSEA 08 is not
14 considering conducting a study to examine extending the life
15 of the 688s. That is just one aspect of the Navy speaking
16 there.
17 COMMISSIONER DAVIS: Thank you.
18 CHAIRMAN DIXON: Thank you. Are there any further
19 questions of Mr. Yellin? Are there any further questions?
20 Is there any commissioner --
21 COMMISSIONER COX: Mr. Chairman.
22 CHAIRMAN DIXON: Commissioner Cox?

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1 COMMISSIONER COX: I just want to make sure I
2 understand your capacity chart and then the Navy's statement.
3 Your Chart 7 --
4 MR. YELLIN: Let's go back to that, please.
5 CHAIRMAN DIXON: Chart 7, please.
6 COMMISSIONER COX: It shows as you all have
7 mentioned that even if you close -- take the DOD proposal and
8 add Portsmouth as a closure, that we still end up with
9 roughly 19 percent excess capacity in the public yards,
10 right, this is not counting the private yards?
11 MR. YELLIN: Yes. That's based on the 2001
12 projected workload.
13 COMMISSIONER COX: And the schedules that are
14 already in place to the extent we have them for various
15 repairs, et cetera?
16 MR. YELLIN: The schedules that were used as a
17 basis for the certified data that the Navy used in their
18 analysis for this round of closures.
19 COMMISSIONER COX: Right.
20 MR. YELLIN: Those schedules are constantly under
21 review and there is some change that is happening in those,
22 but typically what's happening is, as budgets go down,

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1 workload has slipped to the right.
2 COMMISSIONER COX: Stretched out. And, really,
3 unrelated to my question, but that particular graph also
4 shows that we would actually have a deficit in the public
5 yards, not in the private yards, conventional. Could you
6 just handle the conventional in this 19 percent excess
7 nuclear capacity or does that not include that?
8 MR. YELLIN: There is some potential for doing
9 conventional work in the capacity at a shipyard that is
10 identified now for nuclear. Yes, there is, that's right.
11 COMMISSIONER COX: And at Portsmouth, is it capable
12 of handling some of this excess capacity?
13 MR. YELLIN: Portsmouth has the capability to do
14 conventional work, the size of their dry docks limit --
15 COMMISSIONER COX: They're small?
16 MR. YELLIN: They're small, they're really set up
17 for submarines. My understanding is that -- Larry, correct
18 me if I'm wrong -- that they can put a frigate into their dry
19 dock, but they cannot put anything bigger than that in for a
20 dry docking overhaul, something that requires --
21 COMMISSIONER COX: Some of the larger conventional
22 ships wouldn't be able to go to Portsmouth?

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1 MR. YELLIN: They would not -- no, they cannot be
2 done there.
3 COMMISSIONER COX: Now, the Navy says, despite your
4 chart, that they will have insufficient refueling or at least
5 will be so close to the edge that they won't -- they would be
6 concerned about closing Portsmouth. They're basing that,
7 though, on a different year? Your chart is showing 2001 and
8 they're looking out further from that to 2005?
9 MR. YELLIN: Yes. They are looking out through the
10 period where they have the bulk of the refuelings and
11 inactivations of the 688 Class submarines.
12 COMMISSIONER COX: And do we have a way to do an
13 independent analysis of that, is that scheduling --
14 MR. YELLIN: We have their plans by year for that
15 workload.
16 MR. JACKSON: For the period beyond 2001, however,
17 we do not have any data at present. We have requested --
18 COMMISSIONER COX: We don't?
19 MR. JACKSON: We have requested such data, but we
20 don't have it.
21 COMMISSIONER COX: I see. So right now we couldn't
22 say -- we're not saying that there would be 19 percent excess

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1 capacity in 2005, simply in 2001?
2 MR. YELLIN: That's right. This is based on the
3 limit of the certified data analysis for this round of
4 closures was 2001.
5 COMMISSIONER COX: Mr. Jackson, is there more
6 available? When you say, "We've requested it," do we expect
7 to get better information should we add this to the list on
8 this period, 2001 to 2005, or is that --
9 MR. JACKSON: The period 2001, the reason that is
10 chosen is that's kind of the out year to which NAVSEA is
11 planning and roughly scheduling in work. Beyond that there
12 is, obviously, some planning that goes on, particularly with
13 regard to the 688s. And we have requested the dry dock
14 schedules and an indication from -- or rather the depiction
15 from Naval reactors of exactly what the schedule -- the dry
16 dock schedule, the docking schedule will be for the 688 Class
17 from basically 1997 through 2005.
18 COMMISSIONER COX: Okay. Thank you.
19 CHAIRMAN DIXON: I thank you, Commissioner Cox.
20 Commissioner Cornella?
21 COMMISSIONER CORNELLA: We would have 19 percent
22 excess capacity if Portsmouth was closed through Fiscal Year

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1 2001. We would be able to refuel the subs that are
2 scheduled; is that correct?
3 MR. YELLIN: Yes, sir.
4 COMMISSIONER CORNELLA: Now, being concerned about
5 a surge capacity or a decision to refuel more subs than would
6 be scheduled, if they were being refueled, they would not be
7 defueled, right?
8 MR. YELLIN: Yes, sir.
9 COMMISSIONER CORNELLA: So you've got a certain
10 number of defueling docks that are tied up?
11 MR. YELLIN: Yes, sir.
12 COMMISSIONER CORNELLA: What does it take to
13 facilitize a defueling dock so you can refuel?
14 MR. JACKSON: Not -- this is Mr. Jackson -- not a
15 great deal. There is a little more investment that's
16 required. There is some training that is required. There is
17 some training equipments that are required. However, the
18 expenditure in terms of dollars to effect such a conversion
19 or an increase in capability would not be great.
20 MR. CORNELLA: Thank you.
21 CHAIRMAN DIXON: Are there any further questions by
22 any commissioner for Mr. Yellin, Mr. Reedy or Mr. Jackson?

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1 (No response.)
2 CHAIRMAN DIXON: Is there any motion to be made by
3 any commissioner with respect to this excellent presentation
4 by these distinguished people?
5 MR. KLING: Mr. Chairman.
6 CHAIRMAN DIXON: Commissioner Kling?
7 MOTION
8 COMMISSIONER KLING: This is a difficult one,
9 needless to say, however, based on the information that Mr.
10 Yellin and his staff has presented here today, I would move
11 that the Portsmouth Naval Shipyard, Kittery, Maine, be added
12 to the list of bases to be considered by the Commission for
13 closure, realignment as a proposed change to the list of
14 recommendations submitted by the Secretary of Defense.
15 CHAIRMAN DIXON: Is there a second to the motion
16 put by Commissioner Kling?
17 COMMISSIONER CORNELLA: Mr. Chairman.
18 CHAIRMAN DIXON: Commissioner Cornella?
19 COMMISSIONER CORNELLA: I second that motion.
20 CHAIRMAN DIXON: Commissioner Kling has moved and
21 Commissioner Cornella has seconded a motion to put Portsmouth
22 Naval Shipyard, Kittery, Maine, on the list. Are there any

