

2005 BRAC COMMISSION REGIONAL HEARING

TUESDAY, JULY 19, 2005

1:30 PM

106 DIRKSEN SENATE OFFICE BUILDING
WASHINGTON, D.C.

COMMISSIONERS PRESIDING:

ANTHONY PRINCIPI, FORMER SECRETARY OF VETERANS
AFFAIRS

JAMES H. BILBRAY, FORMER MEMBER OF CONGRESS;

PHILIP COYLE, SENIOR ADVISOR TO THE CENTER FOR DEFENSE
INFORMATION

ADMIRAL HAROLD W. GEHMAN, JR., FORMER NATO SUPREME ALLIED
COMMANDER;

JAMES V. HANSEN, FORMER CONGRESSMAN;

GENERAL JAMES T. HILL, FORMER COMBATANT COMMANDER, U.S.
SOUTHERN COMMAND;

GENERAL LOYD BREN NEWTON, FORMER COMMANDER OF AIR EDUCATION
AND TRAINING COMMAND;

SAMUEL KNOX SKINNER, FORMER CHIEF OF STAFF FOR GEORGE H. W. BUSH;

GENERAL SUE ELLEN TURNER, AMERICAN BATTLE MONUMENTS COMMISSION

CHAIRMAN:

ANTHONY J. PRINCIPI

WITNESSES:

CHARLES BATTAGLIA, EXECUTIVE DIRECTOR, DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION;
FRANK CIRILLIO, DIRECTOR, REVIEW AND ANALYSIS, DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION;
JIM HANNA, NAVY TEAM LEADER, DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION;
HAL TICKLE, SENIOR ANALYST, DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION;
BRIAN MCDANIEL, SENIOR ANALYST, DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION;
JOE BARRETT, SENIOR ANALYST, DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION;
C.W. FURLOW, SENIOR ANALYST, DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION;
BILL FETZER, SENIOR ANALYST, DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION;
MARILYN WASLESKI, SENIOR ANALYST, DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION;
SYD CARROLL, SENIOR ANALYST, DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION;
ETHAN SAXON, ASSOCIATE ANALYST, DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION;
KEN SMALL, AIR FORCE TEAM LEADER, DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION;
TANYA CRUZ, SENIOR ANALYST, DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION;
TIM MACGREGOR, SENIOR ANALYST, DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION;
MIKE FLINN, SENIOR ANALYST, DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION;
CRAIG HALL, SENIOR ANALYST, DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

MR. PRINCIPI: Good afternoon and welcome to one of the more important meetings of Base Closure and Realignment Commission.

We are here this afternoon to consider options, a list of possible alternatives to some of the military installations that the secretary of Defense has recommended for closure or major realignment.

On July 1, 2005, on behalf of the commission, I forwarded to Secretary Rumsfeld a series of questions seeking explanation and comment on a number of installations we felt warranted further consideration. The commission needed this installation information before we could proceed with any consideration of adding additional installations for realignment or closure to the May 13th recommendation list. By law, the secretary of Defense had at least 15 days to respond. On July 14 the acting deputy secretary of Defense, Gordon England, did respond to the commission's letter. Indeed, the commission is most grateful for such a timely response since it allowed us to remain on our very tight schedule and to prepare for our Defense Department witnesses who appeared before the commission yesterday.

I want to emphasize that we are not here today to produce a final list of closures and realignments. We will not take that definitive action until the latter part of August. Our deliberation today may add more bases for further consideration, and consideration only, not because we have determined that we need to realign or close more bases than the secretary of Defense has recommended, but because we want to make sure the best possible closure or alignment choices are made consistent with the criteria established in law. In essence, this is

part of our due diligence to independently and comprehensively consider all options.

We are as a commission most acutely aware of the anxiety communities experience when faced with the prospect of losing an important military presence in their area. Through our site visits and regional hearings, we have witnessed firsthand the close relationships between so many communities and the military members that make those communities home -- very, very aware of the anxiety in those communities.

Our job as an independent commission is to render a fair judgment on the secretary of Defense's recommendations. In a limited number of cases, we cannot make that fair assessment without first being able to make direct comparisons between installations that are part of the secretary's recommendations and similar installations that were not included in the May 13th recommendation list. But we scrubbed those very carefully to keep that list very, very short.

Simply put, seven commissioners who may vote in the affirmative today to add a base for further consideration does not necessarily mean that base will be realigned or closed. It means that for us to do an honest and independent and comprehensive job in analyzing that particular military sector, we now have the opportunity to examine the broader picture. We will assess those installations in the same open and fair manner we have looked at installations that were included on the secretary's recommendation list. At least two commissioners will visit any installation that we add for further consideration, and representatives of those communities will be given ample opportunity to

testify in a regional hearing just like those that have occurred during the past month.

In August we will once again invite the secretary of Defense, the service secretaries and chiefs and other Department of Defense officials to provide us with their comments before we begin our final deliberations and voting in late August. And as we continue this process towards those final deliberations, let me say once again: we are not conducting this review as an exercise in sterile cost accounting. This commission, every commissioner is committed to conducting a clear-eyed reality check that we know will not only shape our military capabilities for decades to come but will also have profound effects on our communities and on the people who bring those communities and our military installations to life.

I would like to take a moment to review how we will proceed today. I have asked Charles Battaglia, the commission executive director, and Frank Cirillio, the director of review and analysis, to give us a short presentation, after which we will hear from the leaders of the commissions Army, Navy, Air Force and joint cross-service teams. These experts will take us through the various options they have prepared at our request.

I want to thank them for the tremendous amount of work and the extraordinary hours that the entire BRAC staff have put into this effort.

Following the presentation on each installation, the commission will vote on whether to add that installation to the list for consideration; to pass seven affirmative votes will be required.

As in the case for all witnesses before this commission, our staff members testifying today must also be under oath as required by the Base Closure and Realignment Statute. I now request all of our witnesses, this panel and all other witnesses, to please stand for the administration of the oath by Dan Cowhig the commissioners' designated federal officer.

(Oath administered.)

Thank you.

Mr. Battaglia you may begin.

MR. BATTAGLIA: Thank you, Mr. Chairman.

As you noted, the commission has gathered to review those installations being considered for reduction -- for closure or realignment that would be in addition to the secretary of Defense's recommendations presented to the commission on May 13th.

Now the staff has initiated review for each installation under consideration and will present the results of that review and any comments received to date in order to facilitate any discussions or questions that you and the other commissioners may have for your deliberations here today.

The commission has, of course, heard from the Department of Defense regarding our considerations, both by letter and by testimony yesterday, and we will review those comments for you as well.

We anticipate that we will formally decide -- that you will formally decide which, if any, of those installations will be added for further considerations. Such actions will then allow commissioners to

visit those locations and take public testimony to support thorough analysis over the next several weeks prior to our final deliberations.

As you noted, the governing statute requires seven affirmative votes to add any installations reviewed today for consideration, and if added would also require seven votes during the final deliberations in late August to actually close or realign the selected items.

I will now turn the presentation over to Mr. Frank Cirillio, the commission director of review and analysis. He will introduce the specific items under review.

MR. CIRILLIO: Thank you, Mr. Battaglia.

Mr. Chairman, commissioners, please refer to the (wiring ?) chart on your left and note the specific actions that will be under review today. Each item will be discussed in the order shown.

First, Mr. Jim Hanna will introduce the Navy-related actions under consideration, followed by Mr. Ken Small (sp) for the Air Force actions, and finally, Mr. -- (name inaudible) -- will introduce the broader joint-cross-service-related items.

The respective analysts will cover rationale for consideration, specific items identified in any cost and base realignment action model, or COBRA, calculations available.

We will also introduce the status of analysis conducted to date.

The formal addition of any installation today will allow the initiation of a comprehensive, in-depth review to assure fair and open consideration prior to the commission's final deliberations.

We will also review the specific comments, as Mr. Battaglia pointed out, presented by the Office of Secretary of Defense for each item as

well as any related comments identified by the Government Accountability Office in their July 1st, 2005, report on the process and their recommendations.

Most importantly, for each action under review today, we will identify the specific options that will be available to the commission during the final deliberations, should you vote to add an installation for further consideration and review.

David Cowhig, our general counsel, and Diane Conroy, our director of administration operation, will assist in any call for votes resulting from motions offered during today's deliberations.

Before I turn the presentation over to the respective team leaders, I call your attention to this map reflecting the actions under consideration today. What we've done is graphically portray each of the 16 specific locations, using the red diamonds, that will be visited by the commission, should the whole complement of considerations be added for adoption for in-depth review and analysis.

As you'll see during the deliberations, a few of the recommendations have more than one installation involved. Throughout the presentation, the matrix graphic on your left will either be displayed on the screen or available for review on the mounted board you also see before you.

And now, Mr. Jim Hanna will present the Navy-related considerations as well as introduce the respective analysts.

Jim?

MR. HANNA: Thank you, Mr. Cirillio.

Good afternoon, Mr. Chairman and commissioners. As you can see, the Navy-Marine Corps team has explored five items for your consideration for further investigation. Two of these, Naval Air Station Brunswick, Maine, and Pearl Harbor Ship Yard in Hawaii, are to allow a more thorough investigation of recommendations already forwarded by the Department of Defense. Many of these items were considered by the Department of Defense but not included in their final set of recommendations forwarded on the 13th of May.

Where available, we have used the results of the appropriate cost of base realignment action model run, more commonly referred to as COBRA. You will see this reflected in our slides. We will discuss our reasons for exploring these considerations along with potential costs and savings. We will also depict the numbers of military and civilian personnel directly assigned to the bases in order to portray a sense of the magnitude of the potential change. As these facilities are not yet added to our list of facilities to be considered for action, we have not investigated the indirect costs of any of these decisions.

You will see a slide that will portray the Department of Defense's original position during their BRAC deliberations, any community issues we have been able to glean in the course of our work to date, and our assessment of the item being discussed for your consideration. We will then show the Department of Defense's position as reflected in their recent reply to the chairman's letter of 1 July, 2005, as well as any applicable Government Accountability Office finding in their report of the same date. Finally, we will ask for any questions, clarification

you may need on the particular facility being discussed or a motion for specific action.

We will begin with Mr. Hal Tickle, our lead analyst for Naval Air Station Brunswick, Maine; Mr. Michael Kessler assists him.

Hal?

MR. TICKLE: Thank you, Mr. Hanna.

Mr. Chairman, commissioners, as stated before, this presentation addresses the consideration to add closure of Naval Air Station Brunswick, Maine to the Department of Defense list of recommendations presented to the commission in May.

Brunswick is one of two East Coast-side stations for the P3 maritime patrol and reconnaissance squadrons. The other site is at Naval Air Station Jacksonville, Florida.

Next slide, please.

The secretary of Defense's recommendation, DON18, realigns NAS Brunswick and relocates its aircraft, personnel, equipment and support to NAS Jacksonville; all other tenant activities -- there are over 30 -- would remain in place. In the closure scenario, NAS Brunswick's aircraft, personnel, equipment and support would also relocate to NAS Jacksonville. Several activities would be relocated to as yet to be determined sites; included would be the Survival, Evasion, Resistance and Escape school, or survival school, a mobile construction battalion, a Marine security unit, and an Army recruiting battalion. Some activities and functions would be disestablished.

Next slide, please.

Closure, unlike realignment, would reduce excess capacity by removing aircraft hangars, maintenance shops, ramp space and other aviation support requirements at Brunswick to offset the additional construction required at NAS Jacksonville. Using the COBRA run's data furnished by the Department of Defense, closure would result in nearly four times more savings than realignment. Closure would also provide NAS Brunswick property redevelopment options to the local community to offset economic impact. That opportunity is not available with the Department of Defense realignment recommendation. Adding the closure scenario to the list of recommendations would provide the commission with a range of options -- close, realign or leave the base as is.

Next slide, please.

Department of Defense COBRA data shows that if implemented the closure proposal would result in the relocation or termination of over 3,200 total military and civilian positions, as shown. The Department of Defense realignment recommendation relocates or terminates about 2,400 total positions -- 2,300 military and 100 civilian.

Department of Defense COBRA data is shown here with realignment on the left and closure on the right. Although one-time costs are greater for closure, net implementation costs, annual recurring savings, payback period and net present value with 2025 are all more positive in the closure scenario.

Some community issues with the realignment recommendation -- such as strategic location, loss of military response capabilities -- I anticipate would be greater with the closure scenario. How economic impact is determined would be common to either realignment or closure

scenario. Department of Defense uses the nearest metropolitan statistical area to determine impact; the community's position is that use of the Brunswick "micropolitan" labor area is a more accurate measure. Other issues, such as potential environmental impact, may apply only to the closure scenario. All issues will be evaluated by staff analysts.

Next, please.

The commission asked the Department of Defense what considerations were given to a complete closure of Naval Air Station Brunswick, Maine, and what were the driving factors in deciding on realignment. Their response is summarized here:

The Department of Navy, after extensive deliberations, recommended closure. The Infrastructure Executive Council, which is the senior deliberative body in the Department of Defense BRAC process, modified the closure recommendation to a realignment recommendation because of the desire to retain strategic presence in the northeast and for a surge capability. There were no Government Accountability Office specific comments about either scenario.

In summary, this provides the option to add closure to the Department of Defense recommendation to realign Naval Air Station Brunswick, Maine.

This concludes my prepared testimony. The staff is prepared to answer questions prior to any motions the commissioners may have.

MR. PRINCIPI: Thank you very, very much, Mr. Tickle.

Have any commissioners recused themselves from deliberating and voting on the air station? (No audible reply.)

Thank you.

Are there any questions, or is there any further discussion?

Admiral Gehman?

I'm sorry. Go ahead, Congressman Bilbray.

