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SUBJECT: DOD OFFICIALS MAKE FINAL PRESENTATION TO THE BRAC COMMISSION

COMMISSIONERS PRESIDING:

ANTHONY PRINCIPI, CHAIRMAN;

JAMES BILBRAY;

PHILIP COYLE;

ADMIRIAL HAROLD GEHMAN, U.S. NAVY (RET.);

JAMES HANSEN;

GENERAL JAMES HILL, U.S. ARMY (RET.);

GENERAL LLOYD NEWTON, U.S. AIR FORCE (RET.);

BRIGADIER GENERAL SUE TURNER, U.S. AIR FORCE (RET.);

SAMUEL SKINNER

CHAIRED BY:

ANTHONY PRINCIPI

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WITNESSES:

MICHAEL WYNNE, CHAIRMAN, INFRASTRUCTURE STEERING GROUP;

VICE ADMIRAL EVAN M. CHANIK, DIRECTOR FOR FORCE STRUCTURE, RESOURCES AND ASSESMENT, JOINT STAFF, UNITED STATES NAVY;

DR. FRANCIS J. HARVEY, SECRETARY, UNITED STATES ARMY;

ADMIRAL ROBERT F. WILLARD, VICE CHIEF OF NAVAL OPERATIONS;

GENERAL JOHN P. JUMPER, CHIEF OF STAFF, UNITED STATES AIR FORCE;

DAVID BARNO, ASSISTANT CHIEF OF STAFF;

CHARLES B. TAYLOR, SURGEON GENERAL, UNITED STATES AIR FORCE

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MR. PRINCIPI: Good morning. Welcome to this hearing of the Defense Base Closure and Realignment Commission. On May 13th of this year, the Secretary of Defense announced his recommendations for closing or realigning military installations. Since that time, the Commission and its staff have analyzed these recommendations and supporting documents and worked with the department to clarify and resolve questions as they arose.

Commissioners and staff made 182 visits to 173 installations during the past 13 weeks. We conducted 19 regional hearings around the country. We held another 16 legislative and deliberative hearings and had hundreds of meetings with community representatives and elected officials. We received more than 80,000 electronic messages and over half a million pieces of mail. We have manual scanned more than 200,000 documents into our e-library. We hosted more than 1,100 visits to our offices, responded to over 7,000 media inquiries, issued more than 50 press releases and advisories and received more than 500 telephone calls every week. Our website was visited 80 million times. I would even add a letter to the record that I just received from former President Jimmy Carter, former Governor of Georgia, former submarine officer, who rose above parochialism in support of Port New London Naval Submarine Base.

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Input from non-defense sources is an invaluable source of information for the Commission as we decide questions that will have a profound and lasting impact on our communities, on our armed forces and on American's citizens and service members. That input, combined with the Commission's analysis, illuminates issues that should be addressed before the Commission begins its final deliberations and decision process on Wednesday of next week. This hearing will provide the Department of Defense and the Service Departments with an opportunity to address unresolved issues and respond to Commissioners' questions. I am pleased to welcome Secretary Michael Wynne, representing the Office of the Secretary of Defense, Secretary of the Army Francis Harvey, Admiral Robert Willard, the Vice Chief of Naval Operations, and Air Force Chief of Staff General John Jumper. Each of them representing their service, as well as Vice Admiral Evan Chanik, Director for Force Structure, Resources & Assessment of the Joint Staff. Lieutenant Dave Barno is with us, as well.

And did I miss anyone? I don't think so. (Laughter.)

Gentleman, today we will raise a significant question relating to the cost and savings attributed to the DOD BRAC recommendations.

Will the claimed savings actually be realized, our cost understated?

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Will the actual cost exceed the amount allocated for environmental remediation?

Has the chasm gulf separating the Air Force and the Air National Guard been bridged?

How should the Commission account for the many uncertainties implicit in decisions with the two-deck-a-time horizon? The unclassified version of the Secretary's 20-year threat assessment talks about a range of challenges.

Will BRAC decisions increase or reduce the Service's options for responding to these challenges?

Will the Department after BRAC still have the infrastructure to respond to traditional challenges as well as the non-traditional ones?

What would be the effect of the turbulence of BRAC implementation on armed services stressed by our on-going operations in Iraq and Afghanistan?

The Services are in the process of major transformation of doctrine and structure. Should the BRAC decisions respond to and reflect the final outcome of transformational change or is it proper to use BRAC as a vehicle to drive transformation?

How should the Commission respond to the fact that acceptance of the Secretary's recommendations would leave large areas of our country, New England in particular, virtually stripped of military presence?

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Given the lack of input from the Department of Homeland Security, how can we assess the effect of the BRAC recommendations on our nation's ability to respond to threats to homeland security, or even more importantly, to events?

I hope the light shed on these questions today will be reflected next week, in productive deliberations and very prudent decisions.

I now ask our witnesses to stand for the administration of the oath required by the Base Closure and Realignment statute. The oath will be administered by Rumu Sarkar, the Commission's designated federal officer.

MS. SARKAR: Thank you, Mr. Chairman.

Mr. Secretary, Admirals, Generals, please raise your right hand. Do you swear or affirm that the testimony you're about to give and any evidence you may provide are complete and accurate to the best of your knowledge and belief, so help you God?

MR. WYNNE: I do.

MR. HARVEY: I do.

ADM. WILLARD: I do.

GEN. JUMPER: I do.

ADM. CHANIK: I do.

MR. BARNO: I do.

MS. SARKAR: Thank you.

Thank you, Mr. Chairman.

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MR. PRINCIPI: Mr. Secretary, you may proceed sir.

MR. WYNNE: Good morning, members of the commission. Thank you for the opportunity -- (inaudible).

MR. PRINCIPI: I'm sorry, please --

MR. WYNNE: Thank you all in the back. Appreciate that.

Good morning, Mr. Chairman and distinguished members of the Commission.

Is that better? I think so.

Thank you for the opportunity to speak to you today as you prepare for your final deliberations concerning the Secretary of Defense's recommendations and the modifications and additions to them that you are now considering.

I appreciate the efforts that you and your staff have put in over the months preceding this session, as I know and understand that the effort is mammoth.

Today I would like to speak to you on some of the larger issues that was raised by yourselves, your staff and the many community groups that you have heard from on this subject.

We are grateful for your service and your patience in working through the logic and structure of this round, the largest and most complex Base Realignment and Closure round to date.

We also appear before you today in full recognition of the pride and the strength of the communities that have stood before you to make their case. We are grateful for the service they

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provided. We continue to stand ready to assist you and you deliberations as we make the changes that are necessary to align our supporting infrastructure and our armed forces to serve the nation for the 21st century.

I'm accompanied here today by Dr. Francis Harvey, the Secretary of the Army, Dr. David Barno, a Senior serving Army officer, General John Jumper, the Chief of Staff of the Air Force, Admiral Robert Willard, Vice Chief of Naval Operations and Vice Admiral Evan Chanik, Director of Force Structure Resources and Assessment of the Joint Staff.

Behind me are the chairs or the representatives of the Joint Cross Service Groups. After I provide my brief remarks, my colleagues on this panel will provide their own brief comments, and then we'll be very happy to respond to your questions.

Base Realignment and Closure actions are a necessary and vital part of the department's transformation. The recommendations you are now reviewing reshape not only our war-fighting capabilities, but also their supporting infrastructure. Facilitating transformation led to recommendations that not only make economic sense, but also and primarily, military and operational sense. We recognize that you must look for imperfections and we fully support the careful analysis that you are now completing. Change is hard, and we fully appreciate its impact. We recognize that there is a human element to change, and

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we will pay close attention to it in implementing these actions to maintain our service and support to the nation, to our war fighters and the families and communities that support them.

The Congress also appreciated the impact of these actions, as demonstrated by their authorization of a six-year implementation period. While our analysis was conducted within a tight series of hard dates in arriving at our recommendations, we will, in fact, use all of the flexibility provided by the statutory six-year period to ensure we accommodate near-term operational considerations and to intermix economic and transformational activities in an affordable manner as these recommendations are, in fact, implemented.

In regard to affordability, let me assure you that we have planned for investment throughout the six-year period, and that plan is sufficient to accomplish the forecasted investment of all of the recommendations before you.

In making these recommendations, the department called on its own experience of the previous rounds, as well as the experience of industry in conducting similar actions. I have personally gone through a very similar and significant change, having moved a launch vehicle assembly business and engineering staff from San Diego, California to Denver, Colorado, and I watched as my colleagues in the missiles and secure electronics business in San Diego moved their business units to Tucson, Arizona and elsewhere.

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In total from the peak of business, some 31,000 jobs had moved out of San Diego alone and more from Southern California throughout these actions.

Dominally (ph), these decisions to relocate resulted from commercial decisions to form centers of excellence around product and functional areas, coupled with reducing footprint. Those business units continue to thrive in their new locations, as I fully expected the moves that we require will here, as well. This is the nature of America and why we are all fortunate to be a part of it.

We need your support now to continue the change process that is our hallmark and fully appreciate your part in ensuring these decisions, for the most part, will, in fact, be implemented.

I would now like to address three overarching issues and then one specific issue before I yield the podium to my colleagues. Military man power savings, leased space and environmental restoration costs.

First is military man power savings. In a moment, my colleagues will provide specific examples supporting the importance and reality of these savings. But let me first set the stage for them. Simply put, the closure or realignment of an installation frees up resources -- both cash and personnel -- from performing unnecessary actions. The specific BRAC action, in fact, saves the resources, manpower and cash, and the department

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spends that savings by applying the resource to another receiving mission or one that has been stressed or one that has been newly introduced or is emerging.

Restructuring our forces means we manage decreases in specialty codes that have become unnecessary so we can apply and use those resources to built up other areas to meet new or increasing demands. With a nod to the mechanical method associated with our COBRA model, they are labeled as savings because this is all about choosing to redeploy and therefore resource management. Whether it's called savings or cost avoidance, the BRAC action frees up resources for applications to other mission areas and therefore must be reflected in the payback calculation for any specific action.

As to the investment side of this issue, please be assured that we have identified sufficient resources to implement all of the recommendations, even as we plan the reuse of the bulk of the manpower resources over time. We need to carefully flow these resources but are confident that we can achieve the expected returns.

Second, leased space. We are concerned that we should pay attention where it makes sense to own rather than lease. We note that as a result of the '95 action, the Navy consolidated at the Navy Yard. And the cry was at that time that Crystal City would close down. In fact, both areas are now vibrant with activity.

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When considering the facility rules we have to play by, leased space always seems like an easy solution for which -- which is, by design, instantly available for application of resources. Over time, this piecemeal implementation grows unwieldy and inefficient. Every so often, both corporations, as well as the department, need to reevaluate and rebalance.

Additionally, recent experience has added the challenging requirement for providing increased force protection for our work force. And that consideration is now a part of the ongoing evaluation for where is the right place to house similar functions to not only gain from the synergy of consolidation or co-location, but the savings afforded through ownership or backfilling operations that can be consolidated separately.

In our analysis, we took a first-time overarching look at our existing administrative space capacity and found significant opportunities on board our guarded installations. These locations offer many significant long- term benefits over our fragmented use of leased space and bring significant savings to the tax payer.

Now to environmental restoration. Consistent with practice in the prior BRAC rounds, the department did not include environmental restoration costs in the cost of closure calculations because we have a legal obligation to perform environmental restoration regardless of whether a base is closed, realigned or remained open. Environmental restoration costs are

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not cost attributable to the closure or realignment action. Further, it would make no sense to penalize a site for being clean and potentially cause our forces to end up with a collection of sites worse off than when we started if we were to close only the clean sites.

Even though environmental restoration is not a cost of closure or realignment, it is a cost on the department's shoulders. Though some have asserted that we are understating the extent of that cost, the department is committed to being a good steward of the environment. We have a mature restoration program in which installations already have information on environmental conditions with restoration projects identified and at various stages of completion. Required funding and goals have been established to achieve required environmental actions with significant dollars for clean up already invested for the 33 major installations that we propose in this round for closure. As a consequence, about 84 percent of the clean up sites have involved, have completed clean up or have a clean up remedy in place. This contrasts with the situation in 1995 where a majority of the clean up funding was, in fact, focused on just characterizing contamination and identifying the environmental issues at installation closed in prior rounds.

Lastly, a word on Oceana. I would ask the Commission to consider the enormous consequence to operations that would occur

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from the movement of a master jet base from its current location. I will be joined shortly by the vice chief of Naval operation in asking that the Commission reject any relocation of the master jet base. Recognizing that there is a follow-on hearing today on this issue, we simply want to reaffirm this position to the Commission.

Let me close by offering a salute to each affected community and thank them for their service to our nation, both now and in the future. After my colleagues have offered their opening remarks, we are all prepared to answer your specific questions.

I will now yield to my colleagues, and again, thank you for this opportunity and for the specific service that you are rendering.

MR. PRINCIPI: Well thank you, Mr. Secretary. And I certainly want to express the appreciation of this entire Commission, both commissioners and staff, for the tremendous degree of cooperation and assistance the department has provided to us over the past several, several months.

MR. PRINCIPI: Thank you.

MR. WYNNE: Dr. Harvey?

MR. HARVEY: Thank you, Mike.

Chairman Principi, distinguished members of the Commission, I appreciate the opportunity to be here today to provide additional testimony on the Army's portion of the Secretary of Defense's BRAC recommendations and to address some of your specific concerns.

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Seated with me is Lieutenant General Dave Barno, our assistant chief of staff for installation management. As my May 18th testimony described, the Army has taken a very thoughtful and deliberate approach to our overall BRAC effort. We developed an overarching strategic framework, analyzed all relevant data, consulted with appropriate stakeholders and weighed the impact of these recommendations very carefully. Our list of recommendations represents the installations and facilities with the highest military value, and we are confident that they best facilitate transformation of the total force -- active, Guard and Reserve.

As you know, we are a nation at war, and the Army's commitment to comprehensively transform to a force that is more expeditionary, joint, rapidly deployable, flexible and adaptive, is critically dependent on our ability to train, equip, maintain and deploy from a portfolio of installations that are best postured to meet the strategic and operational challenges of the 21st century.

In the context of this strategic framework, the Army submitted its BRAC recommendations to the secretary of Defense in six objective categories.

First, realignment of the operational forces of the active Army, including units returning from overseas.

Second, transformation of the reserve component, including realignment or closure of facilities in order to reshape command-

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and-control functions and force structure and create multi-component armed forces reserve centers.

Third, realignment or closure of installations to consolidate headquarters and other activities into joint or multi-functional installations.

Fourth, realignment of installations to create joint and Army training centers of excellence.

Fifth, transformation of material and logistics to include realigning or closing installations in order to integrate critical munitions operations, depot-leveled maintenance and material-management capabilities.

And finally, realignment of DOD research development acquisition testing and evaluation organizations to create Army and joint centers of excellence that enhance mission accomplishment and reduce cost and schedule.

Since we've submitted our BRAC recommendations, we've had a continuous and very productive dialogue with the Commission. We appreciate the Commission's insight, and we hope we have addressed your concerns.

A number of the concerns require amplification, and I will devote the remainder of my opening statement to these issues.

Under the objective of transforming DOD research, development acquisition, testing and evaluation organizations into Army and joint centers of excellence, we have recommended the closing of

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Fort Monmouth and the consolidations of its functions at Aberdeen Proving Ground as part of a so-called C4 ISR center of excellence. The military value of Aberdeen Proving Ground, using the criteria contained in the Army's holistic military value assessment, is significantly higher than Fort Monmouth because it has the multi-functional qualities, capabilities and capacity we need.

Furthermore, there are significant advantages in cost, schedule and technical effectiveness when all the functions involved in developing and fielding new or improved products are located in one location. These advantages translate into providing enhanced capability to the war fighter quicker and at minimum cost.

We do not see the so-called loss of intellectual capital as a significant issue. In my previous corporate experience, I know that this aspect is something you can plan for, and in many cases, it provides the means for an influx of new intellectual capital.

Further, our analysis shows that Maryland has among the highest- quality work forces and that nearly half a million professionals working in management, business, computer, mathematics, science and engineering live within a 75-mile radius of Aberdeen.

Lastly, the net present value savings of closing Fort Monmouth exceed $1 billion, and the loss of jobs constitutes only

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0.8 percent of employment in Edison County, New Jersey metropolitan division.

With reference to the Commission's concern about consolidating the headquarters Army Test and Evaluation Command at Aberdeen, the Army stands behind this recommendation because it supports our goal of creating the so-called C4-ISR center of excellence and a center for soldier-focused systems. Under our plan, the Army Test and Evaluation Command headquarters will be consolidated at Aberdeen with its other components that are already there. Test and Evaluation Command will be co-located with Army evaluation center, the communications electronic research development and engineering center, the communications electronic command and other research development acquisition in testing and evaluation activities, thus also making Aberdeen the center for soldier-focused systems.

These activities include human systems, information systems, sensor and electronics, medical-chemical defense research and chem-bio defense. Again, we gain significant increases in intellectual -- excuse me, in intellectual synergy, in operating efficiencies when organizations with complimentary functions are co-located.

Lastly, we do not see the movement of the Test and Evaluation Command out of the national capital region as a significant issue. It's important to remember that Aberdeen is approximately 75 miles

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north of Washington, DC and that many Test and Evaluation Command units are already stationed there. The choice of Aberdeen Proving Ground properly balances the benefit of unified command and control, multi-functional co-location and proximity to headquarters Department of the Army.

Regarding our objective to transform material and logistics, the Army stands by the recommendations to close the Red River and Hawthorn Army Depots and the River Bank Kansas and Lonestar Ammunition plants and move their functions to installations with higher military value. Of these Army ammunitions plants -- excuse me, each of these Army ammunitions plants has a utilitization rate of just five percent.

Furthermore, overall excess capacity and ammo production currently exceeds 200 percent. Under the DOD recommendations, the workloads at River Bank, Kansas and Lonestar will be moved to other ammunition plants, which are multi-functional, resulting in greater efficiencies, higher utilization rates and savings in manpower and overhead.

Additionally, we do not believe privatization of these ammunition plants is a viable alternative. There would be zero cost savings, as privatization would simply result in change of ownership while leaving the industrial base and the corresponding significant overcapacity unchanged.

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With respect to closing Red River Army Depot, this will enable DOD to consolidate workloads to installations with higher military value and into existing centers of industrial and technical excellence, while retaining more than adequate depot maintenance capacity to meet all surge requirements.

For example, in fiscal year '05, the planned workload for the DOD ground depot maintenance complex is 12.2 million direct labor hours. The current ground depot maintenance maximum capacity, computed at one and a half shifts, is 27.6 million direct labor hours. Of note, the maximum ground depot maintenance workload since World War II was 18 million direct labor hours in 1992 following Operation Desert Storm. With the closure of Red River, the total DOD ground depot maintenance work load capacity will still be 24.5 million direct labor hours; that's 36 percent above the high- water mark in 1992.

Finally, closing Red River will save more than a half a billion dollars in net present value.

Concerning Hawthorn Army Depot, it is important to remember that this is a limited-purpose installation with minimal training capacity. In the Army's role as the single manager for conventional ammunition, our goal is to transform installations dealing with munitions into multi-functional facilities that can produce, maintain, demilitarize, store and distribute munitions to all services.