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1 further comments from any commissioner before counsel calls
2 the roll?
3 COMMISSIONER DAVIS: Mr. Chairman.
4 CHAIRMAN DIXON: Commissioner Davis?
5 COMMISSIONER DAVIS: I'd like to register my deep
6 concern that we're toying with this nation's and the United
7 States Navy's ability to meet future contingencies in the
8 nuclear arena; however, I will not oppose the motion.
9 CHAIRMAN DAVIS: The counsel will call the roll.
10 MS. CREEDON: Commissioner Kling?
11 COMMISSIONER KLING: Aye.
12 MS. CREEDON: Commissioner Montoya?
13 COMMISSIONER MONTOYA: Mr. Chairman, if I might, I
14 also would like to editorialize just for a moment. This is a
15 very, very difficult call, because the Navy has in the past
16 made some tough calls in this area in closing shipyards;
17 however, I feel that the analysis for Long Beach and
18 Portsmouth have not had the symmetry to satisfy me in the
19 face of closing one of those yards and for that reason, I'm
20 going to vote aye.
21 MS. CREEDON: Commissioner Robles?
22 COMMISSIONER ROBLES: Mr. Chairman, I strongly

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1 endorse the words of Commissioner Davis about the concern
2 about the potential long-term ability to do war fighting by
3 the U.S. Navy if you close the shipyard, I vote nay.
4 MS. CREEDON: Commissioner Steele?
5 COMMISSIONER STEELE: Nay.
6 MS. CREEDON: Commissioner Cornella?
7 COMMISSIONER CORNELLA: Aye.
8 MS. CREEDON: Commissioner Cox?
9 COMMISSIONER COX: Aye.
10 MS. CREEDON: Commissioner Davis?
11 COMMISSIONER DAVIS: Aye.
12 MS. CREEDON: Mr. Chairman?
13 CHAIRMAN DIXON: Aye.
14 MS. CREEDON: Mr. Chairman, the ayes are six and
15 the nays are two.
16 CHAIRMAN DIXON: The ayes are six and the nays are
17 two, the Portsmouth Naval Shipyard, Kittery, Maine, is added
18 to the list.
19 Mr. Yellin?
20 MR. YELLIN: Yes, sir. Please put up Slide 10.
21 The next category that we're going to discuss, as I mentioned
22 earlier, this is kind of a composite category of five

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1 different bases that the Secretary of the Navy had indicated
2 to us in his recommendations and his report to the Commission
3 that these are recommendations that would have been included
4 in his list, but because he was concerned about the job
5 losses in California and Guam that he had removed them.
6 I'd like to go to Slide number 11, please. This is
7 the Fleet and Industrial Supply Center at Oakland,
8 California. FISC/Oakland was a recommendation of the Navy
9 for closure in '93 as a follower activity to the other
10 closures that the Navy had proposed in '93 in the
11 Oakland/Alameda and Mare Island areas.
12 The Navy has indicated, in fact, the military value
13 of the FISC/Oakland as the seventh of eight. The eight of
14 eight in military value is the supply center in Charleston,
15 which the Navy has also proposed for closure. There is a
16 very significant excess capacity in this category. Most of
17 the Navy's customers in the San Francisco Bay area were
18 closed in '93. As I mentioned, the Navy had proposed this
19 closure; and, in fact, as part of the Commission
20 recommendations in '93 we did close the DLA warehousing
21 function that was co-located with the supply center.
22 The Navy has been -- we have been reviewing the

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1 activities going on in Oakland, and our indications are that
2 the Navy has been moving the supply responsibilities to other
3 supply centers on the West Coast and in the Pacific as part
4 of their normal workload adjustments.
5 And, in fact, right now a large number of the
6 people that are currently occupying facilities at Oakland are
7 tenants of the supply center; and approximately one-third of
8 the current employees of the supply center are there and
9 employed not in typical supply center functions, but they're
10 currently really acting as kind of support for the tenants
11 and the supply center activities there as kind of a landlord-
12 type arrangement.
13 We've included the COBRA results from the Navy's
14 COBRA that was done for the supply center and indicated the
15 personnel figures also that are proposed in that closure
16 scenario.
17 COMMISSIONER COX: Mr. Yellin, if I could ask
18 question about that one, before you go on. As I recall in
19 '93, at least the argument and the reason we didn't close
20 this particular facility -- even though we did close other
21 major facilities, and which this might have been considered a
22 follower -- was because at least at the time they said that

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1 roughly, I believe it was 80 percent of their work had
2 nothing to do with Alameda and with Mare Island and,
3 therefore, they shouldn't be considered a follower -- they
4 were serving the fleet, I believe. And the numbers seemed to
5 back them up at that time.
6 I just want to make sure that what I'm hearing you
7 saying is while that may have been true in 1993 our, at
8 least, look at the moment shows that they really aren't
9 providing a great deal of work to the Pacific fleet.
10 MR. YELLIN: Our understanding right now from
11 review of the data and discussions with personnel in the
12 Navy, that there has been some workload adjustments. Right
13 now I cannot give you a specific percentage of their workload
14 that is being performed for out of the area.
15 But as you recall, the concerns in '93 related to,
16 on top of the major economic impact in the Oakland/Alameda
17 area, was the fact that the Navy analysis mentioned only as a
18 follower activity to provide local support when that was not
19 a large majority of their work. However, the Navy
20 continually moves workload around between facilities like
21 this and right now it appears that a significant part of that
22 work has been moved -- the Western Pacific and support for

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1 other Navy facilities had been moved to other areas.
2 COMMISSIONER COX: And I just want to ask a
3 question because I'm not sure. You mentioned that one of the
4 other reasons was the cumulative economic impact to Alameda
5 and Mare Island were certainly large facilities that we
6 closed in this area in 1993. The number that you have on
7 economic impact does include the cumulative economic impact?
8 MR. YELLIN: That is the staff assessment of that.
9 That's not data from the Navy. If this was added we would go
10 back in and confirm this with the Defense Department, with
11 the Navy, that these are the correct numbers.
12 COMMISSIONER COX: Okay. Thank you very much.
13 CHAIRMAN DIXON: Are there any further questions,
14 from any Commissioners, of Mr. Yellin on his presentation?
15 (No response.)
16 CHAIRMAN DIXON: Is there any motion to be made?
17 Director Lyles.
18 MR. LYLES: Mr. Chairman, there are five activities
19 in this category. I think it might be helpful for the
20 Commission if Alex just runs through all five right quickly,
21 if that's agreeable.
22 CHAIRMAN DIXON: Okay. All right. Please do that,

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1 Mr. Yellin.
2 MR. YELLIN: Yes, sir. Please put up Slide 12; and
3 you can take down 10 and 11.
4 The next of the five bases that were removed for
5 job loss reasons is the Naval Warfare Assessment Division in
6 Corona, California. This is a Navy technical center and in
7 the Navy's analysis, when they did their reviews of technical
8 centers to come up with potential closures, this facility was
9 identified as a potential closure in all of the scenario runs
10 for that category.
11 The proposal involves closing the facility and
12 redirecting its workload to three sites: Navy Post Grad
13 School in Monterey; the Naval Air Warfare Center at China
14 Lake; and the Naval Surface Warfare Center in Crane, Indiana,
15 which do similar functions to the work done at Corona.
16 The COBRA is listed here. As you note, the one-
17 time costs of $76 million do include a significant amount of
18 construction. That's the reason why that is a three year
19 payback, rather than an immediate one as some of the others
20 we've looked at. However, the annual savings of $21 million
21 that are shown in the Navy's COBRA.
22 Go the next, Slide 13, please. Supervisor of