MR. BILBRAY: Yes, Mr. Chairman, what I believe the Pentagon has done with the Air Station Brunswick is the fact they've given the community the worst of both worlds. The fact is, if they leave it realigned, they take away the personnel, or substantially all the personnel, but yet the people of that area cannot use or redevelop the area. For that reason, I'm going to vote yes to put this on the list with the inclination that I would not vote for realignment under any circumstances but would either vote for leaving it like it is or closing it as the best option for the community and for the military.

MR. PRINCIPI: Thank you.

Admiral Gehman.

ADM. GEHMAN: Mr. Bilbray, or anybody else: The DOD justification given was -- for realignment other than closure -- was something called strategic presence. Can anybody define what that is for me?

MR. BILBRAY: The full explanation, Admiral, was the Department of Navy did develop and analyze a scenario to close NAS Brunswick. And when combined with other aviation recommendations, the closure would have reduced the excess capacity from 19 percent to 8 percent. Such a recommendation not only allowed consolidation of maritime patrol operations on the East Coast, with attendant increased maintenance and training efficiencies and other savings.

Now during this review of scenario analysis --

MR. : (Off mike) -- strategic presence --

MR. TICKLE: -- yes -- they expressed concerns that closing Brunswick could result in diminished strategic flexibility as well as impact future basing flexibility.

ADM. GEHMAN: For the Navy or for the Department of Defense?

MR. TICKLE: This was deliberations within the Department of Navy at the time.

Further, at the IEC, they talked about reviewing additional analysis that IEC determined that NAS Brunswick should be realigned instead of closed to retain an active presence in New England for homeland defense and surge capability.

MR. HANNA: Sir, in elaboration, there were no defined missions for strategic presence. It was just the ability to have a field from which they could stage forces as necessary, whether they were maritime patrol aircraft, fighter craft. But they were unspecified as far as the particulars of strategic

ADM. GEHMAN: So we have a situation where the original rationale, which was excess ramp and hangar capacity, which was the original rationale for closing -- that now cannot be used as a rationale anymore because they're realigning, and therefore, the hangars and the ramp all stay there. And we substitute a rationale called surge and strategic presence, which we don't know what that is.

I kind of agree with my colleague here. I would be inclined to vote to support the recommendation that we put it on the closure list, just to make sure we have all options, but I would think that we would - my own inclination would be that if those are legitimate

considerations -- strategic presence and surge -- that we should -- we may well add missions for Brunswick from other services, particularly since it will be the last remaining Department of Defense operating airfield in New England.

Thank you, Mr. Chairman.

MR. PRINCIPI: Mr. Skinner.

MR. SKINNER: One of the recommendations that's not before us today is the closing of the Otis Air National Guard Base in Massachusetts.

Mr. Hanna, is anybody -- and one of the negatives of that, as you know, is the United States Coast Guard has a major presence there. Do you know if the Coast Guard has looked at -- as an option -- the Brunswick Naval Air Station, even in a different composition -- would be an acceptable candidate for the Coast Guard?

MR. HANNA: Sir, that hasn't -- we haven't seen any analysis to indicate that. The field is certainly capable of handling the Coast Guard's inventory of aircraft. But we have not seen any indications at that end of the calculus.

MR. SKINNER: Now just so we're clear -- remind everybody: There's a number of tenant organizations on that property as well, as I recall. What is it, 30?

MR. HANNA: Yes, sir, it is over 30.

MR. SKINNER: Over 30 tenant organizations on that. So a complete closure would impact those 30, and those are part of the things that you'd be looking at, I assume, in the costs of relocating those and what they are and what's the military value or lack of military value in relocating some of those.

MR. TICKLE: Yes, sir. And as we mentioned, the survival school, mobile construction battalion, Army recruiting battalion, and Marine security unit are among those that would be relocated or need to be relocated. And yes, sir, we would have to analyze what those respective costs are, where they would go, and so on.

Sir.

MR. HANNA: And we would ensure that we visited to ensure we captured every tenant command that's at that base.

MR. SKINNER: Remind me that -- and maybe -- that by realigning, the real realignment leaves all those that are present here, except the Navy squadron.

MR. TICKLE: Yes, sir.

MR. SKINNER: Now does the Navy not have authority outside of the BRAC to relocate a squadron and airplanes to another location?

MR. HANNA: Yes, sir, they do have the ability to locate -- under military authority to locate -- relocate military personnel and those attendant equipments. The issue would be if you go over the BRAC limits for civilian personnel as part of that organization.

MR. SKINNER: And what is the number -

MR. HANNA: That's 300.

MR. SKINNER: And what's the number of civilians that are related to the intelligence squadron?

MR. TICKLE: Three hundred and ninety-five.

MR. SKINNER: Okay. So the number -

MR. TICKLE: No, for the realignment, about 100.

MR. SKINNER: So therefore, where I'm going at -- it appears to me that they could have moved the air squadron to Jacksonville with the military personnel and 100 civilian jobs -- left the facility as it is and done their own realignment without coming to the BRAC. Am I correct?

MR. HANNA: It would appear so, sir.

MR. SKINNER: Okay. So I'm -- you know, I just bring those points home because I think that it's clear that, you know, what we're doing here by realigning is just doing something that the Navy could do otherwise. And I'm just not quite sure if that's all they want to do why they even brought it before us. But because it's here, we now have to look at it.

Thank you.

MR. PRINCIPI: Yes, Mr. Hansen, Congressman.

MR. HANSEN: Mr. Chairman, is a motion in order?

MR. PRINCIPI: As soon as we finish with -- (off mike) -- and then I will call for the yeas and nays.

MR. HANSEN: I see. But I was -- is there a motion on the table, what I'm asking?

MR. PRINCIPI: There will be no motion. Upon the completion of discussion and questions, I will --

MR. HANSEN: So that's the rules that we're going to follow that way?

MR. PRINCIPI: Yes, that's correct.

MR. HANSEN: You will put it on the table and then you'll call for the yeas and nays. So a motion would not be necessary from any member of the commission?

MR. PRINCIPI: That's correct. Yes, sir.

MR. HANSEN: Thank you.

MR. PRINCIPI: I would just like to add a few comments to build upon what Secretary Skinner mentioned with regard to Otis. And I will vote to add Brunswick to the list for further consideration; however, I remain very concerned with the recommendations to close just about all remaining military facilities in the Northeast and New England particularly -- Portsmouth, Brunswick, New London, Otis, Niagara Falls in Upstate New York and other facilities -- virtually abandoning that section of the country from our operating base. And I think it's something that -- I hope the commission will carefully consider as we move forward.

Are there any other questions or comments?

There being no further questions -

GEN. NEWSOM: Mr. Chairman, I would just like to add to what you and many of the other commissioners have said. Some of us will either be repeating exactly what you said, but we feel very strongly that way as well.

MR. PRINCIPI: There being no further questions or comments, I will call for the yeas and nays.

Those in favor of adding Brunswick to the list, please raise your hand.

Those opposed.

MR. COYLE: Mr. Chairman, considering that other options for Naval Air Station Brunswick can be adequately addressed later in the normal BRAC process, I vote no.

MR. PRINCIPI: Thank you.

And the vote?

DIANE CARNEVALE: Thank you, Mr. Chairman.

The vote is 8 ayes, 1 nay; therefore, the Naval Air Station Brunswick, Maine will be considered for closure or to increase the extent of realignment.

Thank you, Mr. Chairman.

MR. PRINCIPI: Thank you, Counsel.
You may proceed with the second installation.

MR. HANNA: Thank you, sir.

I would like to introduce our analyst for the Broadway Complex in San Diego, Mr. Brian McDaniel.

MR. MCDANIEL: Thank you, Mr. Hanna.

Good afternoon, Mr. Chairman, commissioners.

My presentation this afternoon focuses on the question of whether or not the Navy's Broadway Complex, an isolated 14-acre parcel in downtown San Diego, should be considered for addition to the list of recommended candidates for base realignment and closure.

Next slide, please.

Consideration regarding a potential fence-line closure of the Navy's Broadway Complex requires review of whether the Navy's functional activities -- currently using the Broadway complex primarily for office space -- can be consolidated. To enhance force protection and mission

effectiveness, reduce operating costs and capture savings, the likely candidate for gain is the Naval Station San Diego, located a few miles south of the Broadway complex. The naval station is not only the Navy's property manager for Broadway, it was also identified by the department's Joint Cross-Service Group for Headquarters and Support Activities as having an excess capacity in office space. There are no requirements and the Department of Defense BRAC report did not contain a recommendation to close the Broadway complex.

Next slide, please.

Before I review the reasons for considering the Broadway annex, I'd ask you to draw your attention to the aerial photograph on the screen to your right.

The Navy's Broadway Complex is located on the city's western edge, adjacent to San Diego's growing downtown business core and waterfront redevelopment area. Beginning in the 1920s, the Navy began using this property as a supply center. Today, however, the Navy uses Broadway and its three remaining buildings to house the headquarters of the Navy Region Southwest, the Readiness Command Southwest and the San Diego Fleet Industrial and Supply Center. The balance of the property is used for parking, and the Navy recently disposed of the supply pier to the city of San Diego.

Reasons identified to consider adding Broadway include opportunities to eliminate excess space and property, enhance security and force protection, co-locate Navy support functions with Navy customers, produce economic benefits for the department and the

communities, allow the commission to consider relocation of Navy activities.

Next slide.

This next slide, as you can see, depicts the number of personnel working at the Broadway Complex in fiscal year 2003. Relocation of the tenant activities located on Broadway would potentially affect 142 military and 827 civilian jobs. The impact of moving these jobs is expected to be nominal, because at this time staff can only assume the Navy will move all or most of these jobs to other naval installations in San Diego due to their nature and function.

Next slide.

As I mentioned previously, because the Department of Defense did not recommend Broadway for closure, it did not conduct an economic analysis. So the extent and timing of potential costs, savings and paybacks associated with this consideration would require further analysis.

Next slide.

The next slide highlights potential issues and captures known department and community positions as well as preliminary staff findings. The likely issues revolve around benefits linked to closing underused Navy buildings and land, mission requirements, efficient use of excess capacity, located inside the fence line of a more secure Navy installation, and potential cost savings.

In terms of existing excess capacity, the Department of Defense identified the Naval Station San Diego as having excess office space totaling more than 400,000 square feet.

Another area for further analysis is the property's potential to generate significant economic benefits the department may choose to redirect into facility requirements at other installations.

Recent published economic reports and discussions with economic development officials familiar with similar downtown parcels and current market values indicate Broadway's highest and best use value today could range from \$200 per square foot up to \$500 per square foot, or more than \$300 million for the 14-acre parcel.

Another issue surrounding this prospective consideration is the community reaction as well as its potential impact on the local economy, infrastructure and surrounding environment.

As you know, San Diego community leaders spoke in support of adding Broadway at last week's regional hearing in Los Angeles. This initial community reaction coupled with the assumption that the Navy would relocate the current tenants within Broadway -- within the Broadway economic region of influence and the existence of a development agreement already in place between the Navy and the city of San Diego should mitigate most potential impacts.

Next slide.

Mr. Chairman, in response to your letter in which you question the Department of Defense on why the Navy Broadway Complex was not recommended for closure, the department responded by stating: One, all activities and functions located at Broadway were evaluated, and two, the Navy BRAC analysis did not develop a recommendation to close Broadway because none of the activities were recommended for relocation or realignment. The department concluded by asserting that although the

Navy recognizes the anti-terrorism and force protection benefits, scarcity of available Navy waterfront property in San Diego suggests that disposal of Broadway is better addressed outside the BRAC process.

The Government Accountability Office's review of the department's BRAC process did not address the Navy's Broadway complex.

Next slide.

Mr. Chairman and commissioners, this concludes my presentation. The staff is prepared to answer any questions prior to any motions the commissioners might have.

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

Are there any questions or any comments?

Mr. Bilbray.

MR. BILBRAY: Me again.

I talked to the chairman of the House Armed Services Committee, Mr. Hunter, yesterday, and he tells me that the Navy is intending to try to work with the developer to trade the Broadway property for up to 2,000 home sites on the naval base in San Diego to provide housing on base for a lot of personnel that are having to live off base at very high prices. Therefore, I'm deeply concerned that if we go forward with the BRAC process and close this particular facility that this takes away the latitude of the Navy to be able to work out this kind of deal, because in the past there's a pecking order on who gets this property. Now I'm told that the current law may be -- and our counsel can answer that question -- gives more latitude in this BRAC than in previous BRACs. So therefore, I intend to vote no, but the fact is, I'm hoping the Navy

comes forward with a plan that the majority of the board later will vote no so they can move forward on those housing personnel.

MR. PRINCIPI: Mr. Coyle, do you want to make a statement?

MR. COYLE: Thank you, Mr. Chairman.

During our public meeting on May 19th, I announced that I would recuse myself from deliberations and voting on recommendations that substantially impacted California. I base that recusal on the ethics agreement that each commissioner signed as a condition of their nomination. As I understood that agreement and as I continue with this understanding, it would not affect my ability to deliberate or vote on recommendations for realignments that would occur, if at all, entirely within the state of California. Accordingly, I will deliberate and vote on this issue. California will neither gain nor lose from this potential action.

Thank you.

MR. PRINCIPI: Thank you, Mr. Coyle.

Admiral Gehman.

ADM. GEHMAN: I agree with Commissioner Bilbray. My understanding of the current state of the law is that regardless of BRAC action here, the Department of Defense and the Department of the Navy has the option of entering into economic development agreements to dispose of this property for the benefit of the local community. Do we -- whether or not we can answer that question here and now, I'm not sure, but nothing in our action today changes any of that, because by just adding this to the list, all we're going to do is find out whether or not this is true or not. And so -

MR. : That's correct.

ADM. GEHMAN: -- I agree with the commissioner, but I believe the way to get to the bottom of how to dispose of this property is to put it on the list.

MR. PRINCIPI: Thank you, Admiral Gehman.

Mr. Skinner.