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Hawthorn Army Depot only provides storage and demilitarization functions that can be accomplished better elsewhere, and closing it will generate more than three quarters of a billion dollars in net present value savings.

In addition, while the employment impact of closing Hawthorn on the local community is clearly an important consideration, based on the Reno- Sparks, Nevada metropolitan statistical area, our analysis shows that closing Hawthorn will result in a job reduction of less than 0.1 percent.

The final concern I will address this morning is the recommendation to create an Army Human Resource Center of Excellence at Fort Knox. In short, we need this center of excellence to help the Army meet future personnel challenges in recruiting and retention. Our analysis shows that Fort Knox has adequate space, facilities and information technology infrastructure to accommodate this recommendation. But more importantly, the consolidation of the human resource organizations to one location, to include the Army personnel center, accessions command, recruiting command and cadet command, will increase intellectual synergy, reduce overhead and improve efficiency.

Fort Knox will also be the home of one of the Army's newest brigade combat team units of action. Besides the enhanced force protection provided at Fort Knox, there is a significant benefit to having Army personnel involved in recruiting and retention to

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be able to readily interact with and receive input from personnel in the operational Army.

These factors make Fort Knox a better choice than the Commission's suggestion of St. Louis.

In closing and in addition to what I have just discussed, our BRAC recommendations will facilitate transformation of the operational Army through significant personnel savings.

Under BRAC 2005, our recommendations result in the reduction of over 6,700 civilian positions. In addition, over 5,800 soldier authorizations from the active component and over 1,200 soldier authorizations from the reserve component will be eliminated.

The elimination of these soldier authorizations generate 1.1 billion (dollars) in annual savings. These savings are an important subset of the $7.6 billion in 20-year net savings that will be applied to personnel and equipment for our new brigade combat teams and support units of action, to include maintenance, training and infrastructure.

In this way, military personnel savings are every bit as essential as any other BRAC savings, and they are a key component in reshaping Army force structure.

Equally important, our BRAC recommendations are inextricably tied to Army transformation, and specifically the Army modular force initiative, because they provide the optimum infrastructure

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to stand up, train, support and rapidly deploy brigade combat teams, which are the centerpiece of the Army modular force.

Changes to the Army's recommendations will in turn adversely effect our ability to transform to the Army of the future, an Army that is better able to meet the dangerous and complex challenges of the 21st century security environment.

As always, I appreciate the BRAC Commission's thoughtful insights and the productive dialogue.

Thank you for your service to our country. I look forward to answering your questions.

MR. PRINCIPI: Thank you, Mr. Secretary.

MR. WYNNE: General Jumper?

GEN. JUMPER: Mr. Chairman, distinguished members of the Commission, I am pleased to join Secretary Wynne and Secretary Harvey and my other colleagues to testify before you today on the department's recommendations and to address any questions that you might have.

As I've testified in the past, we in the Air Force see this BRAC round as a significant step in our journey -- continuing journey -- of transformation. Giving us the ability to respond to emerging missions, the missions that are more in demand around the world today, and this is the most significant opportunity we have to take these steps in my 39 years of service.

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The Air Force continues this transformation. We started back in 1994 into an expeditionary Air Force, able to deal with emerging missions in a changed security environment, and this is the opportunity we must seize to get this BRAC round right.

In all likelihood, this round of closures and realignments represents the last opportunity we'll have in a generation to reset our forces and prepare to meet the challenges of the 21st century, and, of course, the stakes are high.

And as I note that you all have discovered in comparing this with previous BRAC rounds, while there are similarities, there are also major differences.

In previous BRAC rounds, just taking the Air Force as an example, the Air Force ranked from over 600,000 personnel in 1988 to under 400,000 by 1995. The BRAC rounds were a consequence of basing those reductions on decisions that had already been made. Over that period, we closed 25 active-duty bases -- 25 active-duty bases -- three reserve bases and one Air National Guard base.

As I sit before you today, the active-duty Air Force is made up of 360,000 airmen, a 10 percent reduction from the 40 percent reduction. It's a 10 percent reduction from 1995, the last round.

The recommendations before you today, we think, are proactive. They don't just accommodate plan reductions; instead, they allow us to reset our force, anticipating the challenges and establishing the organizations we need for the future.

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In addition, many of the platforms central to previous BRAC rounds, the F-16s, the F-117s, the F-15s, C-130s, KC-135s, are beginning to retire, replaced by smaller, more capable fleets. As this occurs, our reserve component must remain a relevant and engaged part of our total force, providing the Air Force with an efficient and effective means to meet new challenges.

We expect the ongoing Quadrennial Defense Review to further define the nature and extent of these missions.

There are four points I'd like to make today.

First, the Air Force recommendations are strategy based and capability based. We have anticipated this opportunity and worked hard for nearly four years to get this right. And I believe we have.

We know we'll be a smaller force. For example, we'll have 20 percent fewer fighter aircraft, but we'll be a more lethal force, thanks to the advancements in technology of these airplanes that we're taking on board these new systems.

We know we're going to have to create savings in order to shift resources to join enabling capabilities, like information warfare, space and unmanned systems. We know that -- we know where and when and how we station our forces must change in order to enable this transformation demanded by the new security environment. The force-structure decisions that we'll make as part of the Quadrennial Defense Review will affect the Air Force

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for the next 30 or 40 years, and the BRAC decisions that you all make and recommend, as the Chairman said, will affect our base structures for the next two decades, at least, and well into the future.

Second, our recommendations support the intent of BRAC, which is to divest the Air Force of infrastructure it no longer needs, while improving the overall effectiveness and military value of the retained assets. We reduce overhead by turning over 4.1 million square yards of ramp space and 38 million square feet of facilities. At the same time, we free up about 12,000 manpower slots, which we can draw on, as Secretary Wynne said, for future missions or take as savings.

We conserve scarce resources by recommending an investment of less than $2 billion that produces more than $14 billion in savings. These actions tangibly contribute to ensuring the Air Force is ready to part of the joint fight and to go win the nation's wars.

Third, the Air Guard and the Air Force Reserve are integral parts of the Air Force. Maintaining an optimum mix of manpower and missions among components is key to their continued relevance and critical to their contribution to the finest Air Force in the world.

We have applied rigorous analysis and hard-won military judgment to place the right forces, organize the right ways and at

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the best combination of bases that we can come up with. We make our recommendations as a single total force, active Guard and Reserve, and not just as a combination of individual components or representatives.

And, Mr. Chairman, in that regard, let me just say that we don't consider disagreements with a few of the adjutants general out there in the states as a rift between the Air National Guard and the United States Air Force. We have been in touch with the Air National Guard and the Guard Bureau throughout this process, and I don't think that there is a chasm out there that has to be breeched.

We remain convinced that the department's recommendations affecting the Air National Guard satisfy all the applicable legal requirements and are consistent with prior BRAC actions.

Finally, how you organize can be just as powerful as where and what you organize. Our smaller force, our continued reliance on the skilled airmen of the Guard and the Reserve and the need to free up resources to adapt to a changing world demand that we restore our squadrons to more effective sizes.

We know what to do, and we need to act. By creating innovative organizational and basing solutions, capitalizing on joint opportunities where it makes sense, reducing inefficiencies and freeing valuable resources, the Air Force has taken bold steps

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to reshape the Force and institutionalize the changes needed to transform the nation's air and space forces.

Sir, I commend the Commission for taking on this difficult challenge and doing such a superb job, as we've seen you out among our bases, doing your work in a most diligent way, and we -- I commend you for that.

Change is not easy, and we know that. But we have to have the courage to take the steps that we think need to be taken. It is my conviction that the Air Force recommendations taken together with the other services recommendations are the right thing to do for the nation.

Many of us feel the impact as a result of these decisions, as you have testified before. I grew up in the Air Force, as my dad came up through the ranks. I've lived at many of these bases that we're discussing here today. It is very personal with me. The communities out there are absolutely outstanding in their support, and we love them all. But this is the time for tough and bold decisions.

Sir, let me again thank you for the diligence of this Commission and the hard work that you have done, the challenge that you face, and I stand ready to take any questions at the appropriate time, sir.

Thank you.

MR. PRINCIPI: Thank you, General.

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MR. WYNNE: Admiral Willard?

ADM. WILLARD: Good morning, Chairman Principi, distinguished members of the Commission. It's a privilege to appear before you this morning. I'm grateful for the opportunity to contribute to the vital work you're doing on behalf of our nation, and the Navy fully supports your efforts to strengthen our national security.

I know that in the end, this process will achieve the best possible outcome for this country.

The Navy's BRAC recommendations are a thoughtful, well analyzed and fully integrated proposal to achieve our transformation goals. As you're well aware, this has been a multi-year process in which we've carefully scrutinized the whole of our infrastructure. The data you were provided was carefully collected and analyzed over many months and many, many man hours. Our closure and realignment list isn't based on emotion, warfare community interests, or conjecture; rather, every closure, every consolidation and every intact installation represents an important element in a future Navy and joint infrastructure that will serve this nation best.

Importantly the closures rid the Navy of longstanding excess infrastructure to result in savings that will enable us to recapitalize this nation's fleet.

In the spirit of collaboration that this Commission has established, I'd like to share several Navy-specific objectives

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with you this morning. These are in addition to achieving BRAC published criteria.

The Navy seeks to free up resources for recapitalization; align Department of Navy infrastructure to best support our fleet response plan, joint sea-basing concepts and our role in homeland security and homeland defense; realign assets to maximize the use of fleet concentration area capacity and still maintain our fleet dispersal; facilitate active and reserve component integration; and accommodate the 20-year force structure plan, including the advent of future platforms, such as littoral combat ship, joint strike fighter, Virginia and our advance destroyer concepts.

Navy's BRAC proposal will not only achieve these objectives, but it will yield a savings of $7 billion over 20 years. This includes a tenant BRAC manpower savings, which are an integral part of Navy's strategy to continue on a controlled, man-powered downslope to reshape our future force.

Navy remains committed to its BRAC recommendations. The realization of these savings and their associated military value is contingent upon both the sum and synergy of this submission. No single installation was considered in a vacuum; however, certain recommendations contribute to the bulk of our savings and therefore deserve emphasis.

Closure of submarine base New London will generate in excess of $1 billion over 20 years. Additionally, we will maintain

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strategic dispersal of our submarine force, while accommodating Navy force structure, both now and in the future.

Our longstanding pure space and base excesses must be reduced. This was a fundamental objective for this BRAC round. The closure of sub base New London and the strategic repositioning of our attack submarines and related infrastructure will accomplish this.

Similarly, closure of Naval Stations Pascagoula and Ingleside and the realignment of Naval Air Station Corpus Christi eliminate excess capacity and align assets to fleet concentration areas. These actions will also save in excess of $1 billion over 20 years.

By closing Portsmouth Naval Shipyard, we will eliminate excess capacity and retain strategic shipyard dispersal, while preserving sufficient capacity to satisfy ship maintenance requirements. This action will once again save us more than $1 billion over 20 years.

Realignment of Naval Air Station Brunswick retains a vital strategic presence for our nation, while preserving $238 million in savings over 20 years.

These five recommendations constitute 60 percent of the savings the Department of Navy is counting on to recapitalize our future fleet, in two alone, New London and Portsmouth, represent 38 percent of the almost $7 billion to be saved over 20 years.

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In addition to the department's recommendations, the Commission is considering certain proposals which, if put into practice, would threaten the equilibrium of our maritime forces.

Naval Air Station Oceana remains the most effective location for an East Coast Master Jet Base. While relocation may lessen an encroachment challenge in the near term, the associated costs would surely impede fleet recapitalization. Such an action would yield zero savings and provide no return on investment, all in an attempt to replicate the operational readiness and training attributes that currently exist and are valued at Oceana.

Navy's Broadway complex is not excess to our needs, and legislative authorities outside the BRAC process provide less risky mechanisms for its redevelopment.

Navy is committed to working with the city of San Diego to provide a win-win solution that is in the best interest of national defense.

The BRAC process has forced Navy to make some difficult choices. Some of those choices compel us to leave places that we have called home for many years.

For the good of our national defense, these decisions must be made, in spite of the generous contributions these communities have made to our Navy.

By making these difficult choices, we aim to do our duty to the American taxpayer and to our sailors and Marines by providing

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the best posture for maritime operations, affordability, efficiency and effectiveness.

Thank you for your dedicated service on this Commission. And I look forward to your questions.

MR. PRINCIPI: Thank you, General Willard -- Admiral Willard, I'm sorry.

MR. WYNNE: Admiral Chanik?

ADM. CHANIK: Thank you, Mr. Chairman, and members of the Base Closure and Realignment Commission for the opportunity to testify.

Since you've just heard from Secretary Wynne, Secretary Harvey, General Jumper and Admiral Willard, who have discussed in some detail some of the issues that might be before us today, I will keep my comments brief and focus on just two general points to serve as a wrap-up to the words that you've heard so far.

As General Myers stated before the Commission on the 16th of May, the 2005 BRAC is vital to ensuring that the United States has the best trained, best equipped military to meet the threats and challenges of the 21st century. BRAC will enhance our flexibility and effectiveness by enabling the department to continue to transform and reshape the Force to better serve our nation.

First, as others have, I would like to emphasize the importance of military manpower savings.

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The excess infrastructure capacity in the department today requires resources both in the form of funds and personnel. By eliminating this excess capacity through base closures and realignments, we are able to free those resources for other uses.

In particular, freed military personnel, who, without a doubt, are our most important asset, will be a critical resource used by the services to transform and reshape the Force.

The Army will shift their freed manpower to its new brigade combat teams and units of action as they transform to a modular Army.

The Navy's military personnel reductions will contribute to their overall manpower reductions outlined in the force structure plan.

And the Air Force will be able to support emerging missions and shore up stressed career fields.

Military personnel that are freed through the department's closure and realignment recommendations will serve to transform our department and generate war-fighting capabilities for the combatant commanders.

Secondly, I believe the process the Department has utilized over the last several years to develop the secretary's recommendations to you was inclusive, rigorous, thorough and integrated. The force-structure plan submitted to Congress and the Commission underpins those recommendations. In accordance

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with legislation, the plan is based on an assessment of the probable threats to U.S. national security during the 20-year period beginning with fiscal year 2005, the probable end-strength levels and major force units needed to meet the threats and the anticipated levels of funding that will be available for national defense purposes during that period.

The joint staff was assigned the responsibility for developing the force structure plan. During our coordination process, offices within the services, joint staff and the office of the secretary of Defense provided input and feedback to arrive at the final force structure plan.

A key part of the development process was the review and approval of the classified threat assessment by the Defense Warning Office within the Defense Intelligence Agency.

That plan served as a cornerstone input document to the services and the joint cross-service groups as they conducted analysis and developed their recommendations. During the development process, we enjoyed full joint and senior-level involvement from across the armed forces, to include the combatant commands.

The combatant commands review of all the service and joint cross- service group recommendations, providing inputs and comments throughout the process to include a final review of the recommendations before final approval by the secretary.

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Their input ensured the perspectives of our senior war fighters were fully considered. Those perspectives were critically important when considering the homeland defense mission. Both the commander of Northern Command and the commander of Pacific Command believe those recommendations preserve their ability to protect the homeland and support civil authorities.

The meticulous process used to arrive at the secretary's recommendations gives us confidence that they are right for the department and the nation. We appreciate the Commission's responsibility to analyze those recommendations, and we request your support in your final deliberations.

Whether it be defending the homeland or reshaping our force to meet future security challenges, the support of the American people is absolutely critical. I'd like to recognize the tremendous support our soldiers, sailors, airmen, Marines, Coast Guardsmen and DOD civilians receive every day, now and in the future from those communities across our country.

I'll close by saying thank you to the Commission for undertaking the difficult task you have before you. Your efforts in this important and necessary work will assist in transforming our military for the 21st century.

I look forward to your responding to your questions and thank you.

MR. PRINCIPI: Thank you, Admiral.

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MR. WYNNE: Mr. Chairman, this concludes the remarks that I and my colleagues have.

May I only summarize by saying that we stand behind each of the recommendations that the secretary has submitted to you. We appreciate the effort that has gone into the review, the deliberations and, again, we appreciate the support of all the communities, and we acknowledge that change is very hard, as we move into the 21st century from a force structure that was essentially a Cold War infrastructure.

Thank you, Mr. Chairman. We stand ready for your questions.

MR. PRINCIPI: I thank you, Mr. Secretary.

Thank you all, gentlemen, for your testimony this morning.

We'll begin with the questions. I'll ask my colleagues to limit the first round to ten minutes each.

Mr. Secretary, I would like to begin by talking about the military savings that you testified to.

As you know and as we've discussed, the Commission has been troubled by the amount of savings attributed to the elimination of military personnel. I certainly understand the need to move people from one base to another base to meet new mission requirements for a host of reasons that are important to our military. Indeed, you do that everyday short of closing an entire military base.

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But I need to better understand this concept of personnel savings. And let's take -- let's just take one soldier. And what happens to that soldier affected by a closure or realignment.

Is he or she released from active duty? If not, who's going to pay that soldier's salary, benefits, PCS costs, if you're counting those costs as savings? And are you going to reduce your end strength by that soldier?

So I understand the business case, the military case, but looking at it from an accounting perspective, can you help me understand how they are true savings to you that you can use to recapitalize the military, whether it be buying new aircraft or buying new ships or Army equipment?

MR. WYNNE: Let me start, sir, by stating that in a corporate life, when you close a division in order to dedicate its resources to opening a new marketplace or a new division or enterprise, you do count all of the personnel savings that are there, even though there may be some transfers to support the new business operation.

When you go to the corporate controller and you ask, I want to service this new mission, the corporate controller will ask you where are your sources? You identify those sources as being personnel and property and asset coming from one area of the company. You may hire brand new; you may not hire brand new; you may need all the people; you may not need all the people.

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In the military, it's little different. When I go to the comptroller and I say that I have a new or emerging mission, the comptroller looks at me and asks me where are the sources? Those sources have to be managed individually. As we identify these each specific actions, the sources must be identified and those specific actions. So for a closure or a realignment, I must manage that resource, as precious as it is. And, in fact, the military personnel are our most precious resource, we must manage them down in one speciality code and up in another.

If, for example, I am transferring an F-16 pilot to be a UAV pilot, I am not sure it is going to be the same person, because they may not be or want the skill level that is required in the new field.

The Air Force has also a new cyberspace mission. I will say that converting a pilot or a mechanic into a cyberspace mission might be a very difficult thing, so what you are doing is essentially replicating in the corporate arena a downsizing of one of the corporate assets and an up sizing of another.

I think Secretary Harvey would like to also add to this logic for you.

MR. HARVEY: Mr. Chairman, to get into a little bit of the mechanics, if you take the Army -- it's really there's two Armies. There's the operational Army and there's the institutional Army. And we are growing the operational Army by approximately 30,000

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people. And that's going to happen in the near term. And the savings that I talked about in manpower are the institutional Army, and they will -- so we grow, we grow, and we've planned for that in the future. Your defense program and then the reductions that will happen in the out years are absolute savings. Those soldiers will not be replaced, so we will be growing the operational Army by 30,000 and then subsequently reducing the institutional Army by the numbers that I talked about, approximately 6,000.

So those are absolute dollar savings to us the way we have programmed in the future, your defense program.

MR. WYNNE: Now, I will say Mr. Chairman, that there is words on cost avoidance; there are words on savings.