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1 shipbuilding at Long Beach is proposed as a closure by the
2 Navy. The Navy secretary removed the SUPSHIP's office in the
3 San Francisco area, which had been identified by the Navy's
4 base closure group as a potential closure.
5 The missions of SUPSHIP's offices are to contract
6 and manage the construction and repair work on Navy ships
7 that are located in the geographic area surrounding the
8 SUPSHIP's office -- work that's done by the private sector.
9 The reason why Long Beach is proposed for closure is that the
10 Naval Station at Long Beach has been closed and the ships are
11 leaving the Long Beach area.
12 The Navy also closed most of their ship locations
13 in the San Francisco Bay area and, as a result, the workload
14 for this office is dramatically declining. And as you can
15 see there are only 37 -- the projection is that there would
16 only be 37 employees left there. And that's our
17 understanding of the reasons why that was proposed as a
18 closure.
19 Any questions?
20 CHAIRMAN DIXON: Commissioner Cox.
21 COMMISSIONER COX: Mr. Yellin, on that one, is this
22 37 people left, is this what we would call a below threshold

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1 recommendation?
2 MR. YELLIN: Yes.
3 COMMISSIONER COX: And my understanding of what
4 that means is that the Defense Department could do that with
5 or without us, if they wanted to move these people they
6 could --
7 MR. YELLIN: That's our understanding, too, that
8 the Navy Department could close this facility without Base
9 Closure actions.
10 COMMISSIONER COX: Thank you.
11 MR. YELLIN: Go to Slide 14, please. Engineering
12 field activity west in San Bruno, that's in the San Francisco
13 area. Engineering field divisions -- and maybe I should
14 defer to Commissioner Montoya -- but engineering field
15 divisions are responsible for providing facility engineering
16 and facility management expertise and support to commands.
17 And the Naval Facilities Engineering Command has
18 attempted to locate these support centers, these divisions
19 and activities, in locations where there are significant
20 fleet activities. On the West Coast the Navy has an
21 activity, their primary one is in San Diego with their fleet
22 concentration there. They also have a location in the Puget

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1 Sound area, near Bangor and Silverdale, Washington. And they
2 also have this one in San Bruno and San Francisco.
3 In '93 the Navy came back to the Commission and
4 requested a realignment of what was called western division
5 at that time, now it's called engineering field activity
6 west, to realign that and to reduce its mission down to being
7 primarily when the Navy bases close there, to be primarily a
8 base closure support office with a much reduced mission and
9 staffing.
10 This is a follow-on step to that, which would be
11 for the actual closure of the command in San Bruno, in the
12 San Francisco area. However, there would be people that
13 would require to be in the area to support the direct -- and
14 this is only a small number of people -- to support the
15 actual actions involved in implementing the base closures.
16 They would remain there, but they would become then a branch
17 office of the southwestern division in San Diego. And this
18 is the COBRA results for that.
19 COMMISSIONER COX: Mr. Yellin, this is below
20 threshold, as well?
21 MR. YELLIN: Yes, it is.
22 COMMISSIONER COX: Thank you.

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1 MR. YELLIN: If you can put up Slide 15, please.
2 The final base in this category is public works center, Guam.
3 Public work centers are set up -- and, again, I should
4 probably defer to Commission Montoya, but I'll give it a shot
5 for the description here -- public work centers are set up in
6 areas where you have multiple facilities, multiple Navy
7 facilities or Marine Corps or even other facilities like Air
8 Force on Guam, where there are separate public works
9 departments.
10 And it's advantageous, in order to save on
11 overhead, to minimize multiple vehicle maintenance
12 facilities, for example, to set up a centralized command to
13 consolidate these activities in an area. And that had been
14 done on Guam, and the public work center at Guam provides
15 this support to all the activities on Guam.
16 However, the other recommendations that have been
17 presented to us by the Navy this year would consolidate the
18 Navy activities on Guam under an umbrella command, Naval
19 Activities/Guam. Typically, what would happen in this
20 circumstance would be that instead of maintaining a separate
21 command structure at a public works center, you would
22 eliminate that command structure, save a few jobs and create

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1 then a public works department that would be an element of
2 the umbrella command and the Naval activities command.
3 And that was the initial plan of the Navy. And as
4 you can see, 558 billets within the public works center are
5 being eliminated based on workload reductions in Guam; 676
6 billets remain at the public works center. We do not have
7 the exact number, but it's a minimal number of those would be
8 eliminated and saved if the public works center were closed.
9 We do not have a COBRA analysis from the Navy on
10 that. Most of the people at public works center/Guam would
11 stay doing the same work they're doing now, the missions
12 would stay; they would then be working instead of for the
13 public works center they would be working for Naval
14 activities/Guam.
15 One of the elements of the public works center's
16 responsibilities they control and have on their books all of
17 the family housing on Guam. And that has been an issue that
18 I know came up during the Commissioner visits to Guam, there
19 were some community concerns about the Navy's retention of
20 particularly one housing area at Naval Air Station/Agana
21 after that facility was closed. And those houses are part of
22 the public works centers facilities.

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CHAIRMAN DIXON: Are there any questions of Mr. Yellin on this fine presentation before we entertain motions?
COMMISSIONER STEELE: Mr. Chairman.
CHAIRMAN DIXON: Commissioner Steele.
COMMISSIONER STEELE: I just have a brief comment regarding the Guam initiative. When Mr. Cornella and I were there he mentioned -- in discussions with the citizens of Guam there was concern over this housing issue and Commissioner Cornella had brought that up subsequently in a meeting with the Navy that I also attended, and we haven't received a response yet from the Navy regarding that housing.
So just looking at that area, the only way that we could move forward, should that be feasible, would be to add this. And I just wanted to clarify that is the case, correct?
MR. YELLIN: Yes, that's right.
COMMISSIONER STEELE: Okay. Thank you.
CHAIRMAN DIXON: I thank you, Commissioner Steele. Are there any questions of Mr. Yellin? Commissioner Cox.
COMMISSIONER COX: Maybe Mr. Lyles or Mr. Borden would answer these -- it's not quite in the Navy area. The Chairman indicated that when we looked at our review we not

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only looked at the DOD recommendations, but that you guys, at least -- if not us, personally -- have considered every base in the United States as a potential for an add to this list.
I wonder if you could tell me whether we have considered every base that's below threshold, or did we just look at above threshold bases?
MR. BORDEN: We have not looked at all of the below threshold activities in the United States.
COMMISSIONER COX: Have we looked at any below threshold activity that wasn't recommended by the Department of Defense?
MR. LYLES: Commissioner, I'd have to think on that for a while and, really, I'm not sure I could answer that without discussing with the staff. Let me just make clear that often activities on a base are below threshold. And when you look at a specific base there might a number of activities on that base, any number of which could be considered as candidates for realignment and some of those would be below threshold.
Actually, I believe in some of the discussions on tactile missile maintenance I believe there were some areas that we were reviewing that might have been below threshold.