MR. SKINNER: Well, I brought this up yesterday, and I think it continues to be an issue. What we're dealing with now -- and the next one is a similar situation -- we're dealing with property which has a high economic value in the community. Some of the cases it's not the case, but in these two that we're looking at now and next -- the Marine Corps Recruit Training Center and this -- do. And I think it's important that we -- as we work our way through these deliberations, we make sure that we're not -- as I think Congressman Bilbray said, we're making sure we're not doing anything inconsistent with getting the highest and best value for the Defense Department out of the property, because it's MILCON that's being used to build the replacement. And we're not allowed under the process to take that under consideration in making our decision.

But on the other hand, it is -- and I would also would like to -- and maybe we can explore how we go about that, especially with the Armed Services Committee or somebody else -- but I think it's time to revisit this whole concept of making the property available to federal and then state and then local and then, you know, municipal agencies basically for free when it has a high economic value. In the case of these two properties, I'd guess that it's over a billion dollars. So I think we

have to work our way through it so that we don't put ourselves in a situation -- we are for something that causes them to have to take that property and turn it over for free rather than getting -- and the ideal thing would be, because they paid for it, they developed it, the Defense Department ought to get that money back, whether it's for housing or anything else.

And I think we need to encourage whatever we -- whoever we need to encourage to let us have the ability to do that.

MR. PRINCIPI: Thank you, Mr. Skinner.

General Newton.

GEN. NEWTON: Yes, sir, Mr. Chairman. In looking at the language which we got back, I'm not sure what it truly says to us, the language that was just illustrated by Mr. McDaniel. And so I join my colleagues in saying we need to take a look at this for all of the reasons which they have pointed out.

MR. PRINCIPI: Thank you, General.

MR. SKINNER: I forgot to ask a question. Is the 400,000 feet of Naval Air Station San Diego sufficient to handle all of the work that would be referred from the Broadway complex? Because I didn't see in our documents how many square feet they now use, and I know there's 400,000. So I just would like that clarified for the record.

MR. MCDANIEL: They currently use approximately 450(,000) to 500,000 square feet for admin space. But I'd like to point out that most of that is in converted warehouses, and so the efficiency of that space and how they use it would need further analysis.

MR. SKINNER: Okay. Thank you.

MR. PRINCIPI: Thank you.

I, too, will vote to add the Broadway Complex to the list for further consideration. I'm very, very familiar with this property, and I believe it has the potential, based upon further analysis, to be a win-win for the Navy and for the San Diego community.

A redevelopment of the Broadway Complex is nothing new. I had the pleasure to work with the Department of Navy back in 1988 when they first considered the redevelopment of the Broadway Complex and spent millions of dollars negotiating a development agreement with the city of San Diego, hired a first-rate architect out of San Francisco to do a land use planning where they were going to lease this property to a developer and to build mixed-use commercial in return for class A office space.

I think it's consistent with the concerns that Mr. Bilbray expressed whereby the Navy could use the equity in the land to obtain housing or whatever it might be. But I think it does have great potential for the Navy and for the community of San Diego and deserves further analysis.

Are there any other questions or comments?

There being none, I will ask for the yeas. Those in favor of adding the Broadway Complex, please raise your hand and hold it for a moment. We'll get a tally.

Those opposed.

Counsel, the vote.

MS. CARNEVALE: Thank you, Mr. Chairman.

The vote is 8 ayes, 1 nay; therefore, the Navy Broadway Complex San Diego, California, will be added to the list of installations to be considered by the commission for closure or realignment.

Thank you.

MR. PRINCIPI: Thank you, Counsel.

Mr. Hanna.

MR. HANNA: Thank you, Mr. Chairman.

I would now like to introduce our analyst for Marine Corps Recruit Depot San Diego, Mr. Joe Barrett.

MR. BARRETT: Thank you, Mr. Hanna.

Mr. Chairman and commissioners, our presentation considers closing Marine Corps Recruit Depot -- otherwise known as MCRD -- San Diego, California, in consolidating the recruit training at MCRD, Parris Island, South Carolina. The two MCRDs provide the recruit training for the Marine Corps.

This realignment -- the list of realignment and closure recommendations presented to the commission by the secretary of Defense does not contain any actions associated with my -- with the consideration covered by my briefing. Although this scenario was explored by the Department of the Navy's Infrastructure Evaluation Group, this scenario was not included in the final list of recommendations.

In addition to the major move of MCRD San Diego to Parris Island, this consideration also includes the movement of Headquarter 12th Marine Corps District, Headquarter Western Recruiting Region, and USMC's

recruiter school. The location of these movements are to be determined by the Marine Corps.

DOD's military construction, known as MILCON -- COBRA data stated: A requirement of 428 million for all the gaining locations. The MILCON involves 117 construction projects covering approximately 2.9 million square feet. MCRD San Diego currently occupies 2.5 million square feet. Our analysts indicate these numbers are excessive. I will elaborate on a later slide.

With Parris Island having the higher military value, this consideration would establish a single training site for recruits whereby training operations, combat administrative and management functions, instructional staff, support personnel and infrastructure are reduced and consolidated.

As a result of the BRAC '93, we successfully consolidated three training centers into a single training site. There was a one-time cost of \$374 million, a nine-year payback, and \$75 million annual savings. So consolidation have successfully been accomplished and significant savings realized.

If implemented, this consideration will affect a number of military and civilian personnel assigned at MCRD San Diego. DOD COBRA data show that 1,289 positions involving 500 -- excuse me -- 951 military, 338 civilian would be affected. The basis for MCRD San Diego personnel figures have not been verified or analyzed. We have requested personnel information updates.

Next slide, the recent DOD scenario data shows a one-time cost for this consideration of \$570 million. The cost payback period calculated

by COBRA model is 100-plus years. And the net present value from the proposal of 2025 is estimated at \$365 million.

It is interesting to know that this scenario was proposed in BRAC '95. Shown in '05 dollars, there was a one-time cost of \$295 million, a two-year payback, and a 20-year savings of \$520 million. This represents over a billion-dollar swing in 10 years.

Therefore, we believe that the DOD COBRA model overstates MILCON, personnel and other costs that can be achieved by this consideration.

For example, by comparing MILCON projects in the DOD COBRA data with facilities that exist at MCRD Parris Island, and deleting duplicate facility projects, reducing personnel numbers, adjusting base operating support and eliminating housing construction costs due to public-private venture, the revised COBRA data of July 12 shows an estimated one-time cost of \$260 million, an eight-year payback, and a 2025 net present value savings of \$143 million. We believe these numbers to be more representative of the actual savings which can be realized.

Here I have summarized the significant issues associated with this consideration and highlighted positions of the DOD community and the BRAC staff analysts.

Land capacity. Initially, the Department of Navy's Infrastructure Evaluation Group, according to a November 2004 deliberative minutes, stated that MCRD Parris Island has apparent excess capacity -- i.e., billable acres to absorb required military construction. However, the Marine Corps stated otherwise in yesterday's hearings. Staff findings are to be determined on this issue.

Payback by 2025. DOD scenario does not pay back until 2111, 100-plus years. We disagree, because the revised COBRA (one ?) show that there is a disparity in the numbers with significant variance.

Environmental impact. Environmental impacts at MCRD Parris Island is questioned by DOD. Staff findings are to be determined on this issue.

When asked why the department did not consider closing MCRD San Diego, California, DOD emphasized three issues: geocentric recruiting and recruit training; two, excessive payback periods and three, the recruit pipeline requirements cannot sustain a single point of failure. However, Government Accountability Office in its recently released report regarding the BRAC process stated that the Navy's reason for not pursuing the closing of MCRD San Diego was due to cost consideration and extended payback periods.

In summary, this consideration provides for the closing of MCRD San Diego, California, consolidating the recruit training at MCRD Parris Island.

Mr. Chairman, this concludes my prepared testimony. Staff is prepared to answer questions prior to any motions commissioners might have.

MR. PRINCIPI: Thank you.

Mr. Hanna, do you have anything to add?

MR. HANNA: No, sir. We are in coordination with the Marine Corps on this as we provide background analysis for this consideration, and we are continually updating the numbers.

MR. PRINCIPI: Thank you.

Are there any questions or comments?

I'll start at the -- well let's see. I said -- (inaudible).

Mr. Hansen?

MR. HANSEN: Thank you, Mr. Chairman.

I think of all the things we've been looking at over the last week, this one has more conflicting evidence and the evidential material could be debated on either side of this thing. You can bring in the people from California; they'll have quite an argument.

But as you look at this, you look at our largest state is California. It probably has more recruits than any other place is California. And I verified today, that more of them come out of California than other areas. And they tell me that, from the Mississippi River west, they go to San Diego. And in that particular area in San Diego, they have quite a facility. I mean, it's huge, it's got a lot of new facilities, new buildings, new mess hall, new everything. And so you recall that yesterday I was talking to the General Nyland and asked him the question if these figures were correct. And it came out around 500 and something million (dollars) to replicate it in Pearl Island. Admiral Gehman has got a letter contrary to that, but it's still -- what was it, 360 million, something like that -- which is still a tremendous amount of money to go to those areas.

And I look at that, these guys are on the ground, this is an expeditionary force. We're always talking, everyone compares it to the Air Force and the Navy. Well, the Air Force and the Navy don't have a platform. There's only so many ships you can put Navy guys in. There's so many airplanes you can put them in. But how many kids are going to

kick down doors in Fallujah and places such as that? This is the guy that's on the ground; they have lost more. I've talked to Duncan Hunter this morning, the chairman's committee, said that they have lost more than any other group, especially at the first part, the Marines lose more than anybody.

So they've got a recruiting problem; they've got both of these things to do. And then the one that really kind of bothers me is I called down there and found out that there's 560 acres in Parris Island, and a pretty good chunk of that, around a third, is critical habitat. Now that critical habitat means that you don't use it. It has the same thing in other areas and, of course, that's a sore point with me. You all know that, that I get a little uptight with the endangered species act and all the things they do. In fact, I think if Congress had a real backbone in them they would do their very best to change the 1973 Endangered Species Act that it didn't apply to military areas. I see my buddies out there -- yes on this.

And take that into consideration because it's a really critical thing.

There's no vote no on this.

I really think the Marines are our first line of defense about -- anything happens, it's those guys. And I think it's imperative that they have these two training centers, and I personally would vote no.

Thank you, Mr. Chairman.

MR. PRINCIPI: Admiral Hill, I'm sorry.

ADM. HILL: I think that regardless of how the numbers come out, and I agree that we've had more moving numbers on this issue than in any

other -- and big moves of numbers, you know, sometimes 100 percent at a swat.

Regardless of how the numbers come out, and regardless of any financial efficiencies that might be gained with the payback of eight years by this presentation -- you change the numbers just a little bit and it becomes ten years or 12 years or whatever.

I am convinced that the methodology that the Marine Corps uses to replenish its force, which is unlike the other forces, is essentially a predominantly first-term force. I mean, the Marine Corps unabashedly says that they're not looking for 40 percent re-enlistment rates or anything like that. They have a predominantly young force which they replenish every year. And for reasons of summer surge, protecting the summer surges and things like that, I am inclined to support their methodology because I find the savings, while I agree with the staff's presentation that over 10 years or some number of years you could probably save some money, I would not want to tinker with this rather fragile force-building methodology that they have, which is unique to them. The other three services are concerned about re-enlistment rates, and they do want people to stay in more than the Marine Corps.

So I would be inclined to be nervous about tinkering with this rather fragile system that they have and depends upon two recruiting stations.

And, Mr. Chairman, one other thing, too, that is I hope maybe some other commissioner -- I don't want to take up all the time, but we have heard nothing about the economic value of this property or anything like that, and I hope somebody will say something about it.

MR. PRINCIPI: Yes, Mr. Skinner?

MR. SKINNER: If you look at that map, you'll see that that property is strategically located in downtown San Diego, basically in downtown San Diego and right near the airport, as I recall and, in fact, one of the most land constructed airports in the United States.

Putting a value on that property of several hundred million dollars or more is not inappropriate.

Now that's only relevant because we haven't been able to take that into consideration. There are also -- (inaudible) -- to the community, but whether you -- they make an argument that they need one on the West Coast, one recruit training depot on the West Coast and one on the East Coast. They also, if you look at it where it's located now -- it may have been in 1941 when it was built the right place at the right time. Today, you wouldn't put a Marine Corps recruit depot in the middle of San Diego. Number one you couldn't afford to do it, and number two, you wouldn't do it. And number three, they're not anywhere close to their training areas.

So if you look at what happens, while it is a desirable place to take your basic training, unlike Fort Leonard Wood, not that there's anything wrong with Fort Leonard Wood -- (laughter) -- that it is not where you would put it, you'd put it next to.

So I would make the point whether we do it here or they do it or not, the economic value -- they could probably get enough economic value out of this property to build -- whether it's at Parris Island or somewhere else -- a world-class recruit training depot next to their

training area where they wouldn't have to bus every day that would be functionally appropriate.

And I think that we don't have to -- if the recommendations before us is -- the thought is it would be closed and moved to Parris Island, if you buy General Nyland's argument, which he makes very persuasively, that they are unique and need two, I think you could also make a very good argument that we could address not only that, and by the way, think if Duncan Hunter thought he could get \$500 million and develop the economic area in San Diego like he believes the Broadway complex offers and get that money into the defense budget to build a new Marine Corps recruit depot wherever it is, with that money, it would be world class. It would be -- by the way you could design it with the necessary inner-city warfare centers that you need to fight the wars in Iraq and Afghanistan, and you could have world class facility.

Now I don't know how that plays out, Mr. Chairman, but for that reason alone, I'd like to at least explore that.

So I'm going to vote yes that it be put on there, but I'm not going to prejudge any of it. And I agree with the general, in the bottom line, there has to be a persuasive case that it's in the best interest of the fighting men and women of the United States Marine Corps in order to make this decision. And I'm not making that decision.