In the absolute sense, if we save a dollar of resources by not having to pay a guard at one of our closed installations, it may not result in that dollar being absolutely saved by the taxpayer. It will result, perhaps, in that dollar being reapplied into another -- a more stressed operational element.

In the same way, when we save a military personnel item, it is our choice and therefore our management responsibility to assign that savings to a more specific location that is, in fact, stressed.

Under capital budgeting rules, you need to identify and manage everyone of your resources and everyone of your asset

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classes. Personnel is our most important asset class, and it is not just civilian, but also military.

MR. PRINCIPI: Well I certainly don't disagree with you about the importance of our military personnel. They are indeed our most important national resource. I guess I still remain somewhat skeptical because I think at the end of the day, the bottom line shows that you have not saved any dollars.

And I don't argue against the importance of efficiency and about moving people and about transformation; they're all very important. And what concerns me is that, if indeed there are no military savings, then your net present value savings over 20 years is not $49 billion, it's $14 billion and you're going to be spending $24 billion to save less than $15 billion. And I think --

MR. WYNNE: When they say, sir, that the --

MR. PRINCIPI: --- that's important.

MR. WYNNE: -- that the reapplication of any asset is, of course, up to management of an operation. And the fact that we are forecasting a reapplication of these resources does not diminish the fact that we have set aside sufficient investment dollars to, in fact, realign, reshape and recast our force structure in the locations where we think they'll bring the greatest operational effectiveness and efficiencies.

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Leaving those assets stranded in geographic locations that have no relationship to where the future warfare would be fought is not an acceptable alternative to shaping a future force.

And so when you see the savings -- we must manage down, for example, any military that is stationed at Hawthorn or any military that is stationed at Red River, very similar to the way we would manage down any civilian assets and personnel that are out at Hawthorn or at Red River.

And I recognize you're looking very closely at National Guard elements, but, frankly, I was an Air Force reservist for awhile. I chose not to go to a new station. I chose to leave the reserves when my station was changed. We will have those opt outs. Right now, we can't forecast those opt outs. We can only forecast that everyone who is currently a member of our military family will remain a member of our military family. Just as I must say in many cases that you've heard we will not move, we have had to forecast that everyone associated with that, that we think is necessary to the mission will, in fact, move.

And so we have constrained by the forecast that we can be made. We cannot make decisions on behalf of our defense family, nor on behalf of our military family. They have to make those decisions individually.

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But I would say to you sir, please do not leave stranded assets in locations where they are not efficient in an operational sense.

MR. PRINCIPI: Thank you.

One final question. Mr. Secretary, on Oceana you expressed your concerns about the consequences a closure or realignment would have on operations. How would the consequences of this possible closure or realignment differ from the hundreds of closures or realignments that you have recommended to the BRAC Commission?

SEC. WYNNE: In the case of a master jet base, sir, and any time we make a change, but in the case of a master jet base on the -- that is THE master jet base on the East Coast, I think the movement in that squadron and the movement of all the families and the movement of the personnel, I believe, would have an operational impact in that we would see a bathtub in our capability in the near term as we move the base and as we determine the capabilities of any new place that would have to be established.

Would it be an opportunity for us? Any time you make a change. But will you miss some stuff? I think you would. And in that sense, sir, I think you would impose some operational difficulties.

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On some of the remainder, many of the areas we've in fact identified are redundancies in our system. We feel like we can move redundant systems much more effectively than we can pick up a whole mission and move it to a whole different site. So on a redundancy, I already have overlap. Like, for example, when I move from Ellsworth to Dyess, I have already B-1 expertise at Dyess. I do not think I will impact whatsoever the operational mission, because we move pilots and we move mechanics all the time.

MR. PRINCIPI: Thank you.

Congressman Hansen.

MR. HANSEN: Thank you, Mr. Chairman. You know, it's been a very interesting experience to go around the United States and hold these many meetings and have the public and other -- and military people respond to some of the suggestions that you folks have made. One of the things that has been a common thread that isn't even in the selection criteria is homeland security. There's a certain feeling of comfort that people have knowing that there's eight C-130s somewhere in Washington or Oregon, or there's those -- I don't know why -- but the minesweepers at Ingleside, or wherever it may be, the F-16s. And that level of comfort is there that seems to be a great concern now that they see what's happened in England recently, and of course 9/11, all those things. People are very edgy about this. And you folks who wear the uniform and

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are in charge of these organizations, I think you bring that level of comfort to people. It kind of amazes me.

I've been asking the questions, "What good are those C-130s?" And it reminds me of a friend of mine who is a person who's an expert on airplane crashes. People are constantly asking him, where's the best place to sit in an airplane if it crashes? And he always responds and says, tell me how it's going to crash and I'll tell you. Well, they say the same thing. If we knew how a terrorist was going to -- what he was going to do, we would then be in a position to do it. But overall, there's really a great comfort level there. And I don't know why we haven't been able to come to grips with that. And it bothers me because that seems to be the thread that people are talking about when they look at you folks in uniform.

Specifically speaking, as we've gone to different bases -- and General Jumper, we surely appreciate your many years of service, and you've written an enviable record, an outstanding record. But I would like to ask you, if I could: When we visited Eielson up in Alaska, and we talked to a lot of folks up there, the emphasis seemed to be that there really was no savings in that cold area. And some of them said, the way the temperature is, the drywall falls of the walls if you don't heat them, the windows crack, and some of the people in that area and military people say you might as well bulldoze it down rather than keep it in a -- I

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guess it was called a warm status. I would be curious to hear your answer to that, especially when in the Armed Services Committee we always used to say, "How do we set the budget predicated on the threat?" And everyone feels that some of the remaining threats would be Korea, People's Republic of China; and that base is relatively close.

I would also, if I could ask you to respond on Ellsworth. As I have tried to analyze that as best I can, I can't understand the savings on moving those B-1s when there's quite an argument on the idea that you put all your eggs in one basket. And I would be very curious to hear your response on that. You Navy folks, I would like to know what the advantage is of moving out of Ingleside there, a relatively new base. I know you just have minesweepers in there, but the Coast Guard has a piece of it. But you know, the folks down there make a very good argument on the idea that that's the third largest area of that coastline in the Gulf, and they feel hammered a little bit in that regard.

And General Jumper, if I could ask you to respond, I'd appreciate it, sir.

GEN. JUMPER: Sir, thank you for the question. I'll be happy to respond. Sir, beginning with Eielson, Eielson Air Force Base sits in the middle of one of our greatest range assets that we have in the United States of America. We would be doing ourselves a great disservice if we diminished in any way our access to those

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ranges; and access to the ranges not just by the airplanes that might be stationed there in particular, but access to the ranges by our air forces -- not only United States air forces, but our coalition air forces, both from the Pacific and from other places around the world.

In the exercises that we conduct there, we invite air forces from around the world, and what we see is a great appetite, a growing appetite from air forces around the world to come and exercise with the United States Air Force. Traditionally we had done that in places like Red Flag in Nevada. And we will continue to do that. But the capacity at Red Flag is -- we're at the capacity we have at Red Flag, and we still have nations coming and requesting to train with us. And we've been able to absorb some of that capacity up at -- on the ranges in Alaska, and Eielson is right there at the base of those ranges. I know you've seen the maps and you know exactly where it lies.

So, surely it presents some environmental difficulties, but sir, we've been stationed up there for quite a number of years. My dad was stationed at Elmendorf and sat alert up at Eielson when I was a teenager. And we used to visit him up there, and families lived happily up there and have for a long time.

So I think that the military value of those ranges overcome many other considerations. We want access to those ranges, and we will argue that we're doing the right thing by keeping access to

Eielson for units to rotate in there and take advantage of the exercise opportunities.

As far as Ellsworth goes, sir, it's an understandable argument. Our argument is that we require one B-1 base. We have single bases for assets in other categories, like the Joint Stars and the U-2, the F-117, just as examples. To keep two bases open gives us -- requires that we keep more than 1,700 personnel that we would otherwise be able to apply other places or to reduce the force, including over 450 stressed-career field personnel that we could apply immediately to stressed-career fields. So our recommendation that we go to one base is consistent with the way that we work other weapons systems, and will allow us to realize, I think, about $160 million a year in savings.

MR. HANSEN: Thank you, General. Admiral Willard?

ADM. WILLARD: Thank you, sir. With regard to Ingleside, the plan as proposed is to relocate the mine warfare assets that you allude to in the fleet concentration areas in both San Diego and Norfolk. A number of good reasons for that. One, Ingleside represents excess capacity. Secondly, the mine warfare assets being relocated within our fleet concentration areas and with the fleet is consistent with our future operating concepts for countermine warfare, which will integrate mine warfare capabilities into fleet assets instead of holding them separate. Lastly, there is an undersea warfare command in San Diego that is

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attending to anti-submarine warfare, and mine warfare is the other aspect of undersea dominance in our future operating concepts, and it essentially locates both of those activities in a single fleet concentration area. So for a lot of good reasons, the mine warfare community is being redistributed.

To your question of homeland security, the, it's anticipated that both the Coast Guard activity throughout the Gulf as well as our capabilities within Mayport will service the Gulf insofar as our responsibilities to Northern Command in both homeland security and homeland defense.

MR. HANSEN: I think it's your presence. After being all over America and hearing these people, you can't answer specifics. It's the presence that you have, that you're there and that they can turn to you. They feel secure if they see military people. And I don't know, really, the answer to it, but I found it very frustrating, as you go around this country and hear people talk about how they're just not as content as they were, they don't feel -- there's a certain antsy attitude among people. I really don't know the answer to it, but I appreciate you folks and what you do.

Thank you, Mr. Chairman.

MR. PRINCIPI: Thank you, Congressman.

General Hill?

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GEN. HILL: Thank you. I have a couple of questions. One is, we looked at the overall scope of all the Secretary's recommendations. There's a lot of jointness where you're trying to combine things, both in terms of RDT&E, centers of excellence, all of that. I have a couple of specific questions on a couple of the centers of excellence. And they're small issues, but they've been fascinating as we've gone around in all of our discussions.

One is the culinary center of excellence that you're proposing. If you look at it intuitively, you say to yourself, what a great idea. That was my first thought when I first heard it. But when I went out to Lackland and talked to the Air Force, only 2 percent of the curriculum for Air Force cooks matches the Army cooks, because the Air Force doesn't just train cooks, they train a logistics specialist that cooks, drives trucks, does honor guards, does security work, does a lot of different things.

So in point of fact, if you move the Air Force "cooks" to the center of excellence, you are co-locating, not creating a center of excellence in that regard. So I said to myself, well, fine, the Army and the Navy must be very similar. No, because the Army cook buys bread from vendors. The Navy cook makes bread, because they're on boats. So, explain to me why it's going to cost us all this money to co-locate some cooks when there is no synergy involved in it.

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SEC. WYNNE: General, maybe there should be more than there is. We have diverted in our training, and out of -- with all due respect to how each of the military services has generated their cooks -- maybe there should be more specialty than there is. And if the Air Force, for example, has a multi-use individual, maybe that's because they ought to be trained more as cooks.

But I will tell you that I don't know how many cooks are currently driving in Iraq. But we have dedicated Air Force convoys presently. As regards to the Army and the Navy, maybe the Army ought to think about making bread if that's something that is highly desirable. Certainly they ought to be aware of it, because many of the people we train as cooks in fact don't stay with their individual service for that long. And maybe if they come out with a similar specialty code, they ought to have very similar training.

And in the case of the Navy, maybe some of the cooks ought to be logisticians. As those ships come down in crews, maybe they ought to take care a little bit more. I mean, they do a heck of a job with their kitchen supplies. Maybe they could do a great job with, in fact, the ship supplies. All I can say is, I believe there's synergy and there's opportunity, and yes, it is not surprising that all of you went out and found that, gee whiz, we're the best we are for our little specialty code, and if you move us, we will just die.

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MR. PRINCIPI: Maybe the chow's a lot better, that's why we have a weight problem. (Laughter).

ADM. HILL: You know, that isn't...you know, we're kind of being, both of us, a little facetious on this issue. But I thought the same thing as you. Maybe you can, in fact, create some synergy. But what you've got to do is begin to change a complete culture and make everybody's MOS look the same. I think that's very hard to do, and I just bring that one issue up. Because we really do cooking very differently because we are, in fact, different cultures.

And you will not take -- the Army needs specialized cooks, and in order to do that, as does the Navy, they do not need to be trained in doing honor guard stuff. The Air Force, because they do a lot of contracting stuff, in fact do need -- they can make better use of those kind of assets. So it just doesn't jump out at me. And when you ask us to take the dollars that it costs to co-locate all that stuff and make sense of it and then vote on it, that's a different issue. And that was my point to you.

I'll move to another one which is in the realm of the Army. You propose to move the maintenance aircraft, helicopter maintenance training down to Ft. Rucker. And in your explaining it, you say that there's synergy between enlisted aircraft maintenance people and helicopter aviation pilot training. And I

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have a hard time seeing the synergy between those two, so how about, brief me up on that?

MR. HARVEY: My view of that is that you're putting a supplier and a customer together. And I found in my own corporate career that we used to -- we have field engineers and we have design engineers, and we had -- that was an open loop in the operations that I was running, and we closed that loop by co-locating and rotating certain field engineers to be part of the design process. And the maintenance serves the user, serves the pilot, and the view is that we will get a better, safer product.

And, of course, these are, you know these are, General, these are qualitative, intangible arguments by -- but when you put people and co-locate them together, you get a synergy, you get a reduction in cycle time, you get a better product. And so that's kind of the philosophical underpinning of what we're talking about. And that also applies to RD&A & T&E. And so, you know, in my own life I find it hard enough to manage that process to get an end product, and when they're separated by several hundred miles, it even makes that more difficult. So that's the philosophical underpinning of why we suggest it.

SEC. WYNNE: In fact, General Hill, the -- I'm pushing reliability tremendously. And the helicopters are going to the Health, Monitoring and Maintenance system, the HMM system, that you have. If you've seen it on Chinook, it almost blurs the line

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between pilot operations and maintenance activity, and begins to have them actually learn on the same equipment as far as filling out the computational thing and seeing how their flying abilities affects maintenance activities.

We're doing the same thing within the context of the Navy pit stop on carriers where the maintenance people and the pilots have to go through some kind of training on the same equipment, because the reliability of the system depends upon them understanding each other's role that they have to play, very similar to where you see a race car driver have to stop at the right pit stop at the right place. He's got to train a little bit on how to handle his car. I think this is where we're coming from, is the whole concept of maintenance is changing fairly dramatically.

ADM. HILL: Then the proposal that says, it's a $290 million investment with a payback of only 45 years, so then that investment, in your view, then, is worth combining those for whatever synergy that you hope to get out of that?

SEC. HARVEY: That's not exactly the best business case I've ever seen, General, there's no question about it. But again, for reasons that Secretary Wynne talked about, and, as we know in flight systems, reliability, meantime between failure, meantime between repair, all those elements are so important. And, as Mike said, we've also got to educate the pilot in these on-time, these maintenance systems.

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And so the concept's changing. The business case is not good. It's -- we thought a lot about that. You know, it was worse, it got better, but we're into intangibles here, for sure.

ADM. HILL: Okay. Let me -- as you looked at Aberdeen, and for the most part, I think the Aberdeen proposal's very solid. But I do have one question I'd like to have some amplification on, that's the movement of the night vision labs from Belvoir to Aberdeen. To my unintended eye, it doesn't make a lot of sense to me, especially from a business sense. Please help me with that.

SEC. HARVEY: They're part of the information sensor and electronics component. As you know, the force of the future is going to be a networked force. We use the term network-centric warfare. So that's kind of the vision, that's the future. The night vision lab, specifically, and the information electronic and sensor people in general, are an integral part of that. So we're trying to put all that capability, everything to do with communications and information infrastructure, which is soldier-centric in one spot.

And again, from my own experience, I spent most of my corporate career, like 98 percent of it, involved in technology development, transfer and commercialization, and I can tell you when you have groups involved in each of those complementary functions separated, it takes longer and it costs more money, plain and simple. So we want to get them together, and as you --

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when you're in a management position, we like to say, you guys get in a room and get along and give me a solution, with the testers, the acquisition people. We certainly -- we have to have design to produce, design for reliability. All those things happen when you get the acquisition people, with the R&D people, you get the testers together with the development people.

When you have them apart -- as I like to say, the design development process is not exactly the prettiest process in the world. It's a resolution of conflict. It's a conflict between requirements, cost, schedule. You've got to get that all together. You've got to manage it. And when people are apart, it just makes it that much more difficult.

SEC. WYNNE: I would also tell you, General Hill, that the -- I was just out at DARPATech. The helmet is changing. It's now a (multi-end ?) helmet. They are in the IR spectrum. They're not even in some of the other spectra that's inside that helmet. We absolutely -- the technology is moving more and more towards physics and network-centric. And frankly, while they're very protective of their specific specialty code, they know that the whole thing's moving towards physics, and they've got to get together with people who are working that problem.

ADM. HILL: Thank you, Mr. Chairman

MR. PRINCIPI: Thank you. Admiral Gehman?

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ADM. GEHMAN: Thank you, Mr. Chairman. Admiral Willard, and I think maybe Admiral Chanik, this question is addressed to you. As regard to the Gulf part of the United States, it's your -- I want you to reaffirm to this panel that the moving from, essentially four Navy bases, Boca (Chiki ?) to Key West, Pensacola, Pascagoula and Ingleside, down to two bases is satisfactory from the Joint Staff point of view, and Homeland Defense, and satisfactory from the Navy's point of view as far as presence is concerned. And if I don't have the numbers right, or if I haven't got the bases right, straighten me out.

ADM. WILLARD: Sir, the answer, the short answer is, yes, it's satisfactory. The specific question you're asking was a specific question that was raised at the end point of our deliberations on BRAC before making the submission to you. They -- we looked at homeland defense, homeland security in particular, notwithstanding just military presence on the Gulf, not just Navy presence.

And we conferred with Northern Command, and I'll defer to Admiral Chanik to talk a little bit about that. But in the course of those deliberations, it was concluded that, yes, we're satisfied both with presence and with our commitment to homeland security and homeland defense. Part of that dynamic and calculus is our teaming with Coast Guard in the homeland security role, and

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our proximate bases to afford a homeland defense asset to reach the Gulf within our time lines.

ADM. CHANIK: Sir, I think Admiral Willard really hit the high points there. As we came down towards end game for the submission to the Secretary for him to submit to you, we looked at these issues in particular, closely coordinated with all the combatant commanders, but in particular, with Northern Command and with Pacific Command because of their homeland defense responsibilities. And the Gulf area was one that was looked at in particular, and we made sure from the combatant commander, from NORTHCOM's point of view, that he was comfortable that he could execute his assigned missions with that.

ADM. GEHMAN: Thank you very much. Secretary Wynne, in our travels around the country, we visited many industrial depot-level activities: ammunition storage and demilling, conventional ammunition storage and demilling, vehicle rework and recapitalization, shipyards, aviation industrial kinds of things. And it appeared to us, and local communities all certified to us, that all these enterprises are humming along at 95 percent of capacity, or something like that. And yet, I would like for you to once again certify to us that when you look at the corporate aggregate that you have substantial excess capacity in these areas and you want it reduced.