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So I wouldn't say we've ruled it --
COMMISSIONER COX: Involved with bases that were above threshold and were being considered for other reasons?
MR. LYLES: Activities, not necessarily bases.
COMMISSIONER COX: Activities.
MR. LYLES: So I can think of an example or two off the top of my head where we have discussed some activities that might be below threshold, but I certainly couldn't say we've looked at every activity in the United States that is below threshold.
COMMISSIONER COX: How many activities in the United States do you think there are that are below threshold? Ten, 20, 100?
MR. LYLES: Well, you see, any activity on a military base that you isolate could be in that category. If there is a motorpool at an installation and the Department wants to realign it, that could be considered an activity. And most motorpools probably would be below threshold.
CHAIRMAN DIXON: So, thousands, hundreds?
MR. LYLES: If you look at major installations, when we started the process in 1988, I believe there were somewhere around 495 major installations. If you look at all

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the installations in the United States you're probably talking 3,000 or 4,000; maybe as high as 5,000.
So, no, we have not, in any stretch of the imagination, looked at all of the installations in the United States. But we do look at many activities. In fact, many of your reserve activities are below threshold.
xx
COMMISSIONER COX: All right. And, in fact, we've looked at any below threshold facility, or opportunity, or activity where the Department of Defense has recommended it to us, even though they didn't have to. Where they've taken the position that they would like us to look at it because it gives them an independent review, because, for a variety of reasons, the DOD has recommended that we look at it -- we have looked at all of those -- and will continue to, I assume.
MR. BORDEN: Yes, yes -- a number of those that we -- I think we've made somewhere around 50 base visits. And those were generally those that would -- that need some threshold, not necessarily the threshold that's in the statute.
COMMISSIONER COX: I see -- so, it's our policy

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that a commissioner will visit all of the below threshold bases as well?
MR. LYLES: I wouldn't say that's our policy, commissioner, or our practice. We have had commissioners visit below threshold installations, where there was a high -- you know, an interest in the activity that was going on there.
COMMISSIONER COX: But we haven't -- unlike with major bases, where we've committed that a commissioner will visit each major base, we haven't at least committed that we would visit every below threshold base list.
MR. LYLES: That's correct.
COMMISSIONER MONTOYA: Mr. Chairman?
CHAIRMAN DIXON: Commissioner Montoya.
COMMISSIONER MONTOYA: I believe I know where Ms. Cox is going with her questioning, and I generally support where she's headed, however, these activities, for me, represent a whole different issue. And the fact that they're put in the table of the Secretary of the Navy, and highlighted as being there, and then taken off for economic reasons -- the GAO has made an issue of them.
Me being on the road, I have heard other states say

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why is the Navy giving California desperate treatment for these particular activities? Why don't we get that kind of treatment? My concern -- and not to consider them -- is the fact that by not considering them, we ratify what the Navy has done, and I assure you that trying to close those bases, us taking no action at this point in time, will be tantamount to closing a post office.
And I think, Mr. Chairman, you've -- all the years in public that you've been in, you know what it's like to try and close the post office, no matter how big it is in a community. And so that's my concern with these particular bases that have been identified, and when the time comes, I'm going to move to include them.
COMMISSIONER COX: Let me just point out that --
CHAIRMAN DIXON: Commissioner Cox --
COMMISSIONER COX: -- no other state would want to have been singled out this way for Navy treatment. The truth in the matter is the only reason we would look at these bases is because the Navy singled out a below threshold base. And my -- what I was trying to get to before, is that there is no other below threshold base in the country that has been singled out by, frankly, the Navy making what GAO and others

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have considered to be a political issue out of a non-political issue.

If in fact these bases should close, the Navy has every ability to close them, as they do with every other below threshold base. And if it weren't for the bad luck of the Navy happening to notice them, and making a report -- a statement in their report, which was totally unrelated to the BRAC process, these folks wouldn't be singled out at all. So I will be very surprised if any other state would like to be treated in this manner.

And, you know, I don't view it as a plus for California or the bases that are below threshold. It's clearly been a negative.

CHAIRMAN DIXON: Well, I want to thank Commissioner Cox, and Commissioner Montoya for so eloquently expressing the different points of view on this important subject.

COMMISSIONER STEELE: Mr. Chairman?

CHAIRMAN DIXON: Is there anybody else that wants to make an eloquent presentation? Commissioner Steele?

COMMISSIONER STEELE: I don't guarantee it will be eloquent, I'm just probably throwing a wrench in the works here. But, on a hole, I look at it that we've got plenty to

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do. We don't need to look at anything below threshold that isn't thrown in our laps. The flip side of that argument, these were on the -- the original recommendations in the Navy, and I think that it does make it a bit of a separate category.

What I think we haven't addressed here that would be helpful to me, and hopefully, it's very brief -- those recommendations that are below threshold, looking at the issue regarding those two. Maybe that would help us determine how to further look or not further look at the below thresholds. Do you have any comments regarding those installations on the merit or lack of merit of closure -- consideration for closure?

MR. YELLIN: Well, the supervisor ship building and the engineering field activity are the two under threshold. As I've indicated, the retention of them in staff's opinion does not fit the typical mission requirements, or the typical requirements of the Navy that would need to have a superintendent of ship building in an area, or an engineering field activity in an area. That -- go ahead, Admiral.

COMMISSIONER MONTOYA: I'm going to add to his comments.

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CHAIRMAN DIXON: Commissioner Montoya.

COMMISSIONER MONTOYA: I was the commanding officer of that activity some years ago, when it was a big activity. But I think that it's also different, in that it is a stand-alone command on a stand-alone, rather large complex in an area of real estate that could well benefit from the results of the BRAC process, if we should decide to close it. So, it is a bit different than your normal under threshold activities.

CHAIRMAN DIXON: I thank Commissioner Montoya and Commissioner Steele -- your question was very eloquent, I think. Are there any other questions to Mr. Yellin on this important subject matter? Is there any motion for the Chair to entertain, with respect to the presentation of Mr. Yellin?

COMMISSIONER ROBLES: Mr. Chairman, I'd like to make a motion.

CHAIRMAN DIXON: Commissioner Robles.

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MOTION

COMMISSIONER ROBLES: And I'd like to preface my motion by saying I think all of us Commissioners, and certainly the staff, appreciate the concept of cumulative economic impact. And I applaud the Navy for being courageous and getting up front and telling us right up front on the first day, that they had made some decisions based on cumulative impact.

But given that the other services did not -- or at least did not appear to publicly -- the fact of the matter is, to level the playing field, I believe that we need to look at these activities that were excluded because of cumulative economic impact, and put everybody on a more equal footing.

So I move that the Fleet Industrial Supply Center, Oakland, California; and the Naval Warfare Assessment Division, Corona, California, be added to the list of bases to be considered by the Commission for closure or realignment, as a proposed change to the list recommendations submitted by the Secretary of Defense.