But I would like to explore it more to see where it goes and what we could do. And we might end up having a win-win for everybody, and I think this is one of the unique opportunities we're going to have in the next few years to do that as a nation and I'd like to take advantage of it.

So I'm going to vote yes.

MR. PRINCIPI: Thank you, Mr. Skinner.

General Newton?

GEN. NEWTON: Yes, Mr. Chairman.

I'd like to point out that I firmly believe that it is extremely, extremely critical for anyone of our services to create an environment where young Americans are willing to walk forward and step up and volunteer to join our all-volunteer force. It is very clear to me that the Marine Corps here has a solution to that particular set of circumstances.

And it's been working exceptionally well, as the General mentioned on yesterday.

I want to caution us -- when we reference this to the other services, I want to caution us not to think of the one size fits all, because each one of our services have a very unique culture that is aligned with that service and that's what drives people to put their hands up and volunteer by that service. And so taking that approach can lead us down the wrong road, and there is not a dollar value that can be attached in any meaningful way to describe that value of that culture to that given service.

And therefore, even though these numbers have moved around drastically, we won't know until we go and take a deeper look to find those numbers. With all of that said, it will not persuade me, I don't think, to say no to the request for the Marine Corps to keep this just as they have it.

MR. : Thank you, Mr. Chairman.

I align myself with Admiral Gehman and General Newton. The culture issue is important and they have to be allowed to do -- it's been working and it would be something we would be tinkering with at our own peril, I think.

I would like, though, to express in a formal manner my displeasure with the number issue. It was not gone the way it should go, and we need to continue to say that to both the Department of the Navy and the Marine Corps.

MR. PRINCIPI: Thank you.

I would just add that I too express my displeasure with the Marine Corps on the numbers issues. I greatly appreciate General Nyland's efforts this morning to provide us with the correct numbers. However, we've received certified data, sworn testimony that really has been very, very inconsistent.

I'm also troubled by the 1995 official COBRA run that showed a \$500 million savings, and that in fact, turned to a \$570 million cost 10 years later with a 100-year backlog.

What's even more troubling to me is that the Navy could propose closing New London naval shipyard down -- naval submarine base down, moving all of the attack submarines to Norfolk and Kingsbay, building all new piers and facilities to house those submarines, housing, relocating what amount to a submarine university, with \$750 million in assets in New London to Kingsbay, Georgia, and the cost is half of what it would cost to consolidate MCRD San Diego and MCRD Parris Island. To me, that is totally unrealistic and totally unreliable.

But having said that, I'm going to withdraw the issue of MCRD from further consideration.

Yes, Mr. Coyle?

MR. COYLE: Mr. Chairman, consistent with my recusal, I would like my vote recorded as abstained.

MR. PRINCIPI: Well we can --

MR. COYLE: I presume there's no vote, so I don't need to comment on it.

MR. PRINCIPI: Well I was just going to withdraw the issue because, obviously, the votes are not there so it's

MR. COYLE: Yes, but I would have been a negative also.

MR. PRINCIPI: Sorry?

MR. COYLE: I would have voted no.

MR. PRINCIPI: That's fine. Would you prefer to have a recorded vote? We can do that now.

MR. SKINNER: I don't care about the vote, I just think it's a unique opportunity for the United States Marine Corps, whether they want one or two, and I think they make a persuasive argument for two, but it's not the right place.

And I think they, whether they do it through BRAC, and it's obvious they're not going to do it through BRAC, they ought to give serious consideration to taking the land value there, like they're doing it for housing, and build a world-class -- if they want to really do it, build a world-class with world-class barracks, with world-class -- next to a training area, and they could get the money out of a value of the

property in San Diego and build a world-class facility wherever it is, and I hope they do it, even though they won't do it through BRAC.

MR. : Mr. Chairman --

MR. PRINCIPI: Admiral Gehman?

ADM. GEHMAN: Mr. Chairman, listening to my colleagues up here, it occurred to me, and I have no knowledge of this, but it occurred to me that there is more sympathy for a proposal which reads something like, Close MCRD and relocate it to a site to be determined on the West Coast, than a proposal which directs them to move it to Parris Island.

A proposal like that would allow us to explore the economic value of MCRD, still allow the geo-centric permitting that the Marine Corps uses, allow them to have two boot camps, and if it does not turn out to be an economically feasible plan, then we drop it.

But a proposal like that would satisfy both the Marine Corps and our ability to explore the economic value of the property.

So I don't know how procedurally -- if you want to vote the first one down and then receive a report it's our commission, we can tell them to do anything we want, so I'll leave it to you. (Laughter)

MR. : -- (inaudible).

MR. PRINCIPI: Well, I appreciate that, Admiral Gehman. Let's confer with counsel on the specifics here to see if we can do that.

MR. : You know, Mr. Chairman, any -- even if we could do that by law, it seems to me that this commission in 20 days could hardly do the analysis to make that as a decent recommendation.

MR. PRINCIPI: Well then I'll ask the staff whether they can do the analysis in 20 days. (Laughter)

Mr. Hanna?

MR. HANNA: I think we can do the analysis on MCRD San Diego and get those cost figures. I think the finding a suitable location in 20 days with all of the analysis that would have to go into that is probably a step too far with the amount of time we have before final preparations.

MR. PRINCIPI: Well, there being no further questions or discussion, I will ask for a vote, which would include an option for Pendleton, for example, or Parris Island, a consolidation or to have a Marine Corps recruit depot in California at Camp Pendleton by stating that all those in favor of adding Marine Corps Recruit Depot San Diego, California, to the list of installations to be considered by the commission for closure or realignment, please raise your hand.

MR. : As amended?

MR. PRINCIPI: I'm sorry?

MR. : As amended, right?

MR. PRINCIPI: As amended.

All those opposed say nay.

MR. : -- vote.

MS. CARNEVALE: Thank you, Mr. Chairman.

The vote is six nays, two ayes, and one recusal. Therefore the Marine Recruit Depot San Diego, California, will not be added to the list of installations to be considered by the commission for closure or realignment as amended.

MR. PRINCIPI: Thank you.

MS. CARNEVALE: Thank you, Mr. Chairman.

MR. PRINCIPI: Mr. Hanna?

MR. HANNA: Thank you, sir.

I'd like to introduce our analyst for Naval Shipyard Pearl Harbor,
Mr. C.W. Furlow

MR. FURLOW: Thank you, Mr. Hanna.

Mr. Chairman, Commissioners, my presentation focuses on the Naval Shipyard and intermediate maintenance facility, Pearl Harbor, Hawaii, which provides depot and intermediate-level maintenance to both the surface ships and submarines of our Pacific Fleet.

This consideration relocates the depot maintenance function from the naval shipyard Pearl Harbor to the remaining shipyards while retaining the ship intermediate repair function at the naval station Pearl Harbor. The list of realignment and closure recommendations presented to the commission by the Secretary of Defense contains one action associated with this consideration, which is Department of Defense recommendation DON-23 entitled Recommendation for Closure, Naval Shipyard Portsmouth, Kittery, Maine.

The Portsmouth closure recommendation relocates the depot maintenance function to the remaining three shipyards at Puget Sound, Washington; Pearl Harbor, Hawaii; and Norfolk, Virginia; relocates the submarine maintenance engineering planning and procurement command, which is a tenant activity at the naval shipyard Portsmouth, to the Norfolk shipyard and closes the entire Portsmouth facility.

There are currently four naval shipyards performing depot-level ship refueling, modernization, overhaul and repair work. This consideration to realign the naval shipyard and intermediate maintenance

facility Pearl Harbor recognizes that: One, the Department of Defense has determined there is excess capacity in the aggregate across the four shipyards; Two, reducing the excess capacity involves closing either naval shipyard Pearl Harbor or naval shipyard Portsmouth; And three, the naval shipyard Pearl Harbor has a lower military value score than the other four shipyards.

Acceptance of this consideration will provide the commission with the option to complete a more thorough analysis of naval shipyard depot capability. Specifically, a more in-depth analysis of excess capacity in the shipyard and a better understanding of the reasons the Department of Defense chose to close a shipyard with higher military value.

If implemented, this consideration will affect the number of military and civilian personnel assigned to the shipyards. Data provided by the Department of Defense COBRA analysis shows that approximately 3,700 permanent positions would be relocated from the naval shipyard Pearl Harbor. Approximately 1,070 would relocate to the remaining three shipyards and approximately 2,700 positions would be eliminated, resulting in substantial savings.

Additionally, 1,400 positions would remain at Pearl Harbor to conduct the intermediate maintenance function. For comparison, I have included the data for the Department of Defense recommendation for closure of the naval shipyard Portsmouth. Data provided by the Department of Defense analysis for that recommendation shows that approximately 4,200 permanent positions would be relocated from the naval shipyard Portsmouth. Approximately 1,400 would relocate to the

remaining three shipyards, and almost 2,800 positions would be eliminated, again resulting in substantial savings.

Next chart, please.

Again on this slide, I have provided the available COBRA data for both the consideration to realign Pearl Harbor and the DOD recommendation to close Portsmouth. This data shows a one-time cost for the Pearl Harbor consideration of \$485 million. The cost-payback period calculated by the COBRA model is three years, with a net-present value of the savings from this consideration through 2025 estimated at \$1.29 billion.

As shown on the third column of this chart, available COBRA data shows a one-time cost for the Portsmouth recommendation of approximately \$448 million. The cost-payback period calculated by the COBRA model is four years, with a net-present value of the savings from this recommendation through 2025 estimated at \$1.26 billion.

Next chart, please.

This slide summarizes significant issues associated with this consideration and highlights the positions of the Department of Defense, community, and BRAC analysis staff on each one, if a position is known at this time. While there is not much filled in on this chart, it is important to note that although the naval shipyard Pearl Harbor accumulated the lowest military value score, the Department of Defense selected the naval shipyard Portsmouth for closure because it is the only closure which could both eliminate excess capacity and satisfy retention of the strategically placed shipyard capability.

If implemented, the total direct and indirect job changes would affect 1.3 percent of the economic area employment for the Honolulu, Hawaii metropolitan statistical area.

Next chart, please.

Mr. Chairman, in response to your letter dated 1 July 2005, in which you questioned why the naval shipyard Pearl Harbor was not recommended for closure, the Department of Defense states the following:

One, the industrial joint cross-service group found excess capacity sufficient to justify closure of one shipyard.

Two, the Department of Defense COBRA analysis indicated that realigning the naval shipyard Pearl Harbor depot function would produce greater net present-value savings than realigning the naval shipyard depot function; however, the net present-value savings associated with the Department of Defense fence-line closure of the naval shipyard Portsmouth produces about the same amount of savings as realigning the depot function at the Pearl Harbor shipyard;

Three, the military value score for Portsmouth was slightly higher than Pearl.

And military judgment favors retention of naval shipyard Pearl Harbor because of its strategic location and multiplatform capabilities.

Additionally, combatant commander of the Pacific expressed operational concerns with a closure of the Pearl Harbor shipyard.

This concludes my prepared presentation. The staff's prepared to answer any questions, -- (inaudible) -- to any motions that commissioners might have.

MR. PRINCIPI: Thank you.

Are there any questions or comments?

Admiral Gehman?

ADM. GEHMAN: Thank you, Mr. Chairman.

For my colleagues, I think that there are -- this is a very complicated issue, but I think that there are two questions that this commission needs to be sure that it knows the answers to.

The first question is, is there, and if there is, how much, excess industrial capacity in the four federal shipyards is there really? The Department of Defense has indicated that there is excess capacity. Community inputs have indicated that there's no excess capacity. So we need to determine is there excess capacity or not, and it's not clear to me that we know the answer to that at this stage.

The second question is if there is excess capacity, why did the Department of Defense elect to close the shipyard with the higher military value, rather than the shipyard with the shipyard with the lower military value?

In the military value equation, such things as efficiencies and geographic locations, things like that, are already in the equation, so you can't count -- I mean, they want us to count them twice. I believe that we need to -- in order to thoroughly go through these very, very, very tough questions, I think we need to do the complete analysis, which is recommended by the staff.

Now I will tell you that this particular recommendation makes no economic sense whatsoever. For example, turning the Pearl Harbor shipyard into Pearl Harbor intermediate maintenance facility and not

doing overhauls, just means that those overhauls have to be sent some other place. There's no cost saving. As a matter of fact, that's going to cost more because now you're going to pay twice.

The overhauled Pearl Harbor Navy Shipyard is spread across its industrial activity. If you do less industrial activity, you got to put more overhead on a smaller base. So they're already bad mandate rates will just go up higher. So the Navy's going to pay twice now, they're going to pay for a ship to go to Bremerton for overhaul, and they're going to pay higher rates at Pearl Harbor Navy Shipyard.

But regardless of that, I am not satisfied that we know the answer to the two basic questions. Is there really -- and I use the term, I like to use the term excess, excess capacity. In other words, I think it's okay if there is 10 percent excess capacity or 15 percent excess capacity. I would be concerned if there was 40 percent excess capacity, but if there's only -- I need to know whether that there is excess capacity and if so, if there is, then why did the Department elect to pick up the shipyard with the higher military value?

For that reason, I would vote for this study. But the proposal, as presented, has absolutely no economic value whatsoever.

Thank you, Mr. Chairman.

MR. PRINCIPALI: Okay.

GEHMAN: I agree completely with Admiral Gehman, with a possible of one exception.

The combatant commander's views, the strategic location of Pearl Harbor in the Pacific is the overriding issue here. Period. It should not be closed in any way.

Having said that, I am not persuaded that Portsmouth should be closed either. I'm not sure of the excess capacity.

But there is no reason to vote for this option and consideration to insure that we have an adequate study of the excess capacity as we've had discussions with the staff.

So for that reason, I vote against this -- considering this option -- but I do agree that we need to have a very hard look at what is excess capacity in today's environment.