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SEC. WYNNE: Thank you, very much, Admiral Gehman. The current workload in millions of direct labor hours is approximately 12.2. The existing capacity of one-and-a-half shifts is approximately 27 million hours. One of the difficulties we've had is actually rearranging the operation so that we can gain maximum efficiencies out of the operations.

Second, the type of work that is being done is phenomenal, supporting a war effort in a specific theater of operations for a specific cause. It was not that way after Desert Storm. There was something different. And then, as Secretary Harvey indicated, following Desert Storm, we actually brought back all of the pieces of equipment. In fact, we did not. We -- there's many people that talk about the iron mountain that was left, if you will, in Kuwait.

Here is a case where I think we need maximum flexibility. Some people are going to expect workload that may not come because we, in fact, have choices now that we did not have post-Desert Storm. In effect, we may be leaving some equipment for the Iraqi army to use. Now this hasn't been vetted with anybody, however, there are very high-mileage pieces of equipment, and we have right now built up some on-site depot capability to do this.

That doesn't mean that I don't want to have flexibility, but it really means that now I need to take a look, not next year, but 2, 3, 4, 5, 6, up to 20 years into the future to determine what

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kind of an industrial base do I need. And frankly, what we find is, our forecasts do not -- will yield us almost 36 percent excess capacity following this. And on top of that, that is just one-and-a-half shifts, I have an entire other shift available. So, even now that I have 36 percent, I will actually have an additional 24 percent available to me.

So I guess I will say this: the way it looks from an industrial perspective, and I am the chairman of the industrial cross-service group as well as the chairman of the joint cross-service group, we have, and I can certify to you, we have sufficient capacity in both our demil, for conventional military ammunition and in our ground maintenance. As to the military demil, by the way, which I know they are forecasting the return of munitions from Korea, but one of the things is we're finding out in the demil of equipment that is the mustard gas, the VX, and all of that, is there's a real demand for the communities not to move it. It's very volatile stuff.

And so the question of flexibility here comes to the fore as well. And we may at the time be able to remand some things to people who can actually use these items. So I think it's an issue of flexibility. And I don't mean to imply that the State Department will go along with everything I say, but at the same time, I think if we give them the flexibility, they very well might.

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ADM. GEHMAN: Thank you very much. Admiral Willard, if the Navy -- Oceana question. If the Navy is able to build its outlying field in Washington County, North Carolina, that the EIS that you've submitted for that field out there, permits the pilots to fly the exact approach pattern around the carrier, including altitudes and speeds, and therefore, there will be no difference between flying around the outlying field and flying around the carrier. Is that correct?

ADM. WILLARD: That's correct.

ADM. GEHMAN: So that eliminates that problem for the pilots at Oceana. It doesn't change it for Oceana, but it changes it for the pilots at Oceana.

ADM. WILLARD: That's correct. The current outlying field that we frequent out of Oceana and conduct field carrier landing practice at requires that we -- do encroach -- a smaller amount of encroachment, requires that we fly a pattern that's about 200 feet higher than the pattern that we fly stringently around the aircraft carrier. So, there is a slight degradation, enough of a degradation that we're seeking an outlying field elsewhere. To your question, the answer is yes, it would permit us to fly the pattern exactly as we fly it at the boat.

ADM. GEHMAN: Thank you very much. General Jumper, as you are aware, we are looking very, very hard at the whole Air National Guard laydown that the department has proposed, and that

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there's some noise, not some noise, a considerable amount of pushback by the governors and the TAGS. If we -- I'd like to read off a set of, kind of principles or rules that at least I am applying when I look at the Air National Guard equation. And if you would like to change one of them or give me some advice, I would appreciate that.

One would be, of course, to follow the military value, or as you call it, MCI, in other words, site the airplanes at the base with the highest MCI. The second is, I would support to the extent possible, the Air Force's desire to optimize the size of the flying units. And, of course, it varies by different type of weapons system. And another one I would be interested in would be to end up with some kind of a common-sense geographic dispersion around the country so that, because these are, of course, state assets part of the time.

And the last one that I would use in my little formula would be, I would eliminate any specific movement by tails from one base to another. In other words, your current plan says, move four of these airplanes from this base to that base. I would eliminate that and simply tell you the bases that are closed, tell you the bases that will be open, and leave it to the department to figure out which tail goes there. Would you like to come back and add any criteria or refute any of mine?

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GEN. JUMPER: Yes, sir, I would. And thank you for that, Admiral. If we don't take the opportunity to implement the recommendation the way it's stated, and we leave the movement by tail to further decisions, then we will not be able to move any of the tails. We have had the experience over a number of years that even moving one airplane out of a base, Active, Guard or Reserve, ends up in significant controversy. So we have submitted the proposal the way we submitted it so we will be able to relocate aircraft in places that we want them relocated for the purposes that are stated, because if we leave the actual dispersion of the aircraft to subsequent decisions, it's going to be almost impossible to do, in my estimation.

ADM. GEHMAN: Mr. Chairman, can I follow up on that just to be clear, even though my time has expired? Can I follow up on that? Just to make sure that I'm clear about the criteria that I mentioned. And I appreciate that answer, and I'm very sympathetic. I understand that. But the criteria that I was suggesting would still say, move all of the airplanes out of Base X, and increase the squadron size at Base Y from 12 to 16. It just wouldn't prescribe that an airplane has to go from one base to another base. Thank you, Mr. Chairman.

You don't need to make a deal right here, General Jumper, sir.

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GEN. JUMPER: You know, I stated it the way I stated it because I think if we -- if I can ask you a question, what's the difference?

ADM. GEHMAN: Well, the difference --

GEN. JUMPER: The way you restated it to me, it sounds like there's no difference than what we submitted.

ADM. GEHMAN: There is...

GEN. JUMPER: There is a difference, and the difference is, we're going to leave the actual movement of aircraft to subsequent decisions, then the reshaping and the repositioning of the force that we think is vital to this BRAC round, and the only way the Air Force is going to be able to do it is then going to be left undone. That's my personal opinion, sir.

ADM. GEHMAN: Thank you.

MR. PRINCIPI: Thank you. General Newton?

GEN. NEWTON: Thank you, sir. Since we're over with the Air Force, General Jumper, we'll stay with you for a moment at least, anyway. I do want to join others, though, and say, thank you very, very much for the great service that you've given to the country and to the Air Force. It certainly has been a real pleasure and an honor for me to have the opportunity to serve with you. And I also thank you for your great leadership of the Air Force at a very, very difficult time.

GEN. JUMPER: Thank you, sir.

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GEN. NEWTON: That's all the paid political announcement at this point, okay? Share with us, because we are dealing, as you can imagine, a lot with the issue of emerging missions, and many of us don't quite understand what that means. And three areas have been specified. Certainly the unmanned systems I think we all pretty much understand that one. But when we're talking cyberspace and other space missions that we can expect in the future, can you share with us a little bit more detail of what those missions might be? Because, again, I think there's some confusion and misunderstanding out there about what that -- what we'd be giving to a given unit when we say there's going to be an emerging mission coming for you?

GEN. JUMPER: Sir, the commission doesn't have enough time for me to outline all that goes into this, but let me try to hit some of the highlights. General Newton will remember that in the construct of our Cold War Air Force, we all knew that in a wing with 3 fighter squadrons, it always took 3 squadrons to make two go. And the wing commander's worst nightmare is that somebody would tell us to deploy all three of our squadrons at one time, which would have been impossible for us to do.

When we did go to war in a contingency operation, we knew that we emptied out a large number of people from our operational units to go augment the air operations centers and the command and control functions that had to stand up in significant numbers and

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deploy forward in order to man those joint headquarters as well as our own air operations centers. And what we have done, and the best example we have is the Reserve unit out in California, the 701st, that is dedicated to deploying over to the Korean scenario and falling in on the air operations center over there, and other joint jobs that are in the joint headquarters over there. General Hill will remember.

They fall in and essentially displace the active duty people who are there because they do this for a living. They do the command and control function for the Korean fight for a living. So when we talk about command and control, for instance, it is the process of professionalizing, and as we say, make it a weapons system, make the air operations center, and the joint headquarters, the joint headquarters, crew positions that are trained for, that are certified positions, and we think that this is an ideal mission for our Air National Guard and Reserve to fall into.

As far as cyberspace goes, and we have again, excellent examples of information operations squadrons that exist today in various places that use reach-back on the east coast and the west coast to take real time data from platforms that are over Afghanistan and Iraq today, do the analysis and send back real-time information, in many cases directly to our maneuver forces on the front lines. Again, a mission in great demand that needs to

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be expanded. We all know that the UAVs that are flying out of -- they're flying over Afghanistan and Iraq today, are piloted from Creech Air Force Base, close to Nellis Air Force Base in Nevada. This way, we can take our wonderful people from the Nevada Air National Guard who volunteer their time, in many cases now hours at a time, to go down the road to perform, when they have free time, on a volunteer basis, and we're able to leverage that great expertise without having to mobilize those people to do that job.

Sir, I could go on an on. There are examples in each of the categories that are just like that, that a great deal of study and analysis have gone in, how to leverage this great Air National Guard and Reserve that we have on a volunteer basis, so that we don't have to mobilize them to take care of their -- take advantage of their capability. And let me add one fact.

Today, 20 to 25 percent of each air expeditionary force deployment package is deployed -- 20 to 25 percent is manned by volunteers from the Air National Guard and the Air Force Reserve that have not been mobilized. That's been consistent throughout this conflict, and it was consistent before 9/11. So, we think that we have a plan here to leverage this capability and these missions that we have listed that are emerging missions that are in greater demand out there around the world, can fall right in the heart of the envelope of our Air National Guard and Air Force Reserve.

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ADM. NEWTON: Thank you. Over to the Navy. Let's go back to Oceana again. The comment was made about the degradation that would have on operations. And I thought I heard in past testimony that we had considered Oceana and was looking for a place for it to go, and would have gone, for instance, to a Moody Air Force base if it was available to us. But because it wasn't available, that kind of took all of the options off of the table. And now if there's a possible option, all of a sudden, we're going to have this degradation in operation. Help me with this.

ADM. WILLARD: Sir, I think I would have characterized the degradation in operations -- stated it, perhaps, a little bit differently. And that is, there are attributes that we enjoy in Oceana that we have shared with the commission in the past: the proximity issue of the wings to the carriers, the consolidation issue of the wing in one place, even the E-2 assets being nearly co-located at Naval Air Station Norfolk very close, so that we achieve the benefits of being able to fly the wing assets together in their training and operations. So, there are attributes in Oceana that cannot be replicated, would not be replicated in the options that have been considered.

Nor would they have been replicated effectively had we moved Oceana to another location as we were going through our deliberations in the BRAC process. So, would we have considered the move if we had found the alternative site that met all our

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requirements, and in so doing, overwhelmed the disadvantages associated with breaking the operational integrity that currently exists at Oceana? Perhaps. So we did look at it very hard, and we did consider options for moves, but it in no way affects the benefits of Oceana as they exist today.

SEC. WYNNE: General Newton, I would say that the -- when we applied military judgment was really as we built towards the infrastructure executive committee. And we began to see more and more senior and experienced service, and that's when most of this discussion would occur. It is interesting, as we went through each of the buildups, through whether or not it behaved economically, whether it behaved geographically, whether it met so many of the criterion, as we got to the infrastructure executive committee, we had robust discussion on the military value and the impact on operations.

And what I was citing was many of the attributes that Admiral Willard covered. I did not mean that somehow the pilots would not learn how to fly from a different base. They're extraordinarily capable gentlemen, and I didn't mean to imply anything like that. It's just that I saw a little bathtub in their operational capability occurring.

ADM. NEWTON: I understand what you said, and it would be -- I'd like to dig into that some more, but we can do that at a later time. But I think we all have to agree that, as time goes on,

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Oceana is not going to get better with reference to encroachment. I mean, our experience has been, this is a problem now. It will be worse 5 years from now. Ten years from now it will be even worse. And if there's a window of opportunity to take advantage of a possible option, then it seems like to me, it would be prudent to do so, particularly since the department did look at this.

ADM. WILLARD: I think as a result of the discussions that we've had during this BRAC process, there have been initiatives taken by the communities in the Virginia Beach area to answer to some of the encroachment issues that exist and are forthcoming, in a way that would attempt to arrest the kind of growth that you're referring to. So, I don't know that I would state that 10 years from now, it's inevitable that it would be worse.

On the other hand, that kind of an assumption could apply anywhere. So, if the alternative site is an encroached site, and the presumption is that encroachment will always get worse, then I would argue that the Navy should be seeking an alternative site that doesn't have an encroachment problem existing. And until then, provided we can manage it at Oceana, the best recourse for Navy is to continue to manage the problem. And we are seeing benefits from the community down there and the likelihood that we'll be able to at least arrest the challenges that we faced in the past.

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ADM. NEWTON: But it certainly has done a couple of things. It confirms that there is an issue, and one that's very critical, and there's some consequences there that could obviously be very detrimental. So, I'm out of time, so I'll have to leave it there. Thanks.

MR. PRINCIPI: Thank you. Commissioner Coyle?

MR. COYLE: Thank you, Mr. Chairman. Thank you, gentlemen, all of you for your testimony this morning. And thank you also and your staffs for all the support that you've been giving us these many weeks. When the Chairman was listing the 8 million hits on our web sites, and other statistics about our intense activities these last many weeks, it made me think about maybe 8 million questions. But I think we've sent you through the clearinghouse, and so, thank you for your response on all of those and your staffs' as well.

Secretary Wynne, I want to return to the Chairman's question about cost savings. We understand your point of view about the elimination of military personnel. We understand that you are claiming savings from the elimination of military personnel who aren't actually eliminated because they could be reassigned to other jobs. But for the taxpayer, that only works if military end-strengths go down, which they're not proposed to do, nor would I propose that they should at this time in our history.

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And for the military departments, that only works if the missions go away. And when we look at the cases before us, time after time the missions don't go away. The missions are to be continued by, in some cases, the same people or new people of the same numbers, at the receiving location.

In some instances, as in, for example, the Air Guard case -- but this is not an Air Guard question particularly, but just to make the point about missions -- in some cases the Department is proposing to take away the airplanes but keep the number of people at the losing location at full strength, with the requirement that then those airplanes would require new people to fly them at the receiving locations. So, it doesn't appear to us that these savings are going to be real unless the missions go away, and you haven't identified any missions that do go away.

SEC. WYNNE: Thank you very much, Commissioner Coyle, for the opportunity to go refresh that point. I would tell you that each of the BRAC actions has to be looked at individually in their context. In each case where there is an emerging mission, I think we have a management responsibility to determine whether or not the new mission will in fact take the entirety of the force structure that is there. I would tell you that the new mission that we define for that group may not be suitable for all the people who are there. We can't define that until we define implementation. That having been said, I think there's no doubt

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about it that the movement of aircraft in the National Guard case allows for a change of mission and an application to a stress career field that we would not otherwise have the opportunity to do.

As to whether or not management should reapply that asset and that resource to a different mission is an interesting question. And it is only in the context of the total, not the individual BRAC action, that you might see that as a department, our measurements of cost avoidance, if you will, year over year you can honestly say that, has our budget gone down? Has our total obligational authority gone down? And yet, when you go to an individual saver, they will tell you that they, in fact, have saved hundreds of thousands of dollars in their particular operation.

But the comptroller has unfunded requirements, UFERS (ph), in fact, they're called. They've actually achieved a name status within our context, that fully absorb any savings that the individual may have got. Yet, we give out savings awards every year, as you know.

And so I would only say to you that we must treat these individual actions just as you treat any other capital budgeting exercise. And if management is already determined to reapply some of those assets and some of those resources to fit stressed missions, I think leaving stranded assets in places where they are

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of a low utility is not where we want to go in a transformational sense.

That having been said, in the case of the Navy as you know, there are, in fact, rosters being trimmed off. And so, we have a case here where even though the individual action may actually look (through that ?) the mission has moved, we think there's going to be consolidation savings, and the Navy is looking forward to those consolidation savings in order to meet their manpower targets.

In the case of the Army, I'm going to let Secretary Harvey talk to that because I think the Army has a very specific problem. I mean, look at the stress that happened as a result of the lack of military police and some specialty codes such as transportation corps, in Iraq.

SEC. HARVEY: Thanks, Mike. Let me try this again. I tried to explain this to Commissioner Principi, and I don't know if I succeeded or not. Because this cost avoidance is a real thing. Let me explain to you what we're doing in the Army.

The operational army, the plan is to go up 45,000 people. And we would have to put in the future years' defense program funds for 45,000 people. And that is, you know, that's about $5 billion a year, $5 to $6 billion a year. Because we're doing mil-to-civ conversion, military to civilian conversion, in the institutional army we only program for increases in, for 30,000.

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We avoided cost that we otherwise had to put into our future years' defense program.

That to me is real money, because if we didn't do anything, we would have had to put much more money into the future years defense program. We would've had to cover 45,000 additional people. Then we talk about, that brings us in our arithmetic to a 512,000 end strength. If we implement BRAC, that 512 will become 506. That's real savings of money because we've programmed for 512.

So there's an avoidance to begin with, an elimination at the end. This is -- and they're both all real money. So to Secretary Wynne's point, whether it's cost avoidance or cost savings, it's money. And I hope that that explains it to you. So we consider that to be real savings in both cases.

MR. COYLE: I understand that you have new things that you want to do, and I understand that you have unfunded requirements. But my question was about those instances where the mission doesn't go away, but you claim savings from personnel who are still required to do that mission someplace, and in many cases, the exact same number of personnel to do that continuing mission.

SEC. HARVEY: In our case, it's an increase, and it's an increase that otherwise would have been greater at the beginning, and then it's a decrease as a result of BRAC, because that's

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eliminations. When we eliminate, we are not going to replace that person in the institutional army.

SEC. WYNNE: I think two things, Commissioner Coyle. One is, implementing all of BRAC is about cash flow. It's about resource management, and it's about making sure that you are in fact, on the glide slope, if you will, managing the decline of an asset in one location and flowing it to another location to manage its increase. If you, in fact, manage the decrease to be -- if you will, lead the increase, you will have the opportunity to cash flow and do the implementation of all of these things. We believe we have laid in sufficient cash resources, I mean investable resources, for which we have taxed each of the services, to accomplish all of the BRAC.

But it is all about management and selectivity. And it is all about managing your asset and your asset deployment in such a way that you can get through each of the actions and end up with a reshaped force. And I know you're admonition is that you -- and I feel it to -- we need to be concerned about just how that's managed, and make sure that it has happened that way.

Are there flaws in the planning? I wouldn't doubt it. I mean, we're human in our, in there, and we're going to be looking at the implementation strategies in each instance to make sure that we, in fact, don't exhaust our resources in places where we should have been gaining.

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MR. COYLE: Well, at an earlier hearing, one of our witnesses called this Enron accounting. And as the Chairman pointed out, if these savings due to personnel are not realized, and it looks like in many cases they will not be realized, we would be spending $24 billion and change in one-time costs to save $14 billion, which isn't a bargain for either the taxpayer or the military departments. And if you include your BRAC wedge, whatever size that will turn out to be, you could be spending $40 billion to save $14.

MR. PRINCIPI: Thank you. Secretary Skinner?