CHAIRMAN DIXON: COMMISSIONER STEELE?

COMMISSIONER STEELE: I second that motion.

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CHAIRMAN DIXON: It is moved by Commissioner Robles and seconded by Commissioner Steele. Is there any further comment upon this? Commissioner Cox.

COMMISSIONER COX: I just want to make sure these two are above threshold, is that correct?

COMMISSIONER ROBLES: That is correct. They're two above threshold.

CHAIRMAN DIXON: These two are above threshold.

MR. YELLIN: Yes, they are.

CHAIRMAN DIXON: That is correct. Commissioner Cox's comment is accurate. Are there any further comments? The counsel will call the roll.

MS. CREEDON: Commissioner Robles?

COMMISSIONER ROBLES: Aye.

MS. CREEDON: Commissioner Steele?

COMMISSIONER STEELE: Aye.

MS. CREEDON: Commissioner Cornella?

COMMISSIONER CORNELLA: Aye.

MS. CREEDON: Commissioner Cox?

COMMISSIONER COX: Aye.

MS. CREEDON: Commissioner Davis?

COMMISSIONER DAVIS: Aye.

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MS. CREEDON: Commissioner Kling?

COMMISSIONER KLING: Aye.

MS. CREEDON: Commissioner Montoya?

COMMISSIONER MONTOYA: Aye.

MS. CREEDON: Mr. Chairman?

CHAIRMAN DIXON: Aye.

MS. CREEDON: Mr. Chairman, there are eight ayes and no nays.

CHAIRMAN DIXON: That motion is adopted. Are there any further motions with respect to this subject matter?

COMMISSIONER STEELE: I have a motion, Mr. Chairman.

CHAIRMAN DIXON: Commissioner Steele?

MOTION

COMMISSIONER STEELE: I move that the Public Works Center, Guam, be added to the list of bases to be considered by the Commission for closure or realignment, as a proposed change to the list of recommendations submitted by the Secretary of Defense.

CHAIRMAN DIXON: Thank you, Commissioner Steele. Is there a second to that motion by the distinguished Commissioner?

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1 COMMISSIONER ROBLES: I second the motion.
CHAIRMAN DIXON: Commissioner Robles seconds that
[illegible]on by Commissioner Steele. Are there any comments upon
[illegible] motion by Commissioner Steele, with respect to the Public
5 Works Center, Guam?
6 (No response.)
7 CHAIRMAN DIXON: Counsel, call the roll.
8 MS. CREEDON: Commissioner Steele?
9 COMMISSIONER STEELE: Aye.
10 MS. CREEDON: Commissioner Cornella?
11 COMMISSIONER CORNELLA: Aye.
12 MS. CREEDON: Commissioner Cox?
13 COMMISSIONER COX: I recuse myself.
14 CHAIRMAN DIXON: Commissioner Cox recuses herself.
15 MS. CREEDON: Commissioner Davis?
16 COMMISSIONER DAVIS: Aye.
17 MS. CREEDON: Commissioner Kling?
18 COMMISSIONER KLING: Aye.
19 MS. CREEDON: Commissioner Montoya?
20 COMMISSIONER MONTOYA: Aye.
21 MS. CREEDON: Commissioner Robles?
22 COMMISSIONER ROBLES: Aye.

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1 MS. CREEDON: Mr. Chairman?
2 CHAIRMAN DIXON: Aye.
3 MS. CREEDON: Mr. Chairman, there are seven ayes,
4 and one recusal, and no nays.
5 CHAIRMAN DIXON: That motion is adopted. Are there
6 any further motions in connection with this presentation?
7 COMMISSIONER MONTOYA: Yes, Mr. Chairman.
8 CHAIRMAN DIXON: Commissioner Montoya.
9 COMMISSIONER MONTOYA: And if my motion should
[illegible]s, I will volunteer to be the commissioner of the visits
[illegible]hese two below threshold activities.
[illegible] CHAIRMAN DIXON: You're a brave man, commissioner.
13 MOTION
14 COMMISSIONER MONTOYA: Especially since I said I
15 was stationed at one of them once. Therefore, I will move
16 that the Engineering Field Activity West Naval Facilities
17 Engineering Command, San Bruno, California, and the
18 Supervisory Ship Building Conversion and Repair, San
19 Francisco, California, be added to the list of bases to be
20 considered by the Commission for closure or realignment as a
21 proposed changed to the list of recommendations submitted by
22 the Secretary of Defense.

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1 CHAIRMAN DIXON: Thank you, Commissioner Montoya.
2 Is there a second?
3 COMMISSIONER KLING: Mr. Chairman?
4 CHAIRMAN DIXON: Commissioner Kling?
5 COMMISSIONER KLING: I second Admiral Montoya's
6 motion recognizing full well that I'm going to be joining him
7 as well, I can see, in the attendance to those locations.
8 CHAIRMAN DIXON: It's moved, and seconded. Is
9 there any comment by any commissioner regarding this motion?
10 COMMISSIONER CORNELLA: Yes, Mr. Chairman.
11 CHAIRMAN DIXON: Commissioner Cornella?
12 COMMISSIONER CORNELLA: I would just like to say
13 regarding the motion, that given the consideration that we
14 received over 50 other installations under threshold for
15 consideration during this round, I believe that is a factor
16 and I would lend my support to this motion.
17 CHAIRMAN DIXON: I think Commissioner Cornella for
18 that comment. Are there any further comments?
(No response.)
[illegible] CHAIRMAN DIXON: Counsel will call the roll.
[illegible] MS. CREEDON: Commissioner Montoya?
22 COMMISSIONER MONTOYA: Aye.

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1 MS. CREEDON: Commissioner Robles?
2 COMMISSIONER ROBLES: Aye.
3 MS. CREEDON: Commissioner Steele?
4 COMMISSIONER STEELE: Aye.
5 MS. CREEDON: Commissioner Cornella?
6 COMMISSIONER CORNELLA: Aye.
7 MS. CREEDON: Commissioner Cox?
8 COMMISSIONER COX: No.
9 MS. CREEDON: Commissioner Davis?
10 COMMISSIONER DAVIS: Aye.
11 MS. CREEDON: Commissioner Kling?
12 COMMISSIONER KLING: Aye.
13 MS. CREEDON: Mr. Chairman?
14 CHAIRMAN DIXON: Aye.
15 MS. CREEDON: Mr. Chairman, there are seven ayes
16 and one nay.
17 CHAIRMAN DIXON: The motion is adopted. Mr.
18 Yellin, we are indebted to you, sir, for the fine
19 presentation by you and your staff.
20 MR. YELLIN: Thank you.
21 CHAIRMAN DIXON: The Army will be next.
22 (A brief recess was taken.)