MR. PRINCIPI: Mr. Skinner?

MR. SKINNER: I agree with General Hill. I agree with Admiral Gehman, too. This doesn't make any economic sense and if it's close, then the strategic value being in Pearl Harbor appears to me to weigh in favor of Pearl Harbor as it's currently constituted.

I think the issue on Portsmouth, which -- they make a very compelling issue of a world-class shipyard is whether or not we need that capacity, not only now but in the next 20 years, and I think we need to study that and should study it and will study it, and I would say that, Go ahead and keep Pearl Harbor on the table to try to solve the Portsmouth issue is, probably given the numbers that I've seen so far, probably very problematic, so I vote no, too.

MR. PRINCIPI: General Newton?

GENERAL NEWTON: Yes, Mr. Chairman, while I somewhat agree with my colleagues, I also see an opportunity for us to get down the road a ways here and have our hands tied now because we can't go and look at Pearl Harbor. And so I think we should leave all of the options open. That's

the only way to insure that we can collect all of the data we think we're going to need to weigh on this particular problem.

Therefore, I would be voting in favor of placing this on the list.

MR. PRINCIPI: Mr. Coyle?

MR. COYLE: Mr. Chairman, I agree with the logic put forward by Admiral Gehman. If excess capacity were the only standard, we would close the outer loop of the beltway because it isn't gridlocked 24 hours a day.

So I vote yes.

MR. PRINCIPI: Are there any other questions or comments on this matter?

There being none, I ask all those in favor of adding Naval Shipyard Pearl Harbor Hawaii to the list of installations to be considered by the commission for closure and realignment, please raise your hand. Those opposed.

Please call the vote.

MS. CARNEVALE: Could I have one more nay please?

MR. PRINCIPI: You want the nays again.

MS. CARNEVALE: Thank you, Mr. Chairman.

The vote is five ayes, four nays. Therefore, the Naval Shipyard Pearl Harbor Hawaii will not be added to the list of installations to be considered by the commission for closure or realignment. There are no recusals.

Thank you, Mr. Chairman.

MR. PRINCIPI: Thank you, Mr. Skinner.

MR. SKINNER: I think and I hope that we will get the full capacity issues out of Pearl Harbor, even though they're not on the list. I assume we'll be able to -- by voting no, I did not want to preclude us from getting all the necessary information we need to analyze the capacity of all our shipyards, and hopefully we'll get it whether we voted yea or nay.

MR. PRINCIPI: Mr. Hannah.

MR. HANNAH: On that, Commissioner Skinner, it would have been easier with Pearl. I think we can get enough of an answer to be able to make an informed analysis for you by the end of the summer.

MR. HILL: And I would also like to add to Mr. Skinner's comment in that I would, in a public forum, urge the Department of Navy to be very forthcoming in this, so in point of fact we can get at for this commission's purview this excess capacity issue.

MR. PRINCIPI: Mr. Hannah.

MR. HANNAH: Thank you, sir.

I would like to introduce our analysts for the fifth item, another easy one, Naval Air Station Oceana. Mr. Bill Fetzer.

MR. FETZER: Thank you, Mr. Hannah.

Good afternoon, Mr. Chairman and commissioners.

This presentation considers closing the Navy's master jet base located at Oceana Naval Air Station in Virginia Beach, Virginia, and relocating all squadrons, personnel, equipment and support to a suitable alternative site to be determined by the Navy.

According to Oceana's commanding officer, NAS Oceana is the busiest master jet base in the nation, with approximately 220,000 operations per

year at the main airfield, and another 100,000 operations per year at Ventris Field.

Ventris is the Navy's outlying training site located seven miles to the southwest of Oceana in Chesapeake, Virginia. Field carrier landing practice is conducted at Ventris to simulate the critical landing techniques required for safe flight operations at sea.

At NAS Oceana alone at least one landing or takeoff occurs on the average every 2.5 minutes, 24 hours a day, seven days a week. For Ventris Field a landing or takeoff occurs every 5.3 minutes, 24/7.

Next slide. Approximately 10,000 military and civilian personnel, and 244 jets, and associated support equipment, would be transferred from Oceana. Consequently, a significant amount of military construction will be required to upgrade an existing base along the East Coast or establish a new modern jet base on the East Coast.

The list of realignment and closure recommendations presented to the Commission by the Secretary of Defense in 2005 contains two minor realignments concerning NAS Oceana, and affects less than 100 personnel.

Next slide.

The primary reason to consider NAS Oceana for closure is the increasing encroachment of a surrounding community. Despite significant efforts by the Navy and local community leaders over the last 30 years to limit the encroachment, developers demands and property rights issues have trumped the Navy's objections to new building in the high noise and accident potential zones, also known as APZs.

Since 1975 reportedly 73 percent of the development proposals that the Navy objected to were subsequently approved by the Virginia Beach

City Council over the Navy's objections. As an example, the small red circle in the upper right edge of the Vugraph shows the location where in 2003 a new condominium development was proposed to the city of Virginia Beach.

As depicted, that site lies within the APZ 2 for the runway 23 approach to Oceana, the nearest point to which aircraft may descend to as low as 700 feet during instrument approaches.

The commanding officer of NAS Oceana opposed that development in writing to the city council on June the 5th, 2003, stating that residential land use was incompatible with the designated APZ and noise zones, and should be prohibited.

In November, 2003, the city council approved that project over the Navy's objections.

The air space and field boundary encroachment continues to constrain the present operational and training capability of the jets operating at Oceana and Ventris Field.

As I mentioned earlier, over 100,000 day-and-night training operations are conducted at Ventris Field annually. The most critical training required of naval aviators is the landing and takeoff from aircraft carriers. This skill requires precise piloting techniques, and needs to be practiced frequently, resulting in a high number of airport evolutions, primarily takeoffs and landings, or touch and goes.

This goes on throughout the day and well into the night. The situation creates a high-noise environment within five miles of the associated airfields. Night training is now difficult to replicate at

Ventris Field because of the ambient light caused by the encroaching development.

Rather than flying the same pattern altitudes and approach paths that they would use when operating around aircraft carriers at sea, the aviators must adjust their flight patterns to comply with noise-abatement procedures demanded by neighborhood developments near Ventris Field.

Accepting this consideration to close NAS Oceana will provide the Commission with the opportunity to study alternatives for closure or further realignment of NAS Oceana.

Next slide.

This chart shows the proposed number of military and civilian personnel that would be transferred, and billets that could be eliminated by the consideration to close NAS Oceana. With a total direct impact to just over 10,000 people including over 1,600 civilians.

Next slide.

During the RAC process, the Navy ran four COBRA scenarios for closing NAS Oceana including relocating the master jet base to Buford, South Carolina; Pensacola, Florida; Whiting Field near Pensacola; and Moody Air Force Base near Valdosta, Georgia.

Buford was rejected for economic reasons, that included a 100-year payback. The two Pensacola area bases were rejected due to encroachment and the lack of over-water range availability. The COBRA data for moving the Navy master jet base to Moody provided the indicated results with over 70 percent of the one-time costs attributed to Navy construction.

Available COBRA data shows a one-time cost for this proposal of \$494 million. The cost payback period is 13 years, and the net present value of the savings from this proposal through 2025 is estimated at \$36 million.

Additional COBRA data estimates the one-time costs to transfer all U.S. Air Force assets to Moody to be an additional \$179 million.

Next slide.

This Vugraph summarizes two primary issues associated with this consideration. The first issue deals with encroachment of the airfield boundaries and flight paths. Although Oceana has a relatively high military value, ranking sixth out of 34 Naval and Marine Corps air stations, encroachment has wide-ranging implications for the first three military value criteria.

Criteria one, the impact of present and future readiness. Criteria two, the availability of facilities and associated airspace at the existing and receiving locations. And criteria three, the ability to accommodate contingency mobilization, surge and future total force requirements at the existing location.

Clearly, encroachment of NAS Oceana affects the Navy's ability to train and operate. The Navy considered several closure scenarios, but rejected all because of cost or the inability to gain access to a suitable site near potential East Coast over-water training areas and ranges.

Because NAS Oceana has been in operation at the present location since it was established in 1941, on 360 acres of swampland, the community position is mixed. Reportedly several thousand citizens are

opposed to the increasing jet noise, but many more thousands support the retention of NAS Oceana as the Navy's master jet base.

The other primary issue deals with the sheer volume of personnel and equipment that would be relocated from Oceana and is also related to three separate criteria. Criteria six, the economic impact on the existing communities of the Virginia Beach area, and whatever the Navy decides -- and wherever the Navy decides to establish a new master jet base.

Criteria seven, the ability of the infrastructure of both the existing and potential receiving communities to support forces, missions and personnel.

And, finally, criteria eight, the environmental impacts associated with that many people and aircraft relocating to a new site.

Next slide.

The Department of Defense responded to the commission's 1 July request for information regarding NAS Oceana. The Navy examined several alternatives for an East Coast master jet base, including Moody Air Force Base.

Moody was considered a feasible alternative to Oceana, but it has a number of factors that make it less desirable than retaining Oceana, including the one-time military construction costs of \$363 million.

Oceana is considered by the Navy to be the most suitable option of all East Coast technical aviation bases. However, encroachment at Oceana presents significant challenges to long-term operational requirements.

According to the secretary's letter, the best basing alternative for East Coast tactical aviation would be to build a new 21st-century master jet base, but such action would occur outside the BRAC window that ends in 2011.

The GAO reported that the Navy considered several options for closing NAS Oceana, but was unable to find a suitable cost-effective alternative.

Mr. Chairman, this concludes my prepared presentation. The staff is prepared to answer any additional questions you have prior to any motions you might have.

MR. PRINCIPI: Thank you, Mr. Fetzer.

Admiral Gehman.

ADM. GEHMAN: Mr. Chairman, as I indicated in public previously I'm going to recuse myself from any matters having to do with the State of Virginia. Thank you, sir.

MR. PRINCIPI: Thank you, Admiral.

Mr. Coyle.

MR. COYLE: Thank you, Mr. Chairman. The other day General Turner asked an insightful question, which was, is the encroachment at Oceana beginning to impact the training syllabus for the Navy, to which I believe the answer was, yes.

Some people have said that this is a question not of if but when. Mr. Hannah and Mr. Fetzer, do you agree that this is not an if but a when situation?

MR. FETZER: Yes, sir. In fact, as you heard in the testimony that the Navy hasn't fully formulated those plans. And we do hear that they

are considering a new master jet base, as testified by the secretary of Defense.

MR. COYLE: And would your staff analysis, the analysis that you would do if this went forward, help the Navy to develop the best options?

MR. FETZER: I would be presumptuous in saying that could help the Navy at this point in time, sir.

MR. COYLE: Thank you.

MR. HANNAH: Mr. Chairman?

MR. PRINCIPI: Yes. Mr. Hannah.

MR. HANNAH: Thank you. You mentioned it was \$363 million. That's military construction sir.

MR. COYLE: And could you break that down?

MR. HANNAH: Yes, sir.

MR. COYLE: Whose figure is that?

MR. HANNAH: This is the COBRA model.

MR. FETZER: While he's getting the paper, we used Moody as an illustrative example so we could get some costing figures for order-of-magnitude presentation, and they did consider the movement, what it would cost to recreate the master jet base in its current configuration at another location.

MR. HANNAH: It looks like there's about 30 to 40 specific items here, including runways, aircraft aprons, hangars, aircraft maintenance shops, exchange, commissaries, BDQs, essentially this would be for Moody, and that is because Moody Air Force Base presently has about half

the hangar and runway capacity that the Navy would seek for the master jet base.

MR. COYLE: Is there a possibility of encroachment at Moody? It seems like that's the standard. Every time you get into it there's another commanding officer coming in and saying that we've got encroachment.

I think all past five of their logistic centers in the Air Force had that problem. And are we just going transfer that same problem to Moody? What would be your opinion?

MR. HANNAH: I believe we would transfer some encroachment problems. But they have more buildable acres down there, and they could accommodate that building.

But at this point, as the secretary of Defense testified, that's a World War II-era base, and they probably would have to do significant building on that base as well.

MR. COYLE: Besides the new building, so that we'd have to do rehabilitation.

Thank you.

MR. MISSIPPI: General Hill.

GEN. HILL: This is, in my view, the most perplexing and complex issue that we faced. And if you recall during the initial hearing with the C&O (ph), I asked him the question, why didn't you close Oceana?

And Admiral Clark, whom I have a tremendous amount of respect for -- in fact he's an E.F. Hutton person for me; when Admiral Clark talks, I listen -- said that he wanted to close Oceana. He simply couldn't find any other alternative.

I hear that, but then also in our discussions, in our deliberations, in our looking at this with the staff, I am also persuaded -- we've got to try to help the Navy figure out an answer to this, because we are, in fact, going to have a major disaster at Oceana, now, sooner rather than later.

So I think we need to work this. When we had Admiral Willard here yesterday, he kept referring to the fleet training base and keeping all the wings together as the optimum solution. It seems to me -- and we may not be able to find it -- but I would like to work over the next several weeks as we look at this -- I'm going to vote yes on this -- to work with the Navy to see if there are some other alternatives to help them in the near term, near to mid-term, to allow them to get to the long-term solution to this issue.

A thing that pops into my mind is that there is more than ample space, training space, air space and ramp space at Naval Air Station Kingsley, Texas, to do a lot of this training. There is berth space at Ingleside to put a carrier there. I'm not talking about reassigning it, but in pulling it back, you could put the carrier there; you could do the training.

There are alternatives, it seems to me, that we ought to work our way through, that are in front of the BRAC commission at this point. So I would vote yes for this.

MR. PRINCIPI: Mr. Skinner.

MR. SKINNER: Well, I'm not afraid of a big project. But I'm afraid this project is a little bit too big. I think the Navy has a serious problem. I think they recognize they have a serious problem. I

think listening to Admiral Clark and others, who I also have a lot of respect for, I think they have not found an alternative absent building a master jet base somewhere in the southeast over the next, you know, 15 years or so.