MR. SKINNER: Thank you, Chairman. Well, Secretary Wynne, I'm going to take one last quick cut at the cost issue. I look at costs as, if it's the mission -- if you take the costs of the mission as currently being performed, I take this, having had many of these come to me in the private sector, as a chief executive. I look at the consolidation, and the cost of the consolidation both one-time and capital and operating. I look at the current costs one-time, capital costs plus ongoing. Compare the two. And I say, there's a savings or there's not a savings.

You may go ahead anyway because of value, but let's assume there's savings for a minute. Then I look at the cost of preparing, the one-time cost of moving, or getting the incoming installation ready, as well as any other cost at the receiving installation to get it ready. Then we put all these costs

together and we really see. And if it comes up to a cost savings, whether it goes back to the taxpayers, or whether it goes to another mission of the Defense Department, that's up to the Congress. We've done our job as we performed that analysis. Would you disagree? I see both of you nodding, and maybe I could just get a nod and save a minute.

SEC. WYNNE: That is exactly what is going to happen. I mean, the Congress can deny us funding for new missions just as easily as they can deny us funding for old missions.

MR. SKINNER: And that's the kind of analysis that we're doing as we go forward, at least I'm doing as we go forward, because I don't think it's up to us to determine whether it goes back to the taxpayers or to the ongoing or future missions. But we've got to make sure we quantify accurately the real cost savings and the real costs that are incurred with the move, and that's how we're looking at each and every one of these, and every one of them is different. In some cases, you've given us indications they are of great military value and you might do it anyway because it's an ongoing, sometimes unquantifiable cost, but it's a value to the Defense Department.

Secretary Harvey, I have an easy one for you, I think. I read recently in the "Marine Times" that the commandant, or the assistant commandant talks about the fact that many of the vehicles that are currently in theater in Iraq and Afghanistan

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have deteriorated so substantially that they will not come back for depot maintenance. They'll basically be left in theater. And it was confirmed last night when I had an opportunity to meet a couple others. Is that the case of the Army vehicles as well?

And the reason I ask this is, as we go around and look at these depot and depot maintenance requirements for the future, a lot of them are assuming that a lot of the vehicles that are in theater right now, and I'm talking about lighter vehicles, the Humvees and equipment like that, are all going to come back for retrofitting. Yet I'm hearing from people who are in theater that, in fact, they've deteriorated. It may be cheaper, smarter, and better, as hard as it might be, to replace them with new vehicles at the end of their accelerated useful life because of what's the desert conditions.

SEC. HARVEY: Mr. Secretary, yeah, I think in general that's the -- we're in qualitative space right now, and that's kind of the general opinion. But there's no specific plans. We haven't inventoried, and we haven't sat down in terms of specific numbers and say, "You stay, you go, you come back." I think that's kind of a principle that is evolving. And as Secretary Wynne mentioned, there are needs of the Iraqi Army also that come into that equation. So all those factors will be taken into account.

But in terms of specificity, it's too premature to say that. In terms of principle, I think you're absolutely right. And

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again, to get to Secretary Wynne's point, we believe -- and I've looked at this in great detail -- that we have adequate capacity in ground maintenance.

And another thing that's going on that's extremely -- from a business point of view, I greatly applaud it, and we're just going to be turning the gear up on this even higher -- and that is, in the Army and, I know, in the Marine depots, we are applying Lean Six Sigma methodology, so that the capacity of these depots is even going to be greater because we're going to reduce footprint cycle time hours. So they have -- with the same footprint, with the same workforce, they're going to be able to even process more.

I saw at Letterkenny this week they're going -- they started at 200, with the same workforce, the same footprint, one and a half shifts. They were doing -- they went from 100 to 200 to 400 to 600 refurb, reset humvees per month. So there's a lot of good things going out there in terms of productivity and quality improvement.

MR. SKINNER: And I guess we'd all agree that the workload of the depots today has increased substantially --

SEC. HARVEY: Oh, absolutely. Absolutely.

MR. SKINNER: -- because we're really retrofitting in the field for battle conditions in the desert that these vehicles really weren't fully designed for.

SEC. HARVEY: Right, and they're --

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MR. SKINNER: And that'll phase out over time because the new vehicles will have those design characteristics built in as you buy them.

SEC. HARVEY: Absolutely. Yeah, they're seeing four to six times as -- in a year that -- four to six times the hours.

MR. SKINNER: Thank you.

Admiral Chanik, I have one question for you. There's a big debate on how many submarines will be in the ongoing force. And of course, a lot of that determines how much money is going to be available for military -- not for military construction but ship construction. But we have to make a decision here pretty quickly on two major recommendations: the recommendations for the Groton Submarine Base and the recommendation for the Portsmouth Naval Shipyard.

I've heard some in the mid 50s. I've heard some testimony -- both certified in the low 40s. So my question is two-pointed. Number one, what number should we use for our deliberations? And number two, does it make a difference whether it's in the mid-40s or the lower 40s as to those two recommendations of the Navy?

ADM. CHANIK: Sir, yes, sir. And I'll ask Admiral Willard if he'd like to step in for the Navy side of the house.

MR. SKINNER: (Chuckles.) He was hoping you wouldn't. I noticed him nodding to give you the question. So --

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ADM. CHANIK: Sir, from the Joint Staff side of house, the analysis that has been done in that discussion and as we looked at the 24-year force structure plan, we looked at the numbers that equate eventually to availability of pier space, which I think is the real basis of the question. And that analysis that was done looked at a higher number.

What the Navy will eventually come down to, what the requirement is for their warfighting -- there's a range right now, and the Navy is studying that very, very hard. But from the analysis point of view, the higher number was utilized, and that still indicated that there is existing excess capacity now.

MR. SKINNER: Thank you.

ADM. CHANIK: Sir.

MR. SKINNER: General Jumper, I just want to also join everybody in congratulating you. You got out of a day of moving, I'm told, here today to come here. So you're the only person that's probably glad to be here. (Laughter.) But thank you. Thank you for your many years of service to our nation.

And as we've gone around and visited all these facilities, I can tell you -- and that applies to all the services -- but the one thing we all get out of it is what tremendous young men and women we have serving us. And you're leaving a great organization in the Air Force, because I've seen that as we go along. So thank you very much. And I won't ask you about the Guard.

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That leaves me three -- two minutes and 51 seconds, Admiral Willard, to talk about Oceana. First of all, what I'm about to say -- and I'll just let you answer anything you want to say -- I learned to fly in -- when I was -- in 1957, 48 years ago. I love and have been around aviation as a pilot, not a military pilot, because of my eyes, but as a pilot. I've been around managing in the Department of Transportation, the Coast Guard, which had a small fleet compared to the Air Force, but substantial. And I was kind of a doubter on -- that you would -- we would be able to find an option when we voted on adding it.

I returned from Cecil Field yesterday, and I just want to tell you I think it is a viable option. I think your training degradation that currently occurs at Oceana that you're trying to relieve with the reliever field in the Carolinas could be eliminated, and I think that the training would be better and the degradation would be substantially decreased. And I say that having talked to aviators who are in the service, as well as who have recently retired, who have flown at both places and have a lot of the same experience you do, and believe it would be. And I'm talking about the young aviator. I think your senior aviators will have figured out how to do it at 200 feet higher.

But I think the state of Florida, it would appear, because they've demonstrated at Cecil, is totally committed to avoiding encroachment. I'm not so sure the state of Virginia or the city

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of Virginia Beach is that committed, although they are now, and there's a lot of criticism for that.

And I also recognize that you do support two master jet bases on the West Coast, and they're not right next to the fleet, and they're pretty productive as well.

So I would just hope -- and Cecil Field was not really discussed in the early days, because we didn't think it was available, let alone being available for free. As you know, it was our biggest master jet base in 1993. In geographical area, it continues to remain about the same place it was now, except the state's put $200 million of investment in infrastructure into it. And it's being actively used by aviation today. A lot of your aircraft were down on the ramp at Oceana -- I mean at -- yesterday at Cecil, at Boeing, where they were doing work on it.

So I would hope, because we think that this is maybe the last opportunity -- because I kind of agree it's going to be pretty hard to find a space going forward. This is really a once-in-a-lifetime opportunity, and it's fortuitous, because the state of Florida and the city of Jacksonville decided to make this great facility an aviation facility, and they have not yet found a tenant, so it hasn't been encroached or built on. And I would encourage you to take a look at this opportunity.

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And that's my only observations. And I recognize there can be differences of opinion, but this one we've drilled down pretty well on.

ADM. WILLARD: Thank you, Commissioner Skinner.

In his opening comments, Commissioner Principi -- Chairman Principi -- mentioned uncertainties, and I would contend that the option that you are representing contains uncertainties. We've been away from that particular field for a number of years now. The commission asked us to run a COBRA analysis on the costs of replicating Oceana at that location, and the cost analysis, though more crude that our refined cost analysis over the course of the BRAC years of deliberation, was substantial at $1.6 billion.

That is an encroached facility, albeit less than Oceana, but nonetheless encroached upon. There are issues with regard to airspace and the Federal Aviation Administration, and frankly, that was part of the deliberation previously when we elected to nominate Cecil for closure many years ago. So to weigh this, we weigh it in many ways, and we will continue to pursue the right answer for Navy, but we are committed to Oceana as the current best choice for our Navy, given the costs, the uncertainties, the encroachment that continues to exist around the options -- the other options we've been given, and the benefits that we derive from Oceana --

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MR. SKINNER: I'm overrunning my time, so let me just end this.

Number one, the cost. You need -- you would do this nation a great service, sir -- and maybe you've done it now -- but to take a good look at it, at Cecil as presented this afternoon, and listen -- and some of the people you've worked with for years are part of that presentation, whose judgment I know you value because you flew with them, probably in combat. And I think it is a viable option. I think your cost estimates are probably -- you'll be surprised, let's put it that way. I was a doubting Thomas. I'm surprised. I'm surprised, and I said I didn't think we could find an option. I think, for a variety of circumstances both costwise as well as training-wise as far as future encroachment-wise. And I just urge the Defense Department to take a good look at it because it really is one of those lifetime opportunities, I think. And I understand where you are on Oceana, and until you're convinced otherwise, you've got to be committed to Oceana, and you should be. Thank you.

ADM. WILLARD: Thank you, Commissioner.

MR. PRINCIPI: Congressman Bilbray?

MR. BILBRAY: Thank you, Mr. Chairman.

General Jumper, I congratulate you on your distinguished service, but I've got to say something about the Guard. You know, I've been a real -- I was a former Guardsman, so I'm prejudiced

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toward the National Guard. And you said there's no rift, really, between the Guard and active duty, and I don't think there's a rift between the personnel out there. I mean, the Guardsmen work well with the active just in the Army Guard and also the Air Force Guard, but there is a rift between the leadership and the tags and the governors.

I've never seen so many governors united, whether Democrat or Republican, and angry about one item in my entire political career, which has spanned about 30 years. I mean, they -- I can't believe how many governors and senators and congressmen and TAGs call me. I mean, I go from these meetings and go home and I have to call about 20 people, and because -- and it's -- 90 percent of it is this matter, is the Air Guard matter. And I think it's going to take a lot of healing after these procedures and these hearings are done and we get our report out to get back the rapport that I think the leadership of the active Air Force and the leadership of the Guard had.

And hopefully your successor and others will work on this because they're both tremendous assets to this country. And it's really caused me a lot of heartburn, you know, and agony while I've gone over this, and I think this commission will work through this and make it compatible to at least 90 percent of the people will be happy. General Newton has worked on this tremendously, and he's a great asset to this commission, I'll tell you.

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I would like, Admiral, though, to talk about New London. You know we got a GAO report on New London, and a lot of the figures and the statements the Navy gave us on closing New London from the GAO were -- really kind of downsized the savings that we have there. The GAO found that Navy's figures was inflated by at least 214 medical billets; that's it said in the report. The Navy made an understatement of the cost of transplanting the submarine school to King's Bay. And what my question is is that when we see from the GAO how many mistakes that they found in this cost analysis of savings -- and they really didn't have a lot of time; they didn't have as much time as the Pentagon BRAC personnel had to go to these things -- and I even feel that if had gone on and on, if they'd have had a year and a half to analyze this thing, they would have found even more discrepancy on the cost savings because I agree with my colleagues. You know, if you take, for instance, on Dyess from Ellsworth, if you move the people down there, maybe 10 percent of those people may have -- you don't have to have -- not just -- you don't have to have seven gates or five gates, you save that kind of personnel, military police and so forth to patrol, but those are not substantial savings. And you move people from New London to King's Bay, there's no substantial savings because -- and when you add all the additional costs of rebuilding that base --

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I just think that the economic impact we've got to look at. I mean, we have no choice as a commission not to look at the economic impact. And with -- you have Portsmouth and you have Brunswick and you have Otis and you have New London, all these things, virtually, under the proposals closing up, it's tremendous economic impact up there, and I'm not sure that these savings are really there.

I mean, we heard the testimony the other day of what it would take to clean up New London, and they had a figure like 23 (million dollars), $26 million. I guarantee you, when you have a base that's like 200 years old, when you start digging through that thing and start to try to clean it up, you're going to find a lot more cleanup than you've ever expected. Same thing with Fort Monroe down in Virginia. I mean, that was a Civil War base, and I'll bet you when the rebels that closed up that base or were it to be taken over and the Union soldiers came in, they probably dumped all the munitions in the hole, and you're going to find it there some time. (Chuckles.)

Why, as a commission, should we look at these things the Navy, the Army, or the Air Force has proposed and take your figures? Because you've stood by your figures even after the GAO came out. That's my understanding. Is that correct?

ADM. WILLARD: Sir, we continue to debate going in assumptions and some figures with the General Accounting Office,

as we always have. And over time, depending on the assumptions we go in with, depending on how we cost particular items, I would venture that some of the costs may be debated higher. Some of the costs may equally be debated lower. I would just note that this particular installation represents a billion-dollar savings.

In the case of the Navy, that manpower savings is real, as we're on a downslope to reduce Navy end strength. So the cost figures, at a billion dollars in 20 years with small fringe debates on how we cost particular matters, are relatively inconsequential. This represents a great cost savings to the Navy and a very important element in our BRAC submission.

MR. BILBRAY: We had a meeting recently, the last week, with retired admirals. And I don't remember any of the retired admirals -- every one of them -- my colleagues can probably correct me if I'm wrong -- felt that closing New London was a bad idea. They're no longer in -- you know, and I know you're all good soldiers, good sailors, good airmen. Why do you think that all these people came before us and gave us their best judgment and said this was a bad idea if it's a good idea?

ADM. WILLARD: Sir, it's a great question.

The retired community, many of them very close friends of mine, all great Americans, are as a warfare community very much linked emotionally and otherwise to New London as a submarine community. I think they collectively regard New London as home.

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Most of them served there, most of them schooled there, therefore this centuries-old sub base that in this case we're viewing very objectively and critically for its future utility is regarded as very central to their particular warfare community. BRAC transcends that.

And I was an aviator in Southern California, flew out of Miramar for many, many years, and arguably that was one of the central hubs of naval aviation. And when one of the previous BRACs determined that Navy would leave Naval Air Station Miramar and the Marines instead would occupy it, there was a hue and cry from including the retired community that regarded Miramar as home that that shouldn't happen. The fact is that BRAC and the considerations that we're making for the 21st century and the way in which we're viewing the force structure implications and infrastructure implications that go into that have to transcend the emotions of any single warfare community -- and New London, sir, falls into that category. Once again, great Americans, not necessarily where we're at right now with regard to future operating concepts, the implications of the Quadrennial Defense Review and many other of the issues that impact where we're trying to take the Navy in this century.

MR. BILBRAY: Thank you, Admiral.

One question for Secretary Harvey. I recused myself from the Hawthorne situation, but I have to make a statement about one of

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your statements you made, that when you talk about the economic impact on Hawthorne, that it was less than 1 percent, because you took the Reno/Sparks area as probably the greater basis of Hawthorne. Having served in the Nevada legislature -- and every time we had to drive up, it's 440 miles from Las Vegas to Reno, and Hawthorne's about 130 to 140 miles from Reno/Sparks, too. And that -- I'll tell you, it's not an interstate highway, either. North/south in Nevada, unfortunately, we don't have an interstate highway running up north because there's not that much traffic on it.

That -- our figures from our BRAC staff is that the effect on Hawthorne, which is Mineral County, is 31 percent loss of employment just from the direct unemployment; and second, over -- almost 20 percent indirect employment; which means a 50 percent -- 51 percent loss of jobs in a very small, like 3,500 (person) community. So I just want to make it clear to my fellow commissioners the fact that the loss -- it's like saying -- putting Newport News in with Washington and said we're going to close something up there, we're going to take Washington, D.C. and all this into the same area because it's about the same distance to Hawthorne. And it is a devastating effect on that small community.

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I can't vote on it because I'm precluded to; I represented southern Nevada. But the fact is I just want to clarify that with you and to the commission.

You don't have to answer it. In fact, I wish you wouldn't answer. (Laughs.)

MR. PRINCIPI: Thank you.

General Turner?

GEN. TURNER: Good morning, gentlemen, and thank you for being with us again today.

I have a couple of medical questions, Mr. Secretary. Would you like to take a whack at them, or should we swear in General Taylor?

MR. WYNNE: Madame, if you don't mind I think it would be smart to swear in General Taylor.

GEN. TURNER: Okay.

MR. WYNNE: He and I can probably take them together.

(Gen. Taylor was sworn.)

GEN. TURNER: Thank you, General Taylor, for your willingness to step up to the plate again. Let's start with the medical recommendations that changed the nature of how some existing medical facilities will deliver care to the eligible beneficiaries in the future. Since the recommendations were presented to us, information has come forward about the future locations of some of the brigades that will be returning from overseas. Are you

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comfortable that those receiving locations will in fact be able to accommodate the increases in medical care requirements that those new service members will bring to the community?

GEN. TAYLOR: Commissioner, there are two parts to that.

A lot of these decisions on where the Army would reset its force were made rather late in the BRAC process. We work with the Army throughout the process to add our expertise to assessing the impact of movements into local populations, local base areas. By and large, we were very comfortable with the medical assets at the locations where troops were being moved from Korea and from Germany into the U.S.

At those locations where there may be further construction required or enhanced assets placed, we thought that they were at the margin, and we identified to the Army the cost of that growth. Say at a particular base 10,000 active-duty people were going to be moved in. Yes, they needed to add to the staff at that location. But we were pretty comfortable with small amount of military construction or small amount of military moves required at that particular place. By and large, the major movements within our recommendations to the BRAC I think stand.

GEN. TURNER: Okay. With respect to the other locations where existing inpatient facilities are currently operating that are scheduled -- that would be scheduled to become modern, state-of-the art ambulatory care facilities, which would then put any

requirements for inpatient care out into the local community, how satisfied are you that that is -- that that falls into the category of no problem, that capability exists, the willingness exists, and it will all work out?

GEN. TAYLOR: Yes, ma'am. We discussed all this and presented it all the way up through the seniormost folks in the department, including the secretaries of the services, and they were comfortable with our recommendations.

GEN. TURNER: Communities have reported back to us in our site visits and at hearings that they don't have the same level of comfort as the department does. How can we reconcile that?

GEN. TAYLOR: Commissioner Turner, I think that's your responsibility, to make it that weight. We had to operate within the principles of BRAC, within the controls in the system, within the use of certified data, and the within the limits of the BRAC, and these are the recommendations that we came up with.

MR. WYNNE: If I could add a little to that, Commissioner Turner.