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1 CHAIRMAN DIXON: Ladies and gentlemen, those who
2 are desirous of staying are welcome to stay. Those who have
3 observed their parts of this proceeding and have no further
4 interest, if you'd be kind enough to exit the room as quietly
5 as possible. We thank you for accommodating everybody in
6 that connection. Director Lyles?
7 MR. LYLES: Mr. Chairman, Ed Brown, the chief of
8 the commission's Army review and analysis team will present
9 the final briefing of the day, and that one is on Army
10 issues.
11 MR. ED BROWN: Mr. Chairman?
12 CHAIRMAN DIXON: We're delighted to have you, Mr.
13 Brown.
14 MR. ED BROWN: Thank you, Mr. Chairman. Mr.
15 Chairman and commissioners, the Army team is pleased to
16 provide you information on those installations to be
17 considered as additions to the defense secretary's
18 recommendations of March 1st. I have with me Mr. Rick Brown,
19 and Mr. Mike Kennedy, who will assist in responding to your
20 questions. The first chart --
21 CHAIRMAN DIXON: Mr. Brown is no relation to you,
22 Mr. Brown?

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1 MR. ED BROWN: He is not, Mr. Chairman.
2 CHAIRMAN DIXON: We don't care for nepotism around
3 here.
4 MR. ED BROWN: The first chart shows the 14
5 categories into which the Army divided its installations for
6 consideration. The shaded categories have installations to
7 be considered as additions to the defense secretary's
8 recommendations. I have included a miscellaneous category to
9 indicate an installation not considered by the Army, but
10 affected by a defense agency recommendation.
11 The cross service team has already discussed Army
12 installations in the depot category. We will discuss those
13 in the forts, leases, and miscellaneous categories. Chart 2,
14 and the map on chart 3, show the Army's three port
15 installations in the order of their relative military value,
16 as determined by the Army. Sunny Point, North Carolina, is
17 the sole Army terminal that plans, coordinates, and executes
18 movement of ammunition, and other dangerous cargo.
19 Therefore, the Army did not study it for closure,
20 or realignment. The Army selected both Bayonne Military
21 Ocean Terminal, and Oakland Army Base, for study, but
22 recommended only Bayonne for closure. Oakland Army Base,

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1 California, has been recommended as a candidate for further
2 consideration.
3 Chart 4 highlights the Army's stationing strategy
4 for ports, which is to maintain the capability to project the
5 Army's power from Atlantic, Pacific, and Gulf Coasts, while
6 maintaining the capability to ship unique cargo, not allowed
7 in commercial ports. Chart 5 contains data associated with
8 DOD's recommendation to close Bayonne, and the option to
9 close Oakland.
10 It is apparent that one-time costs, steady state
11 savings, and return on investment are more attractive for
12 Oakland, than for Bayonne. The reasons cited by the Army for
13 rejecting Oakland was it's closure does not justify
14 operational risks, but, as GAO pointed out, the Army did not
15 elaborate on what those risks are. However, the Army did
16 identify the issues shown on chart 6, in this letter of May
17 8th to the commission.
18 These risks can be associated with flexibility,
19 availability, and responsiveness. In testimony before this
20 commission, the Secretary of the Army and his back-up
21 witnesses, provided the comments shown in the middle column
22 of this chart, of rationale for not recommending Oakland for

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1 closure. Staff comments are in the right column.
2 An important point to consider is that the analysis
3 that suggested delays of 3 to 17 days in arrival time, also
4 stated that the number of units, missing required delivery
5 dates, is not significant. We are prepared for your
6 questions.
7 CHAIRMAN DIXON: Are there any questions by any
8 commissioners concerning the presentation by Mr. Ed Brown?
9 COMMISSIONER COX: Mr. Chairman?
10 CHAIRMAN DIXON: Commissioner Cox.
11 COMMISSIONER COX: Mr. Brown, basically what the
12 Army has said, as I understand it, is that they have two east
13 coast ports. In any case, there are a lot of extra
14 commercial ports on the east coast. They have only one west
15 coast Army port, and there are fewer commercial ports on the
16 west coast, and, therefore, despite the numbers, for
17 strategic reasons, they believe that they would need to keep
18 one open on each coast, as they've done.
19 I wonder if you could list for us the east coast
20 ports, and the west coast ports?
21 MR. ED BROWN: I don't have a complete listing of
22 the total number of ports, Mrs. Cox. I defer to their

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1 judgment that there are more ports on the east coast
2 available to them, than those on the west coast.
3 COMMISSIONER KLING: Mr. Brown, Commissioner --
4 CHAIRMAN DIXON: Commissioner Kling.
5 COMMISSIONER KLING: I guess it's fair to say,
6 however, that when we visited --
7 COMMISSIONER COX: Bayonne.
8 COMMISSIONER KLING: -- Bayonne, I think we were
9 told, unequivocally, that the usage of the ports on the east
10 coast are filled up, and, in fact, if I remember, the
11 commercial is using part of Bayonne as well, at this time.
12 Isn't that what was correct?
13 MR. RICK BROWN: Rick Brown, Commissioner -- that
14 is correct. And that is also one of the service's
15 contentions on the west coast, is that the commercial
16 facilities are operating at near capacity.
17 COMMISSIONER KLING: So I think we're on a common
18 playing ground, is all I'm kind of saying.
19 COMMISSIONER COX: No, I -- there are certainly
20 issues that apply to both, east and west coast. In fact, I
21 don't know, but my understanding from the testimony is that
22 the military has no agreements with any commercial port on

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1 either the east or the west coast, is that correct?
2 MR. RICK BROWN: The preliminary information that
3 we have right now, Commissioner Cox, is that there are 11
4 port planning orders in existence that --
5 COMMISSIONER COX: And these are from --
6 MR. RICK BROWN: -- that cover east, gulf, and west
7 coast. I do not, at this time, have a break down of where
8 those port planning orders exist.
9 COMMISSIONER COX: Are these emergency planning
10 order?
11 MR. RICK BROWN: Commissioner, the port planning
12 orders are a nonbinding letter of intent between the military
13 traffic management command, and the commercial operators of
14 the facilities, on the orderly transfer of the port
15 facilities from a commercial cargo operation to a military
16 cargo operation in a time of declared emergency. And, if an
17 existing PPO is executed as its plan, then normal commercial
18 procedures would be used to obtain the port services.
19 There are other absent PPO there -- if the port is
20 needed in a declared emergency, there are legal and binding
21 means available through the Maritime Administration for the
22 military to obtain use of the commercial port facilities.