I think that is a huge, huge challenge, having been involved in the development of the airport in Denver. I know how big that big was, and that's, well, it's of equal size and it's an equal magnitude.

I'm not so sure -- I would love to help. While I wasn't afraid to have the commission get involved in a building a new Marine Corps recruit depot in San Diego, or in California. I just don't know what we can -- what I'm worried about is the dissipation of our staff, and I don't think we can really get the answer we want.

And I'm also convinced that the Navy recognizes, and they've got a lot of good people, they've got people that can work on this, and if I thought there was a way we could help them by studying it ourselves, I would vote yes to keep it on. But I don't think there is anything we can do in as somebody said 20 or 30 days with a lot of other work we have to do on a lot of issues.

I'm not so sure that would be a valuable expenditure of our time that we're not already -- or it could be duplicated by the Navy as they work this problem. So I would vote no.

And my offer -- General Hill and I are absolutely on the right thing, we ought to -- if we could do something to help I would vote yes. But I don't see that we can really bring any real added value.

MR. PRINCIPI: I'm going to let you respond to that, and apprise the commissioners as to the capability of the staff to address some of

these very complex issues in a very short period of time. I think there is a --

So it's your general consensus that something needs to be done at some point, but what is the best approach to take with regard to Oceana.

MR. HANNA: Yes, sir, thank you.

Unlike some of the other scenarios that were proposed, a lot of work has gone on both on our own staff and within the Department of Defense that we can draw on as we investigate. So I think there is an opportunity to at least come up with something useable and useful in the August deliberations, should you choose to consider that.

MR. SKINNER: The staff believes that they have the capability to bring some added value. I have a lot of confidence in the staff, so I guess I'll support that recommendation, given the fact that the staff believes that with everything they have, they can provide something as a result of this that will answer the objective that I know everybody on the panel has, even those that are recused, to try to help the Navy do whatever it can.

So if you believe you can do it and not compromise your other work, then I'll support that, because it would bring real value to the Navy.

MR. HANNA: We do, Mr. Skinner.

MR. PRINCIPI: There being no further questions or discussion, I call for the vote. All those in favor of considering Naval Air Station Oceana, Virginia, for closure or to increase the extent of realignment, please raise your hand.

All opposed, say nay. (Chuckles.)

MS. CARNEVALE: Thank you, Mr. Chairman. The vote is seven ayes, one nay, one recusal. Therefore Naval Air Station Oceania, Virginia, will be considered for closure, or to increase the extent of realignment. Thank you, Mr. Chairman.

MR. PRINCIPI: Thank you. I apologize Mr. Bilbray. We'll take a 10½2D minute recess.

(Recess.)

MR. PRINCIPI: The BRAC Commission is back in session. We'll now the Air Force team.

Is that correct, Mr. Cirillio?

MR. CIRILLIO: Yes, sir. Thank you, Mr. Chairman, commissioners. We will proceed with Mr. Ken Small, who is Air Force team leader, who introduced comments and recommendations and considerations for today.

Mr. Small?

MR. SMALL: Thank you, Mr. Cirillio. I am the team leader for the Air Force team. This afternoon my analyst will present to the commission four potential adds, meaning that we are considering actions which we consider worthy of further analysis. Up until now, my analysts have been visiting bases and smaller installations named by the secretary of Defense in his report to you in May. In order to conduct in-depth analysis, we desire that the commission consider these presentations today, only for a decision to conduct further analysis.

We have accumulated the suggestions for additional further actions for commission. We will start with Moody Air Force Base, Georgia. Tanya Cruz will discuss Moody.

Tanya?

MS. CRUZ: Mr. Chairman, commissioners, my presentation to you today covers the realignment of Moody Air Force Base in Valdosta, Georgia, to make room for a Navy move from Naval Air Station Oceania in Virginia. Moody Air Force Base is presently the home of five Air Force training and support squadrons, with 122 aircraft, and approximately 5,000 military and civilian personnel.

Next slide.

Under this consideration, all U.S. Air Force assets at Moody Air Force Base would be required to relocate to other suitable facilities. The current list of realignment and closure recommendations contains three minor realignments associated with Moody. The maintenance move between Moody and Shaw Air Force Base involves moving base-level ALQ-184 for intermediate maintenance from Moody to Shaw and, in turn, relocating base level TF-34 engine intermediate maintenance from Shaw to Moody.

Under the same recommendation, the Department recommends relocating 12 A-10s from Eielson Air Force Base in Alaska to Moody. The Department of Defense also recommends relocating 36 A-10 aircraft from Pope Air Force Base to Moody. Additionally, the current Department of Defense position assigns Moody by relocating its primary phase of fixed-wing pilot training and introduction to fighter fundamental training, along with the associated aircraft, namely the T-6s and T-38s, to multiple Air Force bases.

Next slide.

The primary reason to consider adding Moody Air Force Base for further realignment is to provide a potential location for Naval Air Station Oceania's master jet base. As previously mentioned, the

operational training capability at Oceania is significantly constrained by air space and field boundary encroachment. For initial analysis pertaining to this potential add, the staff assumes that all major units at Moody would have to depart the base and be relocated to other locations. For purposes of the COBRA analysis, the Air Force has given -- (inaudible) -- to select the future locations for the departing units.

Placing Moody as an addition to the Secretary's plan would allow the staff to formally explore this option through in-depth analysis. If voted on today, the commission could consider the realignment of Moody Air Force Base to make it an Navy installation. The chart on this slide shows the manpower implications of redistributing all of Moody's Air Force forces and functions. As a result, the net personnel loss would be 4,603 military positions and 268 civilian positions, with a total direct impact of 4,889. Again, these numbers reflect Air Force departure from Moody. The numbers do not consider the arrival of any Navy units, which would comprise approximately 10,000 people.

Next slide, please.

As previously discussed by my colleagues, the Navy ran four COBRA scenarios for closing Naval Air Station Oceania. To briefly recap one such scenario, included relocating the master jet base to Moody Air Force Base in Valdosta, Georgia. To carry out this realignment, the COBRA run shows a one-time cost of 494 million (dollars), with a payback period of 13 years. The Air Force also ran a scenario which considers the departure of Air Force assets for an Oceania move to Moody. The COBRA data from this run shows a one-time cost of approximately 179

million (dollars), with a payback period of one year and a net-present value of those savings in 2025 of 1.5 billion (dollars).

Next slide.

There are four issues currently associated with this scenario. The first issue deals with the impact on total force and operational readiness. There are a number of Air Force assets currently at Moody Air Force Base that would need to be relocated to suitable Air Force installations. Those assets include the manpower, as well as the aircraft, associated with the 820th Security Forces group and the combat search-and-rescue forces.

As the disposition of these assets will be left to the Department of Defense, the impact on the receiving locations and communities is currently unknown. The second issue also discussed in the Oceania presentation corresponds to the availability of facilities at Moody. Closing NAS Oceania and relocating its personnel, aircraft and equipment to Moody would require a significant amount of military construction. A substantial amount of MILCON would also be necessary to build additional runways, hangars and ramp space. In addition, there's a substantial shortfall in personnel support facilities needed to meet the requirements. At present, there are approximately 300 on-base family housing units at Moody, with an additional 350 slated for construction and 95 for demolition. For a total projected 555 units of military family housing.

The third issue is related to the availability of suitable training areas. At Moody there are currently no over-water training ranges owned or operated by Moody, which are necessary for naval flight training

operations. In addition adding upwards of 200 naval aircraft to the air-to-ground or air-to-air training airspace in the region, could produce challenges in scheduling of air space use.

The fourth issue summarized on the slide deals with economic impact on existing communities near Moody Air Force base. Relocating approximately 10,000 personnel to an MSA with employment at approximately 60,000 will result in a direct net increase in jobs of almost 10 percent. But the community believes it could support additional 15,000 military personnel, given the current status of on-base housing at Moody as well as other quality-of-life considerations, the community's ability to absorb such a population increase is questionable.

Next slide, please?

In a July 1 BRAC commission letter, we asked the Department of Defense to provide comment to the following question: What consideration was given to the realignment of the master jet base located at NAS Oceania, Virginia to Moody Air Force Base, Georgia? The community responded in the case of realignment to Moody Air Force Base, while it was considered a feasible alternative, it would incur significant one-time cost, almost 500 million (dollars), and result in a long payback period, 14 years. We concluded the best long-term basing alternative for East Coast Navy tactical aviation would be to build a new 21st century naval air station able to accommodate legacy and planned high-performance aircraft, but such action would optimally occur outside the BRAC window.

In addition, DOD commented that relocating to Moody or another existing location, within the timeframe of this BRAC would require extensive infrastructure upgrades, significant time and resources and still would not obtain the operational or quality-of-life standards expected of this century. GAO's BRAC report did not comment specifically on DOD's recommendations for Moody.

Last slide.

I would like to reiterate that if voted in favor of today, Moody Air Force Base would be added for consideration to DOD's lists of recommendations for closure or realignment to make way for a Navy move to Oceania to Moody. This potential add would complement existing OSD recommendations for changing missions at Moody by opening up the full range of potential activities at Moody for additional analysis by the staff.

Mr. Chairman, commissioner, this concludes my presentation. The staff would be happy to address any questions you or the other commissioners have prior to any motions made.

MR. PRINCIPAL: Thank you, Ms. Cruz.

General Newton?

GEN. NEWTON: Yes, Mr. Chairman. Mr. Chairman, we discussed earlier how truly difficult and critical the issue of relocating the mission to Oceania. As a result, for all of the many reasons that was pointed out by the staff, Moody should not be on this list. Let me illustrate a couple of things. I noted, and I wanted to make a comment. A couple of folks have talked about Moody being a World War II base.

Let me dispel that right now. It certainly started in WWII, but it's far from being a World War II base today.

It's a modern Air Force base like many of our Air Force bases. I just wanted to get rid of that. The next is, by adding Moody to the list it limits us from looking at all of the other possible opportunities of where we might be able to help the nation to take this mission, and so for that reason, primarily I would say Moody should not be on this list. We've already discussed the significant cost that's there as well as the Air Force, in coordination with the Navy, and there's been lots of dialogue that has taken place there; we've had that in testimony. But as well, the Navy, -- I mean Air Force have done a lot of coordination with the Army. And their plan for the future, as recommended by the Secretary, is that they will do a very important mission that will be in the joint arena here with the United States Army, and I think that's extremely, extremely important.

So, I would suggest that Moody not be added to the list for realignment and closure.

MR. PRINCIPI: Thank you, General Newton.

Admiral Gehman.

ADM. GEHMAN: Mr. Chairman, once again, as I previously announced, I'm going to recuse myself from this issue, since Virginia is a loser -- (inaudible).

MR. PRINCIPI: Thank you, Admiral Gehman. Are there any other questions?

Are there any other questions, any comments?

And I would just associate myself with the remarks of General Newton. I think a decision on Oceania, to do further analysis, to broaden the scope, to look at all the various options for the Navy makes a great deal of sense.

I will now call for the vote.

On this issue of Moody, all those in favor of considering Moody Air Force Base, Georgia for closure or to increase the extent of realignment, please raise your hand. All those opposed.

GEN. NEWTON: I'm not so sure I understand the vote, Mr. Chairman.

MR. PRINCIPI: The vote yes is to close Moody, the vote nay is to -

GEN. NEWTON: The vote to add Moody on to the list.

MR. PRINCIPI: The vote to add Moody on to the list is an aye, and the vote to take it off the list is a nay. All those in favor adding Moody to the list for closure, please raise your hand. All those opposed.

MS. CARNEVALE: Thank you, Mr. Chairman. The vote is one aye, seven opposed, one recusal. Therefore Moody Air Force Base, Georgia will not be considered for closure or to increase the extent of realignment at this time. Thank you, Mr. Chairman.

MR. PRINCIPI: Thank you, counsel. Mr. Small?

MR. SMALL: Yes, sir, we have a little chair shuffle here, and we'll be right with you, sir.

Mr. Chairman, sorry for the delay. Mr. Tim MacGregor will discuss Grand Forks.

MR. MACGREGOR: Good afternoon, commissioners, Mr. Chairman.

The next action for your consideration is the closure of Grand Forks Air Force Base, North Dakota. The current OSD recommendation for Grand Forks is realignment. The OSD recommendation directs all of Grand Forks' 44 KC-135R aircraft to five bases: two active duty, two Air National Guard, and one Air Force Reserve. The original recommendation also results in the loss of 2645 direct manpower positions, leaving 614 in place at Grand Forks.

The details of the closure action being briefed now for your consideration differ from the OSD recommendation in two significant ways. First, closure results in the loss of all authorized positions at the base, including the 614 that the realignment action would have left. And second, the closure action does not specify receiving locations from the tanker aircraft. This action specifies that the forces and functions currently at Grand Forks will be distributed at the secretary of the Air Force's discretion, in accordance with the law. As a result, specific requirements for receiving locations are not available for analysis, since the locations may differ than those originally proposed in the OSD recommendation. Air Force 37 is the primary recommendation with this action. Air Force 38 is closely related. Since the Air Force is on record as stating that they intend to base unmanned aerial vehicles at Grand Forks. And those UAVs will be operated and maintained, in part, by personnel from Hector International Airport Air Guard Station, which, under Air Force 38, loses all of its aircraft, but no manpower authorizations.

There are several reasons that the closure action have been levied for your consideration. First, as late as this past 26 of April, the

Air Force's base closure executive group, the BCEG, approved Grand Forks for closure. Eight days later, on May 4th, OSD's infrastructure executive council, the IEC, approved a modification to the recommendation. The IEC minutes state, quote, "to address a strategic presence issue, discussed at the IEC, the Air Force presented to the IEC, a modified recommendation. The proposal would change the status of the Grand Forks recommendation from a closure to a realignment to address strategic presence issues.