I've been part of the revolution in medical that has gone on over the course of the last 20 years in the sense that I never knew there was outpatient surgery. I never knew that you could enter at places that were -- I thought were clinics and actually get a pretty serious surgery done, and yet be sent home that afternoon under the new modern medical techniques. I would say

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that many in the community probably don't realize that medicine has advanced to the point where the number of in-bed facilities is just not that terrific.

The second thing is I think the cooperation that exists today between the military clinics, the hospitals on the military and the community hospitals is enormous. I don't think that's going to go away, and I think the -- many of the times we have reservists serving in the military hospitals or in the community hospitals that you could find out in the military hospitals, especially in the more, if you will, rural communities. I will tell you that I think we have every reliance that our outpatient services can be improved very dramatically, and in fact limit the number of inpatient requirements. And I think General Taylor would probably second that this notion of military medicine probably has not sunk in to the some of the community leadership that see these large but empty multi-use hospital situations all over the place.

GEN. TAYLOR: Just to add, Commissioner. If there are any movements of population or degradation in the system, of course the department will continue to adapt and adopt to those changes. If the obstetric availability is limited in a certain area and we simply cannot get it, the department will ensure that its people have adequate access to obstetric capability, for example. So

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this is not a steady state answer to this is the last force movement you'll see among the medical services.

I understand the intent to project may not be completely accurate, but I think everyone here knows that the department will continue to evolve its services and its capabilities. You know, and from our part, we're focused on the active duty, their family member, and the retirees and their beneficiaries.

GEN. TURNER: I think everybody who served for the most part would say that their medical care has been very well taken care of over the years. And, Mr. Secretary, I second the notion for ambulatory care surgery, having enjoyed that a couple of weeks ago myself at Wilford Hall Medical Center in San Antonio.

Which gets me to my next point, which is the notion of combining the medical -- the enlisted -- the basic enlisted medical training courses for all three services at the new San Antonio Regional Medical Center. This is -- the concept of bringing the three services together for the most -- at least the most basic portions of enlisted medical training, which -- I mean, it's good. We've been talking about it for years. This is really the first serious opportunity that I've seen to actually make it happen.

I think it's probably pretty obvious to everybody that if you're new to the service and you're going to be some kind of a medic for one of the services, you're all going to kind of start

at the same point. That works for me. What I'm a little unclear on is what the vision is for how people representing the individual services -- because keeping in mind each of the services has their own expectation for what that medic is going to be able to do when they arrive at the first duty station. So is there going to be some kind of an advisory group or something that will oversee that piece of the recommendation so that, in fact, each of the services end up with what they expect?

GEN. TAYLOR: Yes, ma'am. Each of the training commands of the services understand that you don't have a soldier or a sailor or an airman until they complete their training.

For the Air Force, we have basic training that's six weeks, and that training in being an airman in the United States Air Force continues through technical school.

In the case of co-located technical schools, which we've done in several places -- we do this at Shepard today in biomedical equipment repair work. There are members of the other services there. They maintain their own dorms, they maintain their own formations, they maintain their own educational pieces, and this is what we would foresee. There would still be an Air Force college or whatever term you want to use, a Navy, and Army college that ensures training as soldiers, sailors and airmen in those things that are unique and important to those services continue. But the common things -- teaching someone what a red blood cell

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looks like -- could be done at the same place and the same location. And by training together they'll be more -- they'll easily work together because today you go out in the theater today, you find airmen and sailors' and soldiers' medics all working side by side.

GEN. TURNER: Thank you very much.

And in my last couple of seconds, if I might just tag on to what Commissioner Hansen said some time ago about the feedback that we've been getting as we travel around the country. As it starts to sink in with people what the map is going to look like if all of these recommendations go forward, and they see the big gap up in the Northeast and they see a gap in the Northwest and they see a gap on the Gulf Coast, and their perception is that for anybody who wants to, it would be a whole lot easier than it is today for them to float in, swim in, walk across, fly in, however they might want to do it than it has been in the past.

And one of the things that's been very, very difficult for us to get our hands around is that relationship between the Department of Defense, what they would be doing, and what Homeland Security would be doing. And I'm not asking you to respond to that; I'm just putting it out there for you.

Thank you very much.

MR. WYNNE: Mr. Chairman, I recognize that Commissioner Turner didn't want me to respond to that point, but she brought up

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what something in her previous question that I think has a great validity, and that is the plan for implementation, which has been a concern for all of you.

In their wisdom, the Congress gave us a full six years to think through how things are being implemented. We do not feel frozen; i.e., if an enemy or a different capability is required, we do not feel frozen, but we feel like these recommendations are, in fact, required permission slips for us if our forecasts remain valid to move to a very different force posture.

If after we move to that different posture, or in the case of Admiral Turner -- or General Turner's question, if we move to this different force posture and we have a shortage of service, we will address that shortage of service because our people come first. And we are not shackled, if you will, by virtue of you not putting a recommendation in place that we therefore can't ever do it. If there's some legal means by which we can -- although I have expressed to you, and I think General Jumper did very eloquently, that some of the smaller moves are, in fact, why Congress created the Base Realignment and Closure, because they recognized that all politics are local, and that if you have to take a national perspective, it takes an across-the-board, integrated look.

The second thing I'd like to cover is just -- in summation here -- is just to alert the people, since this is going out to a broad population of the American people, and restate the fact that

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BRAC, we were investing $24 billion and we were getting gross savings of $73 billion. The net savings of that is 49 (billion dollars) to $50 billion over the course of 20 years. The claim that there is no military savings would, obviously, invade that space. However, it would create an investment of $24 billion for a savings of approximately 38 (billion dollars) to $39 billion. It would be a net, which is what the number was referenced, of 14 (billion dollars) or $15 billion. The debate that we're having today over the value of a precious asset like the savings in military is in fact a difference in whether you would get one-and-a-half to 1.9 percent of a return on investment or whether you would get a three-to-one return on investment.

And you could see that some of the savings are, in fact, very real. Most of the planned redisposition of forces is, in fact, to reshape our thing so we do, in fact, have adequate resources. I don't want to leave people with the idea that we're destroying value. This, in it's very basic level, is enhancing the value of our operational forces, not only from a savings perspective of at least 38 billion (dollars) and possibly a total of 73 billion (dollars), but it in fact is enhancing the operational characteristics of the United States Armed Forces.

We have great respect for the integration to proceed with the Department of Homeland Security, and we are moving as rapidly as we can in that direction. And in fact, I would tell you that as

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you have seen your responsibilities, you have fostered, if you will, more of that integration, as you have fostered some study in other areas that were probably lagging.

Thank you very much.

MR. PRINCIPI: Thank you very much.

The commission will stand in recess for ten minutes, and then we'll convene with a second round of questions.

(Recess.)

MR. PRINCIPI: (Sounds gavel.) Thank you all very much. We'll proceed with a five-minute round and see how well we do on time, and then if we can, certainly we'll have more questions.

Mr. Secretary -- and I wish I had larger copies of this -- but this -- the commissioners were shown a map of the Northeast United States that depicted DOD operational airfields prior to 1994: Loring Air Force Base, Plattsburgh Air Force Base, Griffiths Air Force Base, Westover Air Force Base, NAS Brunswick, Pease Air Force Base, Hanscom Air Force Base, NAS South Weymouth, Otis Air Force Base. If we were to accept the BRAC recommendations with regard to Otis, all we would have left after this round is NAS Brunswick with no aircraft. This doesn't even show a Portsmouth Naval Shipyard that's proposed to be closed, New London Submarine Base -- you're even proposing to pull out DFAS at Limestone, which is on Loring Air Force Base, and it was put there as a backfill to help offset the economic impact. So the very

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next BRAC round, you're pulling the DFAS out of Loring as well. So even after BRAC's proposed reductions in the Gulf Coast, there will be -- still be significant military presence. And if we implement BRAC recommendations in New England, the only presence will be a warm base at Brunswick.

Why are we abandoning the region closest to the sea; air lines of communications with Europe, Africa and the Middle East; the separation our the military from an area of our country which has absolutely -- after this round, if we approve the recommendation, would no operational bases at all. I question the wisdom of doing that. Can you please help me?

MR. WYNNE: Sir, we took a national perspective rather than a regional perspective, but we had great respect for the services that have been provided by the people in New England. And in fact, I have a great respect for the strategic positioning that New England offers. In fact, that's why we are retaining Naval Air Station Brunswick in a warm state, so that we can redeploy there if we have an issue.

It is not where we see a major deployment operation occurring from or to for a long period. But operational considerations are really aimed at the services, and should not be, if you will, mitigated by myself. In fact, I tried very hard to avoid operational considerations, other than trying to make sure that we

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had and facilitated meetings with NORTHCOM and meetings with people who were more affiliated with homeland security.

So if you don't mind, sir, in this particular regard, I would like to turn to some of my colleagues here and get their operational -- and I guess I'd like to start, if you will, with Admiral Willard, and then go to General Jumper because they will tell you that we can provide -- and, in fact, believe -- that we're providing adequately for the area and region of New England as far as coverage is concerned.

And though you have put all of the major air bases here, I would also add that we have other servicing sites in the cities like Rome, New York, like Natick labs, and other things that this map does not depict. So though I'm not arguing that the amount of concrete that we had dedicated to flying services has, in fact, decreased, I think it has been appropriately done.

MR. PRINCIPI: Admiral Willard.

ADM. WILLARD: Thank you, sir.

I think the -- from a Navy vantage point, your point regarding NAS Brunswick is, if nothing else, an endorsement for the proposal that NAS Brunswick remain in an operational status so that we can, in fact, stage from there when it's appropriate to do so. So we think that from an active base standpoint, the warm status of Brunswick is the right idea.

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And while it's true that that is the only active base now north of New Jersey, I believe, that would result from this proposal, the operating concepts for both Navy and Air Force, I think, are supportive of the BRAC submission as is. The fleet response plan for the Navy provides a surge mechanism behind our deployed and presence forces around the globe from fleet concentration areas for all the reasons that we've talked about; the benefits of concentrating forces in one location in the past, tempered by some strategic dispersal of those forces, which we think we've accomplished up and down the East Coast as well.

So you know, we -- it's no -- should be no surprise that we are deploying the force and we are postured to surge the force from the central part of our coastline. And yet, we fully understand our responsibilities in homeland security and homeland defense, and the need to be able to rapidly deploy into the Northern Atlantic if it's called for. And we have analyzed the defense planning scenarios associated with that and our commitments to Northern Command in terms of homeland security and homeland defense, and we're absolutely confident that we can accomplish that from the locations that we've prescribed. NAS Brunswick is an important element in that total force.

MR. PRINCIPI: General Jumper?

GEN. JUMPER: Sir, in addition to the significant technical capability that will remain at Hanscom Air Force Base in

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Massachusetts and Rome Labs in New York, we retain the same number of C-5s at Stewart Air Force Base in New York; we up the number of A-10s to 24 A-10s at Barnes in Massachusetts; Quonset, Rhode Island goes from eight to 11 C-130s; Pease, New Hampshire goes from -- up to -- goes to 12 KC-135s, an increase; Bangor, Maine is an increase up to 12 KC-135s; we maintain the same number of C-5s at Westover Air Base in Massachusetts; and Burlington, Vermont goes from 18 up to 24. So I think that overall these are assets that are very valuable to us in the air bridge when you establish air bridge going in that direction. And part of the BRAC concentration on distribution of forces that obtain directly to the mission, we've been able to do that, and actually plus up significantly in those areas.

MR. WYNNE: And when it comes to the Defense Finance and Accounting System, sir, we believe that we are way over capacity because the technology has just blown by us as far as virtual accounting. Many corporations have gone to outsourcing their accounting services. We have seen it as a core requirement, but believe it should provide the same services. So we organized it functionally. And, frankly, the Limestone operation just did not come into that thing.

And here's one of those cases where the commission has questioned the military savings, which we -- and I think I -- would tell you, have adequately defended. But here is civilian

savings. And we cannot be stopped on both areas; we'll never develop any savings from the redeployment of our personnel and armed forces.

But this is a case where we think consolidation, in fact, makes a lot of sense. I recognize the great service that they've provided, but the technology has moved forward. We used to have a lot of people who did punch card. We don't have those anymore. They were great.

MR. PRINCIPI: Thank you very much.

General Turner?

GEN. TURNER: Hello, again. I guess my question is directed to Admiral Willard.

For several years prior to the BRAC process, the Navy had engaged in discussions with the New Orleans community about the federal city base concept. I've heard that briefing twice. Sounded really interesting, very beneficial both to the taxpayer and to the Navy. Great savings, did away with some of the fence line without affecting mission capability, reduced operating cost. But I'm curious as to whether the receptiveness of the Navy to this federal city base concept changed, or what was the reason that you stopped pursuing that?

ADM. WILLARD: It's true that we were carrying on discussions regarding that proposal before BRAC. Once we entered the BRAC process, as that deliberation had not yielded any particular

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agreement for the future as yet that had been sanctioned by the participants, we couldn't roll that into the BRAC deliberations. Our going in premise was that when we had in-place installations, in-place, standing agreements, not ongoing negotiations, that they would be taken into consideration in compiling our data and coming up our final proposals. And this particular deliberation did not fall in that category.

GEN. TURNER: Had everything come to pass in terms of state funding, et cetera? Did the Navy think that this was a viable plan?

ADM. WILLARD: I think I'd like to answer that for the record, if I may, and just show you where we were at the time that we then entered into the BRAC process and began considering other ways of achieving the ends that we were pursuing. So if you would, allow me to answer that to the commission.

GEN. TURNER: Did you want to do that now or later?

ADM. WILLARD: Thank you. I'd prefer to do it later.

GEN. TURNER: Okay.

ADM. WILLARD: Compile the data for you, if I could.

GEN. TURNER: All right. Thank you very much.

ADM. WILLARD: Thanks.

GEN. TURNER: Mr. Chairman.

MR. PRINCIPI: Thank you.

Congressman Bilbray?

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MR. BILBRAY: Thank you, Mr. Chairman. These are questions for the Army.

We have three categories of Army recommendations that cost, rather than save, money over the long time. The Army Reserve centers are one example. Two other examples are those recommendations related to return of personnel from overseas, and overall Army transformations.

Our estimate by our staff is this costs, like, $2.4 billion. While we don't really have any objections -- I don't think anybody -- to what you're doing, why would this be put in? And you could do this without the BRAC process, and -- because I don't think anybody's going to object to them -- and you could take the time and do it over a slower period because that's a lot of money with no cost savings at all from consolidation there.

MR. HARVEY: In terms of the National Guard and Reserve centers, I really don't think that we could do it at any other time. As you know, in this global war on terrorism, the Reserves component -- the Guard and the Reserves of the Army -- are critical to successfully fighting and winning this war. We -- as you may know, we went to the tags and the governors and our Reserve leadership and asked them to identify those particular facilities where the training was not adequate, that you really couldn't get the soldiers ready, where there was force protection considerations. And our team, I think, did a very thorough job of

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that, took those recommendations. So we view it as an opportunity to get to an infrastructure that is better able to train, support, mobilize and deploy the Reserve component, which is really critical to the Army.

In regards to overseas, it just made all kinds of sense to us to do the rebasing and infrastructure all at one time. As you do know, because of the way the numbers are counted, the substantial savings from closing the overseas bases in both Germany and consolidating in Korea are about $20.4 billion. So that's real money to us. They don't count in the BRAC accounting, but when you add that to the 7.6 (billion dollars), we are saving 28 billion (dollars) in 20-year net present value.

And also in that line, we really can't stand up the additional brigades -- the five additional brigades -- and verify the five others unless we do that in the context of the whole BRAC process.

So we view it in an integrated sense, in kind of a global print. And as I said, having the right infrastructure to train and equip and maintain, and to be able to rapidly deploy our brigade combat teams, is very important to us as we transform to the Army of the future, an Army better able to meet the challenges of the 21st century.

So that infrastructure is important. We viewed it as one overall integrated step, both from a Reserve component, active

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component, bringing them back from overseas. And again, there is tremendous savings associated with reducing the footprint, both in Germany and Korea primarily.

MR. BILBRAY: I would like to thank you, also, on behalf of the commission. I think we've heard so much about how the Army handled this BRAC, and I don't think there's one commissioner that wouldn't tell you we thought you did a superb job. We didn't agree with you on everything, but you did a great job in doing what you did. Thank you.

MR. HARVEY: Thank you, Commissioner.

MR. PRINCIPI: Secretary Skinner?

MR. SKINNER: I have two quick questions. Well, my questions never seem to be quick, so I apologize for saying the word "quick."

The alignments -- and maybe this goes to you, General Jumper -- but the alignments in some cases in the movement of aircraft between wings we understand, but in some cases we're just trying to understand the logic. And one in particular that I'm not quite sure I understand -- and maybe you could help me -- is at the Selfridge Air National Guard base in Michigan. You've suggested closing the Air Guard base in Kellogg, which is 140 miles down the road, and moving all -- and moving the airplanes down to Selfridge, or a good portion of them. They're going to -- then you're going to take the 127th (sic/927th) Air Refueling Wing, and

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they're at Selfridge now, and they're going to take their KC-135s and they're going to go across the street to the Guard at Selfridge. And I'm not so sure all those pilots and crews will change because that's going from, as I understand it, an Air Force Reserve unit to an Air Guard unit. Then we're going to take the 127th (sic/927th) Wing, that now has F-16s and 130s, and we're going to convert all of those pilots and that unit to an A-10 unit, which by the way we have down the road 140 miles in Kellogg, which has just finished its operational readiness inspection, and also train them into KC-135s.

Now that appears to me to be in a space of 140 miles just throwing it up in the air and letting the cards come down. And that means that these pilots were here, but now they're going to have a different airplane. And some airplanes are easier to transition in, as we know, as to others. And we've got others that are doing one mission. We're going to move those out, and then bring others in that are new aircraft that they're going to have to retrain on. It seems a lot of retraining.

And the synergies between the Guard from one location to the other aren't always easy because don't automatically because the Air Guard pilots' airplanes move down the street that the pilots are going to follow them even if they could, because we've now got pilots at Selfridge who have to be retrained. And they're going to have, you know, first option at Selfridge already in that unit

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to get retrained versus having the A-10 pilots who are already trained take their places.

You know, that's one that -- I'm trying to understand all this retraining when you need people that are ready. And it's my understanding that depending on the transition, it could be one to three years or more before you get them up to the level that they're now performing at. Maybe you could flesh that out a little bit for me.

GEN. JUMPER: Well, sir, you know, to pull on that thread requires an explanation of the analysis that went into putting in place the airplanes at the places. Let me just say -- and we'll be glad to sit down with you and go through each of that piece by piece because it's all supported by analysis.

But just let me tell you, as an entering factor, we entered this process with about 18 percent of our KC-135 force efficiently organized in the right sort of numbers at 38 locations. As a result of what we're attempting to do that has to do with this retraining and shuffling, and if the commission approves the recommendation, we go to 71 percent of the KC-135 force efficiently organized at 28 bases. If you look at F-16s, the numbers are we're currently 44 percent efficient at 43 bases, and we'd go to 100 percent efficient at 27 bases. All of what you described goes into these efficiencies.