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1 COMMISSIONER COX: And the testimony we had with
2 regard to Bayonne from the New York/New Jersey Port Authority
3 -- that they understood that MARAD was in the process or
4 beginning the process of looking at the use of commercial
5 ports, and that no, certainly, final agreements had been
6 reached. Is that not correct?
7 MR. RICK BROWN: In the case of Bayonne, and the
8 New York Port Authority, until May of 1993, there were
9 existing port planning orders in existence in the New York
10 area. That was because at that time, Bayonne was in a state
11 of reduced operational capability. Once Bayonne returned to
12 operational capability, the Maritime Administration revoked
13 those three PPOs at that point in time.
14 COMMISSIONER COX: And what are the major
15 differences between Army cargo and commercial cargo? What
16 kinds of issues would be looking at these commercial ports?
17 MR. RICK BROWN: Commissioner, from my preliminary
18 analysis, with the possible exception of on-site staging of
19 equipment, there is no activity done on an Army port facility
20 that is not accomplished in either another services port
21 facility, or within a commercial port facility.
22 As regards to on-site staging, I would like to

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1 point out that on-site staging is the exception, rather than
2 the rule, because in use of commercial ports, it is routine
3 for military traffic to be staged off the commercial
4 facility, and then packages called forward to the port
5 facility, when the package is ready to load.
6 COMMISSIONER COX: Is most Army cargo
7 containerized?
8 MR. RICK BROWN: Most Army container cargo -- most
9 of it, I couldn't say. Much of it is not, however, as we saw
10 in Bayonne, there are flat racks and sea sheds that allow non
11 -- or rolling stock and equipment that is not normally
12 containerized to be loaded on a container ship, by use of
13 these particular pieces of equipment.
14 COMMISSIONER COX: And are there differences
15 between the way cargo is moved between the Army and
16 commercial? Ammunition, for example?
17 MR. RICK BROWN: I would like to point out that
18 during Desert Storm, the service did move ammunition through
19 commercial facilities. The Army's rationale, as we
20 understand it, for keeping Sunny Point, and not including it
21 in its analysis, is because it provided the service a
22 capability for bulk ammunition, and was a large enough

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1 facility where the issues of hazard safety distance and net-
2 explosive weights could be handled in a fashion that would
3 impact on the other uses of surrounding facilities.
4 COMMISSIONER COX: So, there was some rationale for
5 keeping one Army corps open on the east coast.
6 MR. RICK BROWN: That is correct. Or, in excluding
7 it from study.
8 COMMISSIONER COX: In excluding it. But, if we --
9 and that was the rationale, I presume, used for not putting
10 Oakland on -- that they don't have any other port on the west
11 coast that would be secure where you would not have the
12 hazardous --
13 MR. RICK BROWN: In the Secretary of the Army's
14 testimony, he stated that his rationale for not recommending
15 Oakland was for the operational risk associated with the
16 potential of including that in his list. So he excluded it
17 from an operational risk category.
18 COMMISSIONER COX: Thank you.
19 CHAIRMAN DIXON: Thank you, Commissioner Cox. Are
20 there any further questions? Are there any further questions
21 at all?
22 (No response.)

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1 CHAIRMAN DIXON: What is the pleasure of the
2 Commission with respect to Army ports?
3 COMMISSIONER KLING: Mr. Chairman.
4 CHAIRMAN DIXON: Commissioner Kling.
5 MOTION
6 COMMISSIONER KLING: Concerning the circumstances
7 that we've heard here, I'd like to move that the Oakland Army
8 Terminal, California, be added to the list of bases to be
9 considered by the Commission for closure or realignment, as a
10 proposed change to the list of recommendations submitted by
11 the Secretary of Defense.
12 CHAIRMAN DIXON: Is there a second?
13 COMMISSIONER CORNELLA: Mr. Chairman.
14 CHAIRMAN DIXON: Commissioner Cornella?
15 COMMISSIONER CORNELLA: I second the motion.
16 CHAIRMAN DIXON: Is there any further comment
17 regarding this motion?
18 COMMISSIONER COX: Mr. Chairman --
19 CHAIRMAN DIXON: Commissioner Cox.
20 COMMISSIONER COX: I guess I'm really torn on this
21 one. I understand that there is some symmetry between
22 putting one on the east coast, and one on the west coast. On

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1 the other hand, I do believe we have to find a substantial
2 deviation. What we have here is an operational argument
3 that, at very least, they need one west coast operation. And
4 we're acting on information where we don't even know which
5 ports are on each base. We don't have in front of us a list
6 of what ports are available.
7 And we're second guessing the Army as to whether
8 there's enough commercial on the west coast, or not. And I
9 realize that's something we're going to look at. I don't
10 believe we've met the standard of finding a substantial --
11 that we could find a substantial deviation. And it seems to
12 me we're on a fishing expedition here. So, I would urge a no
13 vote.
14 CHAIRMAN DIXON: I thank Commissioner Cox for her
15 contribution. Are there any further comments?
16 (No response.)
17 CHAIRMAN DIXON: The counsel will call roll on the
18 motion.
19 MS. CREEDON: Commissioner Kling?
20 COMMISSIONER KLING: Aye.
21 MS. CREEDON: Commissioner Montoya?
22 COMMISSIONER MONTOYA: Aye.

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1 MS. CREEDON: Commissioner Robles?
2 COMMISSIONER ROBLES: Aye.
3 MS. CREEDON: Commissioner Steele?
4 COMMISSIONER STEELE: Aye.
5 MS. CREEDON: Commissioner Cornella?
6 COMMISSIONER CORNELLA: Aye.
7 MS. CREEDON: Commissioner Cox?
8 COMMISSIONER COX: No.
9 MS. CREEDON: Commissioner Davis?
10 COMMISSIONER DAVIS: Aye.
11 MS. CREEDON: Mr. Chairman?
12 CHAIRMAN DIXON: Aye.
13 MS. CREEDON: Mr. Chairman, there are seven ayes
14 and one nays.
15 COMMISSIONER COX: The motion carries: Mr. Ed
16 Brown, to make a presentation concerning Army depots.
17 MR. ED BROWN: Mr. Chairman, the next category is
18 leases. Chart 7 shows the 15 leases the Army analyzed. The
19 leased facilities of Space in Strategic Defense Command in
20 Huntsville, Alabama, had been recommended as a candidate for
21 further consideration. Chart 8 contains data associated with
22 the option to relocate Space in Strategic Defense Command

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1 into government owned facilities.
2 The staff questions the one-time cost, if the
3 organization moves into excess administrative space at a
4 government facility. Chart 9 compares the impact of that
5 portion of aviation troop command moving into Redstone
6 Arsenal, with that of Space and Strategic Defense Command.
7 There is the potential to save significant construction
8 costs, if space for Space and Strategic Defense Command were
9 renovated, rather than being new construction.
10 We're prepared to answer your questions.
11 CHAIRMAN DIXON: Thank you for that presentation,
12 Mr. Brown. Are there any questions for Mr. Ed Brown or his
13 associates?
14 (No response.)
15 CHAIRMAN DIXON: Any Commissioner have any comment
16 that the commissioner cares to make, with respect to this
17 particular subject matter?
18 (No response.)
19 CHAIRMAN DIXON: Is there a motion by any
20 commissioner with respect to this presentation?
21 MOTION
22 COMMISSIONER COX: Based on the information we have

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1 here, and because I believe we ought to look at whether or
2 not we can save monies by moving out of leased facilities, I
3 move that the Space and Strategic Defense Command leased
4 facilities, Huntsville, Alabama, be added to the list of
5 bases to be considered by the Commission for closure or
6 realignment, as a proposed change to the list of
7 recommendations submitted by the Secretary of Defense.
8 CHAIRMAN DIXON: Thank you, Commissioner Cox. Is
9 there a second to the commissioner's motion?
10 COMMISSIONER STEELE: Mr. Chairman, I'll second
11 that motion.
12 CHAIRMAN DIXON: Thank you, Commissioner Steele.
13 It's moved and seconded that the Space and Strategic Command
14 leased facility, Huntsville, Alabama, be placed on the list.
15 The Chair wishes to announce that, in accordance with his
16 previous statement, he recuses himself on this vote, because
17 of the relationship of this vote to ATCOM. Counsel, call the
18 roll.
19 MS. CREEDON: Commissioner Cox?
20 COMMISSIONER COX: Aye.
21 MS. CREEDON: Commissioner Davis?
22 COMMISSIONER DAVIS: Aye.