The installation would eventually host an association with the Air National Guard unit at Fargo, North Dakota, Hector Field, in an emerging mission. Grand Forks, rather than Ellsworth, was selected as the base to retain to address the strategic presence issue because Ellsworth did not have a better reserve component association possibilities. The IEC agreed to change its recommendation from a closure to a realignment."

As the mission compatibility index rankings, Grand Forks ranked lowest in military value in the tanker category of all current active-duty tanker bases. Grand Forks was ranked number 40 of 154 total bases in tanker MCI. As a reminder, the Air Force rated 154 installations in each of 8 categories, including airlift, bomber, fighter, tanker and others. Of note, Ellsworth Air Force Base South Dakota, though not currently a tanker base, was ranked number five tanker base overall, a position higher than all active duty tanker bases. Minot Air Force Base, North Dakota, at number 43 was ranked below Grand Forks.

The third reason this closure action is before you today is the status of the 614 manpower positions remaining at Grand Forks. Based on the BRAC recommendations and current programmatic data available to the

commission, after the tankers leave Grand Forks, the 614 people have no specific mission to support.

Fourth, though senior Air Force leaders are repeatedly on record as intending to base UAVs at Grand Forks, there is no current programmatic data available for that mission. Specifically, there's no stated UAV arrival date, quantity or requirement for support personnel. At yesterday's hearing, the Air Force vice chief of staff reiterated the service's intent to base UAVs at Grand Forks and made references to budgetary data. We are in the process of gathering that data now.

Fifth, due in part to information provided to the commission during the base visit and the regional hearings, adding Grand Forks for closure gives the commission further opportunities for review and analysis.

And lastly, if voted affirmatively, the commission will have the option of fully closing Grand Forks, in addition to options to either realign or leave completely open. As noted on this slide, closing Grand Forks will result in the loss of approximately 3500 direct, authorized positions. With the inclusion of estimated indirect job losses, this action will result in approximately 6,600 total jobs lost.

This table compares COBRA data from OSD's original recommendation to realign Grand Forks, noted in the middle column, with data prepared depicting the complete closure of Grand Forks, noted in the far right column. You can see that one-time costs to close Grand Forks are approximately \$3 million less than realignment, while the 20-year net present value for closure is approximately \$674 million greater than realignment.

There are four primary issues known at this time that are being addressed regarding this proposal.

First, the UAV mission. As previously noted, the most senior Air Force leaders indicated their intent to base UAVs at Grand Forks, with associated responsibilities at Hector Field. As you'll recall, General Moseley, the vice chief of staff of the Air Force testified under oath at yesterday's hearing about the service's intent to base a family of UAVs at Grand Forks. We have also noted that Grand Forks may be used as a potential future base for a new tanker aircraft, once DOD makes a decision on the KC-135 replacement program.

While a potential UAV mission is strongly supported by both North Dakota communities, Grand Forks and Fargo, there is no UAV full programmatic data that the commission can quantitatively analyze. Though as previously noted, based on yesterday's testimony, we have requested and begun to receive programmatic data germane to the original realignment recommendation. Adding Grand Forks as a closure gives both the DOD and the commission greater opportunity to analyze detailed data regarding the emerging UAV mission.

Second, we need to look more closely at the issue regarding the loss of a facility helping to provide strategic presence. DOD cited its primary reason for changing Grand Forks from a closure to a realignment during the deliberative process eight days before their BRAC recommendations were published, was to address a strategic presence issue in the north-central United States. It's worthwhile to note that there are three additional bases in the north-central region. Minot Air Force Base, which is not slated for either realignment or closure, is

196 miles to the northwest. Hector International Air Guard Station, recommended for realignment, is located in Fargo, North Dakota, 73 miles to the southeast. And Ellsworth Air Force Base, South Dakota, an installation that OSD recommended for closure, is located 387 miles to the southwest of Grand Forks.

Third, the OSD realignment recommendation leaves 614 manpower authorizations at Grand Forks, with an estimated annual \$1,500 million for base operating support, or BOS. Under the current recommendation, the 614 personnel in BOS have no specific mission to support. Considering Grand Forks for closure would give both DOD and the commission greater opportunity to specify and analyze what those people and costs will support in preparation for potential emerging missions, or what savings might be gained if the base is selected for closure versus realignment with no specific mission.

Lastly, please note that a closure action will result in the loss of approximately 10 percent of the jobs in the metropolitan statistical area, versus 7.4 percent loss estimated with the original realignment recommendation. In its response to Chairman Principi's letter to Secretary Rumsfeld on July 1st, the DOD reiterated that its intent is to keep Grand Forks open both a strategic, regional presence and to accept future UAV missions. The letter also noted that it was the Air Force who proposed to the infrastructure executive council that Grand Forks be changed from closure to realignment.

In effect, the Air Force changed its recommendation, and DOD approved the change. With regard to UAVs, the DOD letter states, quote, "Future specific plans for UAVs are undefined in BRAC, in terms of

numbers and timing. However the post-BRAC intent of the Air Force is to dovetail an emerging mission with the departure of the old mission." The DOD adds, "growth of this mission will include transition to the Predator MQ-9, eventually adding the global hawk UAV.

In their recent analysis of DOD's 2005 BRAC recommendations, the GAO made several specific references to Grand Forks, to include, stating that Grand Forks was changed by the IEC from closure to realignment a week before the OEC BRAC release. GAO cites DOD made a military judgment call to keep the base to maintain a strategic presence in the north-central United States, though GAO also noted that Minot Air Force Base is also located in North Dakota and is not affected by any BRAC recommendation.

The GAO also reports analysis of the Air Force recommendation identified some issues that the BRAC commission may wish to consider, such as the projected savings from military personnel reductions, impact on the Air National Guard, impact on other federal agencies and other issues related to the realignments of several main bases, including Grand Forks Air Force Base.

Mr. Chairman, that concludes my prepared presentation. As a reminder, if voted in favor of today, the commission will add Grand Forks for consideration for closure as opposed to OSD's original recommendation to realign. I'll gladly address any questions that you or the other commissioners may have prior to any motions that you might make.

MR. PRINCIPI: Thank you, Mr. MacGregor. General Newton?

GEN. NEWTON: Yes, Mr. Chairman. Mr. Chairman and fellow commissioners, we have heard testimony from several DOD leadership officials on what they feel is the importance of Grand Forks to the future vision of the United States Air Force. Clearly moving the UAV mission there is important to that vision, as well as I'm not terribly surprised that the data is not there that supports funding for UAV going to Grand Forks at this time. I mean, many of us already know there's lots of turbulence in this part of the mission area for the Department of Defense.

Therefore, again, I think we as commissioners need to consider very seriously that desire as well as the statements that have been made by the Air Force and the Department of Defense leadership on keeping Grand Forks open.,

MR. PRINCIPI: Thank you, General Newton. I'll just add that I, too, have had discussions with senior Air Force officials and listened intently to the testimony yesterday by the vice chief of staff, General Moseley, about the importance of Grand Forks and the emerging mission requirements that he has programmed for Grand Forks. I further questioned on the possibility that the commission may elect to reverse the decision on Ellsworth and, if that were to happen, would that change his position with regard to Grand Forks. He assured me that it would not as betting UAVs at Grand Forks would not want to do so at Ellsworth. So, I once again, associate my comments with that of General Newton.

Mr. Skinner?

MR. SKINNER: I have a question. How many -- under their proposal, they plan to move how many military and how many civilians out? Do you remember, Tim?

MR. MACGREGOR: Yes, sir. After the current proposal -- I don't have those numbers in front of me. It was approximately 20 -- Mr. Gingrich will provide that.

MR. GINGRICH: Mr. Commissioner, according to the COBRA runs in the realignment of Grand Forks' existing DOD recommendation, a total of 1,876 military civilian will be eliminated in this scenario and a total of 1,283 military and civilian will be realigned. Of the realigned, 146 officers, 836 enlisted, and 301 civilians will be realigned out of Grand Forks.

MR. SKINNER: So, it's 301, they're right over the -- what's the threshold on civilians to be considered by BRAC?

MR. MACGREGOR: 300.

MR. SKINNER: 300? So, the point is it had been 299 instead of 301 they could have done what they were wanting to do without going to the BRAC on realigning the fuel tanker fleet. Is that correct? Am I correct in my interpretation?

MR. MACGREGOR: Technically correct, sir.

MR. SKINNER: Well, maybe it's only here because of the 301, but I think if it had been 296 it would probably have still been here anyway. I guess I can't argue with the 301 versus 396 that took it into the threshold. But, the point I'm making is the Air Force had a lot of flexibility to move the tankers and the squadron without presenting it to the BRAC. But, having presented it to the BRAC, and the fact that the

facility would have been open anyway, and listening to the mission that is for it, it doesn't appear to me to make -- I don't want to vote -- I've been told not to vote. But, it seems to me that there is a good argument not to -- I won't vote, but I'll say there's a good argument not to close it.

MR. MACGREGOR: Mr. Commissioner, just to clarify the numbers. 301 civilians were being realigned. There is also 241 that were being eliminated. So, if you total those two numbers, they cross over the 300 threshold.

MR. SKINNER: Oh, okay. So it's realigned or -- okay. Good. That wasn't one of those other centers. Thank you.

MR. PRINCIPI: Mr. Bilberry?

MR. BILBERRY: Yes. I'd like to make my statements supporting what chairman and General Newton said in support of this particular proposition.

MR. PRINCIPI: Thank you, Mr. Bilberry. Mr. Coyle?

MR. COYLE: Thank you, Chairman. Mr. Small, Mr. MacGregor, you've already commented about the sworn testimony we received yesterday from General Moseley that there will be a UAV mission at Grand Forks. You say you have asked for programmatic data and you are beginning to get that?

MR. MACGREGOR: Yes, sir. That's correct. It's not data that specifically identifies Grand Forks or those UAVs. But, it is demonstrating the increase in procurement and in the procurement lines of the UAVs, which our assessment would conclude is probably more than a single base, such as Beale would be able to support. At some point, the

Air Force will need at least one, and I'm certain more down the road, facilities to bed down those UAVs.

MR. COYLE: Does it appear to you that you're going to get the programmatic data relative to those UAVs that you are going to need for your analysis?

MR. MACGREGOR: The programmatic data they have had available to date? Yes sir, we will.

MR. COYLE: Now, the Air Force has also attested in conversations that Grand Forks will have a continuing tanker mission. Have we requested programmatic data from the Air Force on that mission?

MR. MACGREGOR: We have not requested specific information regarding Grand Forks about the current program. The current status of the tanker replacement program is pending the results of the analysis of alternatives. As has been referenced in the past couple of years, in 2003 the Air Force presented to the Congress what it called the tanker road map, in which it specified that Grand Forks was to be the second of three bases to bed down, which at the time was the new KC-767, and would be the first of those three bases to have a complete set of aircraft.

But, with the demise of the KC-767 fleet, the Air Force has specifically deferred primary reference to bed down locations of tanker replacement aircraft pending the results of the analysis of alternatives.

MR. COYLE: But, eventually, the Air Force is going to need new tankers.

MR. MACGREGOR: Yes, sir.

MR. COYLE: And this fracas with the tankers is going to get settled?

MR. MACGREGOR: Yes, sir.

MR. COYLE: Could we ask the Air Force for programmatic data with respect to the tanker mission?

MR. SMALL: Mr. Coyle, we have officially gone through the clearinghouse, received an answer back on the status of the tanker study, which is kind of the lynch pin of most of this discussion. It is in progress. It is coming to closure. Whether it comes to completion before this commission has fulfilled its mission, TBD.

I was not encouraged by it, but we did specifically ask and we have on the record a request for the study.

MR. COYLE: Does this commission --- do you feel it will be necessary for this commission to say yes in order to get the information you need from the Air Force?

MR. SMALL: No, sir.

MR. COYLE: Thank you.

MR. PRINCIPAL: Admiral Gehman?

ADM. GEHMAN: The realignment proposal, not our proposal, but the program or proposal of record the DOD realignment is the realignment of all the tankers out of Grand Forks. Is that correct?

MR. MACGREGOR: Yes, sir, that's correct.

ADM. GEHMAN: Which is a large number, right?

MR. MACGREGOR: Forty-four primary authorized aircraft, yes, sir.

ADM. GEHMAN: Now, is that proposal, the Department of Defense recommendation that's on the table, is that one of those proposals that

the GAO has commented upon in which credit for savings was taken from military spaces saved, whereas the military are actually just transferred to another base; and, therefore, the savings are inappropriately applied?

MR. MACGREGOR: Mr. Commissioner, that is a correct statement. They have assumed significant military savings from the elimination of military personnel and the associated housing allowance with those personnel. In our initial calculations for Grand Forks realignment, it's approximately 80 percent of the overall savings.

ADM. GEHMAN: So, about 80 percent of the savings is a question?

MR. MCGREGOR: Yes, sir.

ADM. GEHMAN: So --

MR. MCGREGOR: And, we would have to go back to get a more accurate figure, although 80 percent is probably in the ballpark. We would have to go back, rerun the COBRA run

(Cross talk.)

ADM. GEHMAN: Without the --

MR. MCGREGOR: -- moving those military personnel to another location.

ADM. GEHMAN: Right.

MR. MCGREGOR: Yes, sir.

ADM. GEHMAN: Right. Okay. So, in the Department of Defense recommendation as it is right now, the savings, the payback, all that kind of stuff is -- we don't know what we have here. It's questionable.

MR. MACGREGOR: It includes manpower costs, yes, sir.

ADM. GEHMAN: Right. Which are wrong. At least, according to the GAO. okay, so, that's problematic to me. The recommendation as it stands essentially has no savings in it. So, okay.

MR. SMALL: If we're talking about the 614 residual and whether the complete closure would eliminate those 614 residual positions, and we deduce here that those numbers have zero value as far as our discussion, you are absolutely correct, sir. We're talking about zero.