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Sir, the pilots and the crews that are experienced, the type that you describe, there's no way it takes three years to train them. These are very experienced people. It may take an amount of time, well within the BRAC limits, to make the total conversions that are described here from end to end, with all the shuffling that goes around. But there again, as Secretary Wynne and Secretary Harvey have talked about earlier, these are things you have to manage within that BRAC window. As things go down and come up, that's a management challenge that is all part of what we have laid out in the plan.

MR. SKINNER: Okay.

GEN. JUMPER: And, sir, I will sic our commissioners on you, and they'll go through this with you in nauseating detail about how these decisions were made.

MR. SKINNER: All right. Well, I'm sure staff has done that and will probably be doing that some more.

I just have one more question, and then I think there will probably be a couple of Oceana questions I'll leave to somebody else.

I notice you're retiring F-16 block 42s. And is that because -- is that the aircraft that has the different engine? And I'm just wondering why we're getting all the way up to retiring 42s.

GEN. JUMPER: These --

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MR. SKINNER: There's one block 40, I think, that has a different engine component than the others.

GEN. JUMPER: There are block 40s that have both the GE and the Pratt & Whitney engine.

MR. SKINNER: Right.

GEN. JUMPER: And then the block 50s -- the same thing, there are two at the block 50s.

The retirement of F-16s is just based on the airframe age and the aging out so that we get ourselves out of this difficulty we're in with these small units that get smaller. As you try to keep the same number of units, the number of aircraft per unit gets smaller as we age out these airplanes. And that's --

MR. SKINNER: Okay. Well, you're taking about 101 out, and you're just doing them out, basically, on --

GEN. JUMPER: On --

MR. SKINNER: -- airframe age and whether they've got cracks.

GEN. JUMPER: Yes, sir. Yes, sir. And if there's anything more to it, I'll get back to you.

MR. SKINNER: All right. And I just -- I told you off the record, but I'll say it on the record: I think that it's very hard for Air Guard units to give up airplanes.

GEN. JUMPER: Yes, sir.

MR. SKINNER: But I must say, I think in the long run, if you look at the technology and the missions and the aircraft of the

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future, I am not as pessimistic as some Guard members are that the active Guard cannot play -- Air Guard cannot play an active role in this new environment, which will include UAVs, which will include cyber issues --

GEN. JUMPER: Absolutely.

MR. SKINNER: -- as well as support issues, much the way the Army Guard is. So it'll be a hard transition, but the fact they don't have a tail number doesn't mean they can't be contributors as members of the Air National Guard, just as the Army Reserve is.

GEN. JUMPER: And they all do a superb job at it.

MR. SKINNER: Yeah, I agree with you. Thank you.

MR. PRINCIPI: Commissioner Coyle?

MR. COYLE: Thank you, Mr. Chairman.

Secretary Wynne, you stated that you oppose moving a single mission facility, such as Oceana, because it would degrade operational readiness. How is that different than moving our only submarine school or our only team C-4 ISR from Fort Monmouth?

MR. WYNNE: We have -- schools are eminently portable in the sense that you direct students to go one place or another place. I reject -- the fact that we have schools all over the country, I can take student populations from one and send them to another. It is not a mission that I am considering immediate operational employment of either.

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The movement of the submarines down to Kings Bay is actually a folding onto a mission-oriented base from a mission-oriented base, and isn't really the movement of a single mission.

The movement of Oceana is an operational employable, and we talked about -- and I probably have thought about it in a sense of a saucer, not a V, as to the attributes that would have to be picked up. And when you move this large an installation, I just think you're going to go through and probably a degradation of some amount of your operational capability.

That having been said, I mean, the C-4 ISR is another -- it's a technology revolution. We lose if we stay in place. We have to keep learning and we have to keep changing, even if we stay in place. C-4 and ISR has -- if you recognize, even as I do -- my kids can handle C-4 ISR so much better than I can with the phone technologies around and the manuals that are there. I think encouraging relearning and shaking people up and understanding that you have opportunities for change is where it's at.

And I would tell you that the Aberdeen C-4 ISR guys would pale at the thought that perhaps they won't enjoy a partnering relationship over the next course of four to six years with the folks at Monmouth. They already do. They would pale at the thought that they won't ever enjoy a partnering relationship with the folks at the night vision lab. They already do.

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The question is, simply, is it mandatory that I have three separate operating locations that mail in their material, or whether it's I have the synergy? And the technology is telling me get the synergy as fast as possible.

MR. COYLE: Secretary Harvey, two days ago we received a letter from 11 retired general officers, who together have a combined 306 years of service in the Army's signal and intelligence communities, C-4 ISR. And these are people like General Emmett Paige, General Gray, General David Kelley, General William Russ, General David Gust (ph), General Cuviello, General Hillsman, General Harris, General Campbell, General Brome (ph), General Robert Morgan. And they oppose the movement of team C4ISR from Fort Monmouth in part because of the question I just asked Undersecretary Wynne; because the people at Fort Monmouth are so immediately involved in saving lives in Iraq and Afghanistan every single day.

We haven't gotten a letter like this on any other Army installation. As Commissioner Bilbray said, the Army overall has done a wonderful job. But how can we ignore people of this stature who are recognized around the world for their expertise in this area? How can we ignore a letter like this?

MR. HARVEY: Well, I don't think you can ignore a letter like that. And you certainly -- you know, I can certainly respect those generals' opinions, but I disagree with them. We talked

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about the synergy and the advantages of co-locating all these complementary functions at one place. And I argue that in the long run we get capability to the warfighter quicker and at the minimum cost when we do that.

One of the disadvantages of Fort Monmouth is along the following lines. Our vision in net-centric warfare is to have communications on the move, non-line-of-site, broadband capability down to the platoon and then out to the soldier. Now that is a -- that is a -- today we have it down to fixed sites, to battalions and brigades. The next step is to get communications on the move, non-line-of-site, and then out to the soldier to give him advanced situational awareness, by which to make him -- to protect him better and to make him more effective from a combat standpoint.

We have to test that and simulate that in great detail. We cannot do that at Monmouth. This takes a great deal of land. We've got to simulate a lot of -- or simulate or exercise units out in the field. Aberdeen gives us the proper amount of land to do that, and to do the test and evaluation, and to optimize that concept.

So as Secretary Wynne said, we're going to the next generation. We're going to an enhanced C-4 ISR. And I respectfully disagree. And I think that getting all these functions together at one spot and having the ground to be able to evaluate and test that in the long run is superior.

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Now there's dedicated people at Fort Monmouth, but as Secretary Wynne said, they're not operational. They're providing capability. And I feel confident that we could manage the transition of functionality from one site to the other and do that, and we will have a detailed plan to do that. And we will never, ever have a situation where we'd ever jeopardize the warfighter and not -- and either have that duplicated for a short period of time at Aberdeen, like you do when you transition over an information system. But we will never, ever create a situation where we have an ongoing activity that is providing, in real-time, capability to the war fighter and jeopardize and move that. That will never happen.

MR. COYLE: Mr. Chairman, I'd like to follow up in a subsequent round.

MR. PRINCIPI: General Newton?

GEN. NEWTON: Thanks, Mr. Chairman. No questions, just two quick comments.

First is I think I speak for the rest of my colleagues with reference to joint basing, and we think that's a great concept. I just ask that there is a thorough follow through to ensure that we deliver the kind of services and support that we need for -- I'm more concerned with our more junior soldiers, airmen, sailors, Marines, as well as our civilian personnel, as they come on board, so that they will -- can appreciate and get the same level of

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service that -- or even better than what we're providing today. So that's point number one.

Point number two. I just want to say thanks to all of you, but particularly thanks to your team that worked and is working with us as well as our staff in this process that we've been going through for the last couple of months. Thank you very, very much.

MR. PRINCIPI: Admiral Gehman?

ADM. GEHMAN: Thank you, Mr. Chairman.

Gentlemen, I have a number of questions, and they probably can't be answered in five minutes. So what I'd like to do is kind of explain where I'm uncomfortable. And if we've got some time to take it on, fine. If not, if you want to get back later, that's later, too.

First of all, I'd like to join my colleagues in congratulating General Jumper on his wonderful career, and thank you for your cooperation. And we'd also like to congratulate Secretaries (sic) Harvey and Secretary Wynne on your futures. We wish you lots of luck, and I would like to say for the record that your performance, at least as far as this commissioner is concerned, with respect to the BRAC has been outstanding, and we think you've done a lot of good for us.

The second point I'd like to make is I think that you understand, and I think that the American public understands, that the Department of Defense looked at the equations that you had to

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look at through one set of lenses. We look at them at a different set of lenses. And so it's possible that we would come to a different conclusion looking at the same data, and I think that we all understand that. It doesn't mean anybody's wrong. It's just that we have a slightly different algorithm that we're approaching this.

Herein is my problem. The first point is after a lot of effort on part of the staff and the Department of Defense, they have finally taught me a few things that I do now comprehend your approach with respect to environmental restoration and why you counted it the way you did. I understand that. I understand your comments and I appreciate your comments about intellectual capital and the loss of intellectual capital, that it's a fleeting thing and it could be reconstituted and all that kind of stuff. I kind of understand your approach on leased space because it affects a lot of these recommendations. But I will tell you that I cannot comprehend how you can take a military manpower position which doesn't go anyplace and is still on the books and count it as a financial savings and use it to buy an F-22. I do not understand that, and I still don't understand it.

The second point that I'm uneasy about is the arguments about closing a perfectly good military post. And the arguments go that the really -- the only way that we can save money is by locking the gate and turning off the lights, and that's how we save money.

And then at the -- in the next page, I turn to a place where you take a perfectly good military post, you take all the operating units out of it, and you leave the post there with manpower and still claim savings. You can't -- I do not understand how you can do it two ways, and I probably will never understand how you do it two ways. It just doesn't make any sense.

And then the last one is just to piggyback on the point that the chairman brought up. And I understand General Jumper's statistics about plus-ups to the Reserve and Guard components in New England. But to remove essentially all military -- active-duty military activity, not just air, out of the New England area causes me to -- causes me some discomfort. And it seems to me that anytime you do a side-by-side comparison of any activity in New England and compare it to any activity in the Southwest or Southeast part of the United States, the Southeast part of the United States is going to win every time. Nevertheless, we have other imperatives here. This a nation. And I'm uncomfortable. I mean, we may have to go back and take a hard look at that, and we may need some help if we want to rework with that.

Those are the three areas where this commissioner remains uncomfortable with where we are. And, Mr. Secretary, if you want to take a whack at it, I'd appreciate it. But I really don't have much time to go farther than that. Thank you.

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MR. WYNNE: Some of these things you are going to have to remain, if you will, uncomfortable with because they're just -- it is a feeling, like Representative Hansen had said or Commissioner Hansen had said, that you just have a feeling.

Some of them, though, you would agree, as I think -- and you have done in your career -- that one MOS that's sitting around not doing anything is a bad investment for us, a stranded asset -- we would have cavalry posts sitting out in there; Fort McHenry sits here close by in Baltimore -- that we don't need anymore. We could -- it was a perfectly functioning base at the time when we closed it. Withdrawing for military bases is what we've done over the course of centuries as we've reformed our forces, and we're in the process of reforming our forces now.

Whether a soldier who we save or an airman that you save or a sailor that you save, should be expended from MOS 3071 to MOS 3075, or whether should be cached, as the Navy is doing, to buy F-18s, I contend is a management decision. But that asset in the place where you are saving it has to be managed with the same care as any other asset that you are reformulating and converting into fungible money. And I don't know how else to explain it. But I do know that if I -- it almost sounds better when you say: if I save it in one location and wait a year, then at least I saved the salary that happened for that year and I have that money to, in fact, invest.

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But irrespective of all those things, this is about transformation, and a leg of transformation that we must do to reshape our forces to face what we forecast as the enemy of the future. It is -- we cannot have stranded assets in locations that are socially acceptable but not militarily acceptable. So we have to watch our stranded assets to where they are and watch our efficiencies.

As you say, getting down to eight airplanes or six airplanes or four airplanes still requires a full maintenance squadron at those places. You cannot ever compromise safety. So therefore, I now have either a flying squad, teams of maintenance -- I've got a terrible burden that I am placing on the safety aspects. Better to move and consolidate.

As are -- there are not going to be anymore B-1s. There -- it looks to me like we have a declining asset base in our C-130s, our F-16s, and we will not replace every F-16 with a Joint Strike Fighter. So now, what do we do with the number of squadrons that just can't do flight anymore? I think the Air Force has done an admirable job of trying to sort through where they would put emerging missions so as to maintain an incentive for us to recruit, hire and retain, if you will, this manpower.

As to strategic presence, we've gone through that. We've looked very hard at what our strategic presence is. We recognize very well, and I think all of the service chiefs here would

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support -- we are a national military, and we watch out and be careful that we don't become a regional military. I think that would be a disservice to the American people. And that concern is within all of us.

MR. PRINCIPI: Thank you, Admiral.

General Hill?

GEN. HILL: Thank you.

I'd like to build on what Admiral Gehman said and, Secretary Wynne, what your answer was. And that goes back to what Congressman Hansen talked about and what General Turner talked about, and it goes to this idea of what is homeland security and what is homeland defense and the blurring of the two. And all I'm doing is making a statement.

As we have traveled around, the American people do not understand your role in this. I understand it. I asked the sovereignty question of NORTHCOM, and I was told we've got that covered. The NORTHCOM commander is comfortable with that. I am, too. But the American people don't understand it.

I would urge you to begin to make that understanding clearer. That goes to bases like Ingleside. It goes to a lot of different issues.

The other piece I'd like to say to the Navy. General Turner asked the question about the federal city plan in New Orleans. In point of fact, I know why you stopped it because of the BRAC

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rules. And in point of fact, the federal city plan saves you a lot of money. So when you come back with the answer, it seems to me you ought to say, "what a great idea" because it does, in fact, save real dollars. So if you come back to us and say, well, we didn't look, uh-uh, that will not get a very favorable response, I think. Okay?

The other piece I'd say is this. And I'm going to Oceana because I can't walk away from Oceana. When the Navy started this discussion in your BRAC buildup -- because you looked at taking Moody or Seymour Johnson or something else, and you ran programs against it. You ran a COBRA program of $500 million to go into Moody. That's what you thought it would be. We ran a separate program to go into what we found was a viable location of Cecil Field, and we think it runs about 410 (million dollars), 450 (million dollars), whatever. You say one-nine (billion dollars). I think that's because you haven't been there and seen what the investment is still there, the investment that's in. The airfield is in great condition. You fly on it today. There are prowlers that go from Oceana to Cecil and do flight ops down there all the time. It really is -- and none of us thought about Cecil when this discussion became -- we came -- we were looking at Moody. We sat right here and discussed Moody.

But it is a viable one, and I'd ask you in a couple of areas.

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One is you mentioned the FAA restrictions. That was 1993. Those restrictions are different today, and the technology's much better today, and I think that in point of fact there's no problem down there with the FAA. That's what our FAA rep says to us.

Secondly is the '93 BRAC, in saying to keep Oceana and close Cecil, made a point of saying the encroachment that the Navy gave them back in '93 was overstated, and I think you're overstating that today also because there's not an encroachment issue down there or it's very slight.

Anyway, that's my two cents on Oceana. Thank you.

MR. PRINCIPI: Thank you.

We'll now proceed -- oh, I'm sorry. Mr. -- Congressman Hansen? I apologize, sir.

MR. HANSEN: Thank you, Mr. Chairman.

You know, this is an interesting process we're going through here. Prior to BRAC, any member of Congress worth his salt could stop a base from being closed. It was done all the time. He'd go to one of his buddies and say, hey, we can't do this. And so we just keep getting bigger, and more and more bases would come along.

And now I can appreciate your frustrations. I notice that General Jumper making his statement, he says, I can't even hardly even move one airplane. He didn't explain why, but I think a lot of it could be because some congressman wrote him a really nasty

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letter, and that congressman happened to be a pretty heavy guy in one of the Armed Services Committee or something, or he couldn't do this, that or the other. And you're shackled by Congress. There's no question about it. There's 535 big eagles up here that tell you just how to run the show. But that's our system, and the system works.

So BRAC came along, and out of BRAC we find ourselves in a position that we give and trust eight in first rounds and nine in this round -- individuals -- to make a decision to basically say, are you following the criteria? And every time you come up with those criteria, you also have to follow the law that puts you in that thing, which is a very restraining thing and very difficult, I would say. So the nine of us can sit here and take shots at you folks and ask you why you've done the various things that you did.

And with that in mind, being one of the nine, I would like to now ask the Army on something very -- a little parochial -- but coming down to the Deseret Chemical. I handled most of the obsolete chemical problems on the Armed Services Committee for many years. And I remember when we went through baseline, cryofracture, the whole nine yards, and finally settled on what to do.

It seems to me that you could expend -- and General Tuttle came to me at one time and said we could come up with as much as $100 billion to get rid of our obsolete chemicals. And as you

start looking at it and you extrapolate the amount of money you're involved in this thing, you find yourself in a situation where building these things -- for example, the one out at Deseret Chemical is about a billion dollars, and you've got one now in Umatilla and Anniston; and you probably are going to end up in Pine Bluff, Lexington, Aberdeen and maybe Indiana. It's going to be a ton of money. And I don't know -- I mean, it's going to be a third of the Defense budget if you carry it all in one year. So you find yourself in that situation. And then you are going to have to -- according to the law, you're going to have to destroy those buildings.

Now it seems to me that when many Army people say that these things do not have to -- it would be better if we kept them for other ammunition, you put in -- for demilling other ammunition and things -- you put in your request that all of these would be destroyed or would be closed. Let me ask you -- I assume that's predicated on the law?

MR. WYNNE: Yes.

MR. HANSEN: Because as far as good sense -- and if you're a businessman, you'd say let's keep the thing open, let's destroy other ammunition, let's destroy other things.

MR. WYNNE: Yeah. These are specifically made to destroy chemical weapons. And these are contracts that involve the

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building, the design, the building, the operation, and then dismantling of the buildings. That's the --

MR. HANSEN: Well, I agree with that.

MR. WYNNE: Your best argument was Johnston Atoll.

MR. HANSEN: Yeah, well and you did take Johnston down after it was done.

MR. WYNNE: We were caused to take Johnson Atoll down because we could not get anyone to agree to ship additional chemicals to a very remote island site where it was being handled very, very well.

MR. HANSEN: I think I would agree with you, Secretary Wynne. I would also add to it that some people in Hawaii who hold very high political positions didn't want it to come down. But anyway, we won't get into that discussion.

But let me just say, Dr. Harvey, some of your own people have said that it would not be too much to reconfigure those babies into a situation where they could also demill other obsolete ammunition and armament that is not specifically chemical.

MR. HARVEY: Yeah, I think I mentioned in the testimony we have enough conventional demilitarization capability today to do that. So -- and I'm not knowledgeable, but at least on the surface I believe these are specific -- at least the incineration technology for five of the plants, that's targeted towards chem demill and not munitions, so it's a totally different technology.

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And as you mentioned, unfortunately -- and I know my friend, Secretary Wynne, tried -- that you cannot transport these things from point A to point B. We have --

MR. HANSEN: Well, the reason you can't, because the law says you can't.

MR. HARVEY: That's correct, and there is a danger --

MR. HANSEN: But we did that all over Germany. We did that all over the Pacific Rim.

MR. HARVEY: I know.

MR. HANSEN: We did that in a dozen places where we moved the stuff, and no one had a blip on the screen.