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1 MS. CREEDON: Commissioner Kling?
2 COMMISSIONER KLING: Aye.
3 MS. CREEDON: Commissioner Montoya?
4 COMMISSIONER MONTOYA: Aye.
5 MS. CREEDON: Commissioner Robles?
6 COMMISSIONER ROBLES: Aye.
7 MS. CREEDON: Commissioner Steele?
8 COMMISSIONER STEELE: Aye.
9 MS. CREEDON: Commissioner Cornella?
10 COMMISSIONER CORNELLA: Aye.
11 MS. CREEDON: Mr. Chairman, there are seven ayes,
12 one recusal, and zero nays.
13 CHAIRMAN DIXON: Motion carries.
14 MR. ED BROWN: The next two charts, charts 10 and
15 11, provide information on Fort Holabird, in Baltimore,
16 Maryland. Fort Holabird is included as a result of the
17 Army's answer to a question for the record, from the March
18 7th investigative hearing. These charts -- the chart on your
19 right shows data associated with the alternative.
20 Commission endorsement of the recommendation to
21 move Investigation Control and Automation Directorate of the
22 Defense Investigative Service to Fort Meade, would result in

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1 no activities remaining at Fort Holabird. A Commission
2 recommendation to close Fort Holabird will enable the Army to
3 dispose of property under the accelerated provisions of the
4 Base Closure and Realignment Act of 1990. We're prepared to
5 answer your questions.
6 CHAIRMAN DIXON: Are there any questions by any
7 commissioner of Mr. Ed Brown, in connection with his
8 presentation? Are there any?
9 (No response.)
10 CHAIRMAN DIXON: Is there a motion by any
11 Commissioner with respect to Fort Holabird, Maryland?
12 COMMISSIONER STEELE: Yes, Mr. Chairman, I have a
13 motion.
14 CHAIRMAN DIXON: Commissioner Steele?
15 M O T I O N
16 COMMISSIONER STEELE: I move that Fort Holabird,
17 Maryland, be added to the list of bases to be considered by
18 the Commission for closure or realignment, as a proposed
19 change to the list recommendations submitted by the Secretary
20 of Defense.
21 CHAIRMAN DIXON: I thank you, Commissioner Steele.
22 Is there any second to the motion by Commissioner Steele?

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1 COMMISSIONER ROBLES: Mr. Chairman, I second the
2 motion.
3 CHAIRMAN DIXON: I thank you, Commissioner Robles.
4 It has been moved and seconded that Fort Holabird, Maryland
5 be placed on the list. Is there any further comment by any
6 commissioner with respect to this motion?
7 (No response.)
8 CHAIRMAN DIXON: Counsel, call the roll.
9 MS. CREEDON: Commissioner Steele?
10 COMMISSIONER STEELE: Aye.
11 MS. CREEDON: Commissioner Cornella?
12 COMMISSIONER CORNELLA: Aye.
13 MS. CREEDON: Commissioner Cox?
14 COMMISSIONER COX: Aye.
15 MS. CREEDON: Commissioner Davis?
16 COMMISSIONER DAVIS: Aye.
17 MS. CREEDON: Commissioner Kling?
18 COMMISSIONER KLING: Aye.
19 MS. CREEDON: Commissioner Montoya?
20 COMMISSIONER MONTOYA: Aye.
21 MS. CREEDON: Commissioner Robles?
22 COMMISSIONER ROBLES: Aye.

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1 MS. CREEDON: Mr. Chairman?
2 CHAIRMAN DIXON: Aye.
3 MS. CREEDON: Mr. Chairman, there are eight ayes
4 and zero nays.
5 CHAIRMAN DIXON: The motion is adopted. Director
6 Lyles, have you concluded the presentation, with respect to
7 every bit of subject matter, to be placed before the
8 consideration of this Commission on this date, regarding
9 add-ons to the Secretary of Defense's list?
10 MR. LYLES: Yes sir, Mr. Chairman. I believe we
11 presented all of the material that we have to present this
12 morning.
13 CHAIRMAN DIXON: Now, I want to explain to the
14 public at large what has occurred here. Under the statute
15 that pertains to this subject matter, this Commission was
16 required to act by May 17th, in connection with any add-ons
17 to the list given to us by the Secretary of Defense.
18 It was a combined wisdom of all eight commissioners
19 that we should act early if we could, so that any add-ons
20 would receive the appropriate attention to which those add-
21 ons are entitled, with respect to visitations to the
22 individual bases and hearings in the appropriate parts of the

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1 country, to accommodate the necessary testimony from all
2 bases now affected by this add-on list. While we technically
3 have until May 17th, it is the firm intention of this
4 Commission to add no further bases or installations.
5 Our work, in this connection, is completed. I do
6 point out that there is another week, should some emergency
7 situation develop that has not been anticipated. By the
8 careful study of the entire staff, and the careful
9 evaluations of all commissioners, obviously, it could
10 necessitate an emergency meeting. We do not expect that to
11 happen. We do not expect that to happen. We do expect that
12 this is the final action, and that no further meetings are
13 anticipated, with respect to the question of add-ons.
14 Director Lyles, do I appropriately express the view
15 of staff and others in connection with this?
16 MR. LYLES: Yes sir, Mr. Chairman.
17 CHAIRMAN DIXON: Are there any further comments by
18 any of my associates, or any other comments by the staff or
19 commissioners concerning this subject matter?
20 COMMISSIONER MONTOYA: Mr. Chairman?
21 CHAIRMAN DIXON: Commissioner Montoya.
22 COMMISSIONER MONTOYA: I'd like to compliment Dave

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1 Lyles and his entire staff. We work hard, but I think they
2 work about four times as hard -- the places they go, the
3 support we get.
4 CHAIRMAN DIXON: Amen to that.
5 COMMISSIONER MONTOYA: And the data has been
6 straight forward, and understandable, and I want to thank
7 them.
8 COMMISSIONER ROBLES: Mr. Chairman, I would like
9 to second that motion.
10 COMMISSIONER DAVIS: Third.
11 CHAIRMAN DIXON: I'm sure we all feel that way. I
12 didn't say to you as I had to the others, Mr. Ed Brown, we're
13 indebted to you for this presentation. But we are indebted
14 to this staff. I want to say to the folks in this room, the
15 public at large, most of these people have been doing this
16 work for years. They do outstanding work. They are
17 motivated only by concerns for the public welfare, and what's
18 right for this great nation and its national security needs.
19 We are indebted to them, and ladies and gentlemen, this
20 meeting to consider add-ons to the Secretary of Defense's
21 list is adjourned.
22 (The hearing was adjourned at 12:55 p.m.)