MR. HARVEY: Congressman, you sound like me when I'm an engineer -- when I put my engineer hat on. (Chuckles.) But it's an emotional, emotional thing. And we do have eight sites. We do have one at Indiana. We do have one at Pine Bluff. We do have one at Pueblo, Umatilla. We have them where the former sites were. So I think we just kind of have to live with the compromise between those two points of view.

MR. WYNNE: The good news is, sir, is that we have -- the plants are operating, for the most part. And people are working hard, they're doing it, and it looks like we're going to make the 40 percent bogey of the chem demill treaty that we agreed to. And so hats off to all those communities that are, in fact, doing it. It is just -- may not have been, if we had a clean sheet of paper

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to do it over again, the way we would have done it, but it is the way it is.

MR. HANSEN: Well, I could agree with that. We're stuck with it, and this is where we are today. But in hindsight, if you go back and you read the Dutch plan that was -- and you probably have -- which came out of the First World War, it sure saved a whole of a lot of money, from $100 billion down to almost zero. But anyway, that's another story.

Thank you very much for your time, and I appreciate your excellent testimony.

MR. PRINCIPI: Thank you, Congressman.

We've got to do a quick third round. And I'd like to begin by asking General Jumper a question, if I may. We'll limit it to five minutes, if we can, those who have questions.

General Jumper, in your testimony you talked about the number of bases that have been closed down in the past. And I remember your first hearing, where you talked about the -- I think it was gut-wrenching decision, a tough decision you had to make on Cannon Air Force Base because your father was commander there.

In this round we see Cannon and Ellsworth proposed for closure; Eielson and Grand Forks proposed to be placed in a warm status. All four Air Force installations -- and I think you also said there are no more bad installations -- (chuckles) -- they're all good -- are in rural areas, relatively isolated, if you will,

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so virtually no encroachment, good to outstanding ranges. And while less importantly, but still significant is the fact that in all four locations it has a dramatic impact -- dramatic economic impact. Clovis, close to 30 percent of the jobs direct and indirect will go away. Clovis, as we know, is not a higher-income area. Very, very difficult to have economic redevelopment. Ellsworth is the second-largest employer in the state of South Dakota. It will have devastating impact on Fairbanks, Alaska and, of course, in Grand Forks.

Yet we have bases, if you will, like Luke and Nellis, that are in metropolitan areas, where encroachment is significant. Why those four and not Luke and Nellis? And are we going so far now to close down these -- or basically close down -- four bases? I know we're going to keep two in a warm status. But once they're closed, ain't going to get them back.

GEN. JUMPER: Sir, first of all, Eielson does not close. Right.

MR. PRINCIPI: Oh, I know. It's in a warm status.

GEN. JUMPER: It's a great range up there. And not only that, but they'll have a great transient population going through there to take advantage of the large exercises we do, Cope Thunder exercise.

MR. PRINCIPI: But from an economic impact, I think you would agree when you move all of those people out of there -- and

Fairbanks is a rather isolated community -- it's going to have a very significant impact on the people.

GEN. JUMPER: Right. But I just want to remind everybody that it's replaced by a very large transient community as well.

Now as far as Cannon, Ellsworth and similar bases go, sir, if there was a BRAC criteria that had emotional impact on it, the results would be different. But the BRAC criteria takes a very cold look at how to consider these bases and how we do our analysis. And when you evaluate the bases, even though Cannon has good ranges, the ranges are not as good as the Goldwater ranges that are near Luke Air Force Base. As you look at Ellsworth, Ellsworth scored actually fairly high in all the categories. But when you're looking to go from two to one, it didn't score well enough to be the one.

Sir, these are difficult. You know, Doc Stewart down at Cannon Air Force Base was the chairman of the Military Affairs Committee down there when my dad was the wing commander at Cannon Air Force Base. I've known him all of my life. These are very difficult decisions to make. But as Commissioner Hansen said, we go through this BRAC process so we can elevate the consideration of what is right to do above political considerations and individual political constituencies. We take this gut-wrenching step so we can elevate that process to a higher level. And when you do that, you have to make sure that process is absolutely

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pure; that you absolutely go by the criteria; that your analysis and your data is certified, and that everybody agrees; and you go through the process.

And as Secretary Wynne said and I think Secretary Harvey said as well, in order for us to make any military judgment that was not substantiated by the analysis, we had to sit before Secretary Wynne and, in some cases, Secretary Rumsfeld or Secretary Wolfowitz, and we had to make a very compelling case why our military judgment overcame the analysis. And, sir, this has only happened in a handful of cases.

So, sir, I sit before you today as a wounded warrior when I consider the emotional impact of what we have to do. The economic impact, I couldn't agree more. But we have kept this process as pure as the commission would have wanted us to to arrive at this point we are today.

MR. PRINCIPI: Thank you, General Jumper.

Commissioner Coyle, you had a follow-up question. Does everyone have questions? Okay. All right. Well, let's -- I'll begin at that far end and I'll work my way up.

Commissioner Coyle.

MR. COYLE: Thank you, Mr. Chairman.

Admiral Willard, in response to a question from Commissioner Bilbray about some of the testimony that we've received from retired senior Navy leaders, I believe you said that they were

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emotional about New London, and that New London was home for them. But we've gotten a letter from a former president of the United States whose home is in Georgia, and whose state would actually lose if New London were kept open. So clearly, that was not a factor for his advice. We've gotten advice from the chairman of the House Armed Services Committee, who also has no home or connections with New London. We've gotten questions about New London from the chairman of the House Strategic Forces Subcommittee, again who doesn't have home connections with New London; from the chairman of the House Appropriations Committee and the House Appropriations Defense Subcommittee; from a former chairman of the Joint Chiefs of Staff; from three former chiefs of Naval operation. I don't see how you can say that the testimony that we've gotten has been emotional and based on people who think that New London is home.

ADM. WILLARD: Sir, I think the sum of the individuals that you're referring to, with few exceptions, have strong ties to the submarine community. And once again, that is a base that has been around for many, many years, wonderfully supported by the community, somewhat elderly from our vantage point, and representative of excesses that the BRAC criteria call for us to raise question against.

Of the margins, in terms of viewing into the various BRAC savings that we had to consider, the excesses in pure space loom

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very large for us. And when we look at the submarine infrastructure along the East Coast and the total submarine infrastructure strategically as a Navy, the choice of New London was the right choice to make from the standpoint of minimizing those excesses, particularly on the East Coast, and consolidating those fast attack submarines elsewhere.

We based our analysis on fact. There are a great many opinions being expressed during the course of this BRAC deliberation, and we acknowledge that that's part of the process, too. But what came out of this analysis and hard data and many, many years of viewing into the problem was a recommendation that was based on the needs of the Navy and the needs of the Navy in the 21st century. And we feel that consolidating our fast attack forces at fleet concentration areas and making the new center of excellence, if you will, a very modern facility in the Southeast is the right thing to do, notwithstanding the opinions that have been expressed by a great many great leaders and great Americans.

MR. COYLE: Thank you.

Secretary Wynne, in the centers of excellence that you're proposing to establish, in a number of instances, you are moving an existing center of excellence, which is recognized around the world, to -- you're proposing to move it to a place that is not recognized as a center of excellence. In some instances, an installation with the highest military value in its area of

excellence to a location of low or the lowest military value. In the case of the letter which I referred to earlier -- which, Mr. Chairman, I'd like to have included in the record of this hearing -- those 11 Army generals and experts in C-4 ISR wrote, and I quote, "There is no core of C-4 ISR expertise or facilities located at Aberdeen Proving Ground." So there's an example of where you're proposing to move something from a place where there is substantial expertise and many people performing to a place where there is very little expertise and very few people performing in that area.

But in general, there are other examples where you have proposed this kind of action, and it's a kind of mountain-to-Muhammad kind of problem. And in the process, you are jeopardizing -- you are jeopardizing fragile intellectual capital. And you've told us on several occasions that -- don't worry about fragile intellectual capital; your experience in industry was that you were able to handle that just fine. But when we send you questions asking you why you didn't do something else in the way of consolidating centers of excellence -- as, for example, when we sent you a question about why you hadn't recommended moving energetics from Indian Head to Picatinny; something I wouldn't recommend myself, mind you -- your response was, quote, that "it would jeopardize fragile intellectual capital." So it seems to me that when something is proposed to move by the DOD, you say

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fragile intellectual capital is not a problem. But when it's not proposed by the DOD, you say it is a problem.

MR. WYNNE: The computer was invented by Univac. Then there was Sperry Univac. We used to have a company called Digital DEC. Great company; introduced the whole concept of portable computability. Before that, we never even knew there was going to be an Apple Computing Corporation. In fact, if you'd have asked the people at Sperry and at Univac and at CDC whether they would move to California, they would probably say there's no intellectual capital base out there in Cupertino. Then there's Seymour Cray. Just a wonderful guy -- Minneapolis, Minnesota. Cray Computing became the basis of CDC.

This is the technology field that you're addressing. I would tell you that technology field is continuing to merge on and on and on, and we need to get on with the getting on. And here's one of those cases where I think if this technology area is changing every two and half years -- and by the way, again, these are great Americans that have weighed in, some of whom I've had relationships with personally. But the fact of the matter is is this technology field has to be refreshed about every other year. My experience on technology refreshment is that I need to get some people to, if you will, volunteer and opt out. I couldn't even account for that in the movement of the operation down.

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Without a doubt, if we just went head to head, which we never really tried to do on a state for state basis, the fact is is that these are not doctorates. Some are. Some form the core and are. However, comma, in the area of energetics, this is a dangerous, dangerous field. And we had to consider more than just the idea of intellectual capital, which I, again, would probably, if I had edited the specific instances, may have rejected. But the fact is is moving the asset base didn't make a lot of sense there because it's all about blowing stuff up. And Indian Head's really got a nice location for blowing stuff up.

MR. PRINCIPI: Thank you.

Admiral Gehman?

ADM. GEHMAN: A very short question, Secretary Wynne.

In a goodly number of these recommendations, maybe a dozen or so, particularly in the area of the technical/industrial sections in which you create centers of excellence, you have swept up groups of people that may be 25 people, 30 people, 35 people that have similar sounding names, but are already at a center of excellence of some system. Take, for example -- take, for example, energetics or something. Take, for example, Dahlgren, which does ship system integration. And they may have a chem bio guy because ships have to be able to defend themselves against chem bio. And they may have a gun guy because ships have guns.

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And they have been swept up into chem bio centers of excellence and gun centers of excellence.

My question to you -- I don't want to talk about the merits of that. My question to you is there may be -- for example, in the chem bio guy who's doing a ship thing -- there may be two or three of those scientists that actually do R&D or actually do chem bio research. Is there any legal prohibition against the Department of Defense -- because these are all capital working fund activities -- of moving two or three or eight people? Do we have to do it? And do you have to close the whole office in a system in order to get the two or three people that really are misaligned, or should we just leave it to a programmatic decision?

MR. WYNNE: I'd like to start there. I think Congressman Hansen said it best. The reason that Congress did this and the reason you're faced with so many apparent below-threshold actions is because it is our professional opinion that if we don't do it now, we will not get it done. You have actually heard from people with less than 300 that think if we move them, that whole thing's going to decay and go away. And don't think that that wouldn't be carried to things.

I mean, I'm the first to admit all politics are local. And without a doubt, this is representative of America. And what Congress decided to do was to build a mechanism where local politics could be superseded by wisdom and judgment of military

capability, recognizing that the fight we're going to fight tomorrow is not the fight we're fighting today. In fact, as Admiral Vern Clark said, you know, this war is not like the last war, and this war is not going to be like the next war. This was has characteristics all of its own. And so it will be. So they've agreed that we can reshape our force structure, and this is the mechanism and the way we're doing it.

So I wouldn't grade our paper, sir, on just whether or not we affect one or two or three people. In fact, what probably happened in the cases that you're saying is they were attending a meeting where a need was expressed, and they raised their hand and said we can do that. And before long, they had two or three people helping them do it. And they may have done a good job, they could have been smart. It's a great educational system we have in America. And so here's an area of expertise that grew.

I mean, at General Dynamics we had IC circuit labs at every one of our installations, whether they built aircraft ships or missiles. We had an IC circuit lab because somebody said, you know, we need an IC circuit lab. So here we had, every place we were, 40 people doing IC circuits. And they did them well. Can't do that. The boss at that time started calling them Gucci circuits.

MR. HARVEY: Admiral, I could just add a little bit.

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We do exercise some judgment here. We are doing some consolidating of Army research laboratory at Aberdeen. And we have a contingent, just like you described, out at Yuma. We are taking the component that's really doing R&D, but we're leaving the test and evaluation people there.

So we do look at this in a very, very fine-grain detail and understand that people have to stay and that have to have representatives. And you know, you have to do -- the people that do the R&D function should be together for synergy purposes, but you can have a small representation of that technology there to almost act as, you know, the site representative in a customer sense. So we do that.

MR. PRINCIPI: General Hill?

GEN. HILL: Just a quick statement.

One, I forgot to congratulate my good friend, John Jumper, for we've known each other for 20-something years. And I thank you for your service. It's been a joy.

And then finally, I'd like to say to Secretary Wynne and to the whole DOD effort that as we've sat here today and at other times, it may sound like we're against the whole thing. And in point of fact, the secretary's recommendations are, for the most, really well made. And I think the whole transformation issue is superbly done. We're not going to bless it all, I suspect, but we

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appreciate you and your staff and all the effort that we got out of everybody. So thank you very much.

MR. PRINCIPI: Thank you.

Secretary Skinner?

MR. SKINNER: I hate to go back to detail, but I'm going to do it one more time because I think it's important and hadn't really been discussed. And I want to talk about C-130s, General Jumper.

You've recommended consolidating C-130s to Little Rock. You're going to move 77 additional C-130s into Little Rock of all various types and models, and that decision was made before the 130J decision was changed. And now C-130Js are in production and will continue to be in production.

And I guess my questions are two.

What is the -- I recognize you have simulators, and you have a lot of 130s down there already, and simulators in all areas. But putting that aside, I'm trying to figure out, as we go through this, why Little Rock was chosen, as its military value MCI factor was lower than a couple of others, including some that we're closing.

Number two, you're consolidating an awful lot of aircraft. We estimate it's going to be between a hundred (million dollars) and $200 million of additional infrastructure that's going to have to be installed there. And maybe just explain why Little Rock,

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other than it's already there -- as far as its strategic location, compared to the missions that these aircraft perform.

And then, finally, has it changed? Because we haven't heard really anything, and you've now got 130Js coming in that you didn't anticipate you were getting.

GEN. JUMPER: Well, sir, as you recall --

MR. SKINNER: That's all one question, believe it or not. (Laughter.)

GEN. JUMPER: The C-130J multi-year production only changed as a result of PBD 753, which was taken at the end of December.

MR. SKINNER: Right.

GEN. JUMPER: Before that, we had a program of record for multi-year. Essentially, we've gone back to what existed before December. So our program base actually goes back to what that original program base was.

In addition, our program also talks about taking the multiple versions of the C-130 that are out there now and consolidating them actually down to two versions over time. It also includes getting rid of the oldest versions --

MR. SKINNER: Right --

GEN. JUMPER: -- some of which are now being grounded because of wing box and other problems.

As far as Little Rock, sir, we'll get to you exactly on the criteria that went into the Little Rock decision. I will tell you

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there's a big C-130 operation down there that has to do with training, and many other factors that drove us to Little Rock.

And as far as the disposition of the missions, there's still many C-130s out there in many other locations, and as you know -- as a matter of fact, you heard Admiral Keating and others say that we have no problem taking those airplanes and putting them exactly where we need them. We see them with firefighters all the time, C-130s. We see them with the special electronic versions of the C-130s that exist today, as well as the particular -- as the general cargo version. So we have no problem taking airplanes and putting them exactly where we need them from a large C-130 location.

MR. SKINNER: Okay. Thank you.

MR. PRINCIPI: Any further questions?

Yes, Commissioner Coyle?

MR. COYLE: Thank you, Mr. Chairman.

I also want to congratulate General Jumper on a wonderful career. I've considered it an honor to have the opportunity to work with you from time to time, and you've just done a spectacular job all the way through.

I just wanted to follow up with Secretary Harvey. You said that the Army needs land for C-4 ISR experimentation, and I would agree with that. But the place the Army does that now is Fort Huachuca. And if C-4 ISR were moved to Aberdeen, they would do

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the work at Fort Huachuca also. And since you didn't propose closing Fort Huachuca, I assume you're not going to move the work that's done there to Aberdeen. Do I have that right?

MR. HARVEY: Test and evaluation command totally will be at Aberdeen. And the plan is to do testing of the net-centric configurations at Aberdeen.

MR. COYLE: Now currently you do that where --

MR. HARVEY: The degree -- since we don't have the technology developed quite yet, whatever testing is done -- which I'm not knowledgeable of -- at Huachuca is not the testing I'm talking about. I'm talking about formations of platoons and companies connected through various and sundry satellites and so forth. So it's --

MR. COYLE: Right. I understand what you're saying.

MR. HARVEY: We're not doing that in Huachuca today.

MR. COYLE: But when you do field testing of the sort you've just described, it's often done at Fort Hood. And I assume it would continue to be done there because there's a major C-4 ISR effort at Fort Hood when you get to the large exercises and experimentation.

MR. HARVEY: I would call what goes on at Fort Hood training, and I'm talking about testing. We deploy it, and they would clearly train with it. So I think we're talking about different

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levels. But what goes on at Fort Hood would be -- in the future would be more training than test and evaluation.

MR. COYLE: Well, having seen the development work with new C-4 ISR systems that's done at Fort Huachuca that involves field elements and at Fort Hood also, you know, the Army's proposal to move Fort Monmouth might have made more sense if it had been to move it to Fort Huachuca or even Fort Hood. But I don't believe, unless you're -- unless there's a stealth BRAC proposal here to do something to one of those locations.

MR. HARVEY: No. There's no -- there's no research development acquisition capability in C-4 at Huachuca. I mean, this is intelligence base. The C-4 ISR development goes on both at Aberdeen and Monmouth, as we know, and Belvoir. So that is some degree of testing. But I'm talking about testing of net-centric warfare capabilities, which is not being done at all right now.

MR. COYLE: Well, let me respectfully disagree with you, but I will let it drop at that.

MR. HARVEY: Well, maybe we're into semantics of what that means, but I'm thinking of --

MR. COYLE: Thank you very much, Mr. Chairman.

MR. PRINCIPI: Thank you.

Before -- in closing, let me just state that there are a number of questions outstanding. We would greatly appreciate it

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if you could respond to those questions, commission questions, by Monday, as time is of the essence.

General Jumper, I would just quickly add my voice to that of my colleagues in saying that you can take great pride in knowing that, because of your leadership, you leave behind a better Air Force.

And Secretary Wynne, in closing, I would suggest that if this were your confirmation hearing, you would probably be confirmed today as Air Force secretary. I note that the new staff director of the Senate Armed Services Committee -- my former colleague, Charlie Abel -- is present. Perhaps he will consider this hearing as a confirmation avoidance and, therefore, as a committee savings. (Laughter.)

Thank you all very, very much. The commission will stand in recess until 1:30.

MR. WYNNE: Thank you very much, sir.

GEN. JUMPER: Thank you.

(The morning session was adjourned.)

END

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