ADM. GEHMAN: Good. Okay. Now, on the other side, then, the reason that this recommendation was turned into a realignment at the last minute, according to the DOD letter, was to ensure something called -- by the same question I asked about Brunswick -- this thing called strategic presence in the north central part of the United States.

Now, as you rightly showed in your maps, there are several ways to show strategic presence in the north central part of the United States. We have one Air Force Base right down the road, which is staying open, Minot. Then we have another Air Force Base, Ellsworth, which is recommended for closing. And if assuming that we are going to take the Department of Defense at their word and they want to keep strategic presence in that area, it occurs to me that there are several ways to meet the Department of Defense requirement to keep strategic presence.

We could close this base and keep the other one open. We could close this base and keep the other one open. Or, we could close the other one and keep this one open.

So, it seems to me that the only way that we can compare is by treating both bases the same. That is, make them both closers and see which one sorts out. Are you with my logic here?

MR. SMALL: Yes, sir.

ADM. GEHMAN: Okay. So, since the realignment numbers were wrong, there's no savings in the realignment, or 20 percent of the savings maybe so 80 percent of the savings are not there. The rationale is presence. Then, we have to look at both bases and treat them equally is the way I look at it.

Unless I have got this wrong or you want to make a comment on my position.

MR. SMALL: I would have a question -- clarification. If Grand Forks was closed, the vast majority of the savings wouldn't be there either. Whether it was realigned or closed, most of the savings are from the transfer of military personnel. So either way the cost savings are erroneous. Am I correct?

MR. MACGREGOR: Sir, from my understanding of the way the COBRAs were run, the manpower costs associated with both Grand Forks and Ellsworth were included. They may, by some, be considered erroneous. Yes, sir.

ADM. GEHMAN: But, at least if we treated the two bases the same, we would be to compare apples to apples and oranges to oranges.

MR. MACGREGOR: I think from a strategic presence, you're absolutely correct. However, the Air Force has made clear, at least to me, that it would not be an apples to apples comparison because if Ellsworth were to remain open, if the commission decided to do that, the Air Force would not want to have bombers and a new generation of tankers and UAVs at Ellsworth. I mean, that was their response when I asked that very question that Admiral Gehman has just -- yes, sir.

(Cross talk.)

MR. MCGREGOR: It would likely be very difficult to mesh those three separate and distinct missions together on one airfield.

MR. SMALL: But, on another point, they have made it clear that they believe the UAV mission belongs -- if they had the choice between the two, they would still put them in North Dakota. That's their preferred place. And, if they have enough UAVs, it's my understanding there would be no room for any traffic. So, the Ellsworth -- putting UAVs and maybe you have a better feel for it because you have worked with them -- but if there are enough UAVs and you have to clear the airspace, then having any flying mission other than UAVs at a particular base is problematic. Is that a fair statement.

MR. MACGREGOR: Yes, sir. In very broad terms, the UAVs require as unfettered and uncluttered airspace as possible. As we've seen during the course of hearings and other testimony from both South and North Dakota, the national airspace structures don't really touch those areas at all. So, in very broad parameters, both areas seem to have a pretty good opportunity to operate UAVs.

Previous experience has shown, though, with certain UAVs and their missions, operations require that an airfield be closed or sanitized at times for periods I have seen up to about 30 minutes after a UAV departure and 30 minutes prior to a UAV arrival. That all operations at the field were ceased pending the arrival or departure of that UAV.

MR. SKINNER(?): So, it makes an argument that if there is going to be a UAV mission, which the Air Force has said there's going to be, and it's going to be somewhere in that area, we clearly ought to take that

into consideration whatever facility, and they'll have their choice, probably, based on airspace and everything. We don't want to close a facility which might be one of the few facilities that would be available for UAVs, which require this unfettered airspace in broad spaces.

MR. MACGREGOR: Yes, sir. And one thing of note, too. When many folks think of UAVs, they think of fairly small aircraft. But, in terms of a Global Hawk, the wingspan of a Global Hawk, I believe, is that of a 737. And, newer versions are getting bigger. I stood next to one and I come -- I'm 6'2" -- and I come up to about the midpoint on the fuselage. It's a very large aircraft and it will require, and any significant numbers on the ramp, will require a significant amount of ramp space and space to operate.

MR. SKINNER(?): Mr. MacGregor, if I could. Could you discuss? -- there's a suggestion that we discuss the military value scores of the Air Force for UAVs of the three installations that are under discussion right here, Minot, Ellsworth and Grand Forks. Just to give the commissioners a reminder of that.

MR. MACGREGOR: In terms of the UAV, the scores for Grand Forks were marginally higher than those of Ellsworth. When you break out the UAV MCI into four categories, Ellsworth scored higher than Grand Forks in two of those four categories. Their points, and I don't have the exact number at my fingertips, but it was within one to two percentage points. So, again, Grand Forks and Ellsworth were fairly compatible.

You will also see certain delegations and others have brought up issues that Ellsworth was ranked as the highest UAV base in the area by

a study conducted by Air Combat Command. But, I would note that Ellsworth was the only base in that area that was assessed by Air Combat Command. There were five total bases assessed. Minot and Grand Forks were not included in that assessment.

MR. SKINNER(?): If you look at these numbers, is it correct that it's about \$57 million to keep the base open? If I look at annual recurring savings of 173 and a realignment in 226.6 on a closure, that's roughly -- you know, am I correct in doing that? I just wonder what it's going to cost to keep the base open until the UAV mission becomes live?

MR. MACGREGOR: The best number that I have seen that really that speaks, and I'll defer to our COBRA specialist, was that it was a minimum of \$15.3 million annual base operating support costs. That does not include any costs associated with the manpower.

MR. SKINNER(?): 50.3?

MR. MACGREGOR: 15.3.

MR. SKINNER(?): 15.3.

MR. MACGREGOR: Grand Forks, in current day operation, spends about \$26 million in base operation support. After the realignment, if the DOD recommendation goes through, that will drop down to \$15.4 million, or 42 percent leftover. So, if you put the same amount of people and equipment back in, you are likely to incur the original costs of about \$26.5 million per year to operate.

MR. SKINNER(?): Thank you.

MR. SMALL: That's just in boss, not sustainment and recap.

MR. : Can I make a footnote to that, sir? This is just small -
- too many years doing this stuff. You can close an airbase and you can

open an airbase. When you're halfway in between, you still have to maintain the airbase or you pay the repair to bring it back to shape. So, those numbers are probably the range, not necessarily the absolute what it will cost to stay open. What are its costs to stay closed? Because, depending -- if you go low, then you're going to probably incur costs at the other end when you try and go back in.

MR. PRINCIPI: Admiral Gehman?

ADM. GEHMAN: Mr. Chairman, not to beat a dead horse, but, I believe what I heard was that the distinction between Ellsworth and Grand Forks, as it ranked in the Air Force rankings for both UAVs and tankers and everything else, is so close as to be indistinguishable. Therefore, I feel that we need to treat the two bases the same in order to make this decision. That's the point I was making.

MR. MACGREGOR: Sir, just a point of clarity on that. In the UAV MCI, they are very close. In the tanker MCI, Ellsworth is fifth and Grand Forks was fortieth.

MR. PRINCIPI (?): And that's with bombers still at Ellsworth? In other words, if you kept

(Cross talk.)

MR. MACGREGOR: No, sir.

MR. PRINCIPI (?): Okay.

MR. MACGREGOR: No, sir. The way the Air Force did it is they looked at each installation. They completely stripped it of all its aircraft and all it did was that specific mission. So, in terms of tankers, that was only as a stand-alone tanker base, not including the bombers.

MR. PRINCIPI(?): Not including the bombers. Okay.

MR. SMALL: And, in the Air Force's recommendation for Grand Forks, they pointed out, as just implied, that Grand Forks scored lower than any of the other tanker installations in military value. I believe it is rated as a tanker base.

MR. MACGREGOR: But, the other point that is germane is one of the reasons DOD cited for considering Grand Forks and not Ellsworth for the UAV mission was the notion of associating the Guard unit at Hector Field, which under current recommendations loses all of its aircraft but maintains all of its personnel. Having visited both installations, the folks at Hector are really excited about the opportunity to participate in a new emerging mission. That's something that General Wood, Mr. Wynne, General Moseley all spoke of yesterday was the ability to integrate our Guard partners in future Air Force mission.

MR. PRINCIPI: Thank you. Are any members recused from voting on this measure? Is there any further discussion or questions?

There being none, all those in favor of considering Grand Forks Air Force Base, North Dakota, for closure or for considering an increase in the extent of realignment, please raise your hand? (Pause.) All those opposed, please raise your hand? (Pause.)

Counsel?

MS. DIANE CARNEVALE: Yes, Mr. Chairman. The vote is three ayes, seven nays. Therefore -- there are no recusals. Sorry. Sorry. Excuse me. My fault. (Laughter.) I thought I'd throw in my own vote. Pardon me, Mr. Chairman. The vote stands at three ayes, six nays. Therefore, the Grand

Forks Air Force Base, North Dakota, will not be considered for closure or to increase the extent of realignment at this time.

Thank you, Mr. Chairman.

MR. PRINCIPI : Thank you. Let's proceed to Pope Air Force Base.

Mr. Small?

MR. SMALL: Thank you, Mr. Chairman. We have two gentlemen at the table that are going to work in sequence here. But, we brought them both up just to avoid the next chair shuffle. We will now discuss Pope Air Force Base. Mr. Mike Flinn will discuss Pope for you.

MR. FLINN: Good afternoon, commissioners. I would like to present a consideration for furthering the realignment of Pope Air Force Base.

(Inaudible.)

Can you hear me now?

I would like to present a consideration for furthering the realignment of Pope Air Force Base. The purpose for considering this add is to allow an alternative that was carried late into the development of the OSD BRAC report. This gives the commission the latitude to compare the OSD proposed action for leaving some airplanes at Pope Air Force Base to the alternative removal of all primarily assigned aircraft. Acceptance of either recommendation results in Pope reverting back to Fort Bragg and release of a majority of Air Force facilities back to the Army.

The current Department of Defense recommendation is to realign Pope Air Force Base. This realignment will be accomplished by transferring A-10s to Moody Air Force Base and C-130E aircraft to Little Rock Air Force Base, Arkansas, to consolidate the active duty C-130 fleet there.

The departing aircraft will be replaced with C-130Hs from Yeager Airport Air Guard station and Pittsburgh International Airport Air Reserve station to form an Air Force Reserve active duty associate unit. The Air Force Reserve command operation and maintenance manpower would also be relocated to Pope Fort Bragg and Pittsburgh would be closed. The operations, maintenance and expeditionary combat support would come from Mitchell Field Air Reserve station, Wisconsin. Property accountability would be transferred to the Army.

Related recommendations include Army-6 and -8. Army-6 relocates the Forces Command, or FORSCOM, VIP explosive ordnance support headquarters from Fort Gillem to Pope. Similarly, Army-8 relocates headquarters FORSCOM and headquarters Army Reserve Command from Fort McPherson to Pope.

The primary reasons for considering Pope for further realignment are noted on this slide. The Air Force base closure executive group considered Pope for closure as late as 19 April 2005. C-130s were ultimately retained to satisfy a request from the Army. However, locating C-130Hs at Pope will not provide any strategic airlift capability because local jump qualification and current requirements are estimated to exceed the capability of the associate C-130 unit, both the training and strategic airlift needs will require augmentation from planes that are not based at Pope.

Finally, Title 32 considerations complicate the transfer of aircraft from Yeager to Pope. This slide depicts the potential loss of personnel relevant to the recommendation for further realigning Pope. This further realignment will increase direct personnel losses by 1,729

over the original OSD recommendations. However, these potential losses will be offset by gains associated with the Army recommendations.

With the relocation from Fort Gillem and Fort McPherson, a total direct loss for Fayetteville is reduced to 1,549. This loss is further offset by higher-paying positions associated with the headquarters of both the Army Reserve Command and FORSCOM.

Additionally, private housing turnover will increase commissions for realtors and commercial revenue will increase as a result of these headquarters relocations.

Next slide.

This table provides COBRA data results for the further realignment of Pope Air Force Base. Note that for net implementation cost of \$6.4 million, accrued over a five-year period from 2006 to 2011, the net savings at year 2025 will be \$1.3 billion.

Next slide.

There are several issues related to this ad. As a result of reported discussions between the Air Force and the Army prior to the final OSD report to the commission, the Air Force recommended replacing a wing of active duty Air Force C-130E craft with an Air Force Reserve active duty associate squadron. However, some of the replacement C-130s would come from Yeager Airport Air Guard station and may be encumbered by the issues related to Title 32 and relocation of state assets outside of the state where assigned.

As part of the original OSD recommendation, Fort Bragg will assume the basic operation and maintenance of facilities associated with Pope. Some concerns have been raised about the ability of the Army to operate

and maintain a major airport. The staff note that the Army operates large strategic launch platforms at other locations, including Biggs Field at Fort Bliss and Gray Field at Fort Hood.

A central issue pertaining to this recommendation is the informal operational training currently available where Army commanders can discuss mutual needs, tactics and limitations with their Air Force counterparts. The formal Air Force ground control functions, however, remain at Fort Bragg in all scenarios.

Next slide, please.

The acting deputy secretary of Defense response quoted here is part of the discussion contained in the July 14 OSD letter to the commission. Other operational functions that will remain at Pope Air Force Base include the aerial port squadron, air-to-ground command and control units, part of a training squadron and aeromedical evacuation squadron.

OSD notes that new opportunities for on-going joint operations will continue with planned deployment of air assets to Pope Fort Bragg.

The Air Force claimed a total net annual recurring savings of about \$36 million for not providing base operation support and re-capitalization and sustainment of facilities on Pope. Alternatively, the Army estimated total annual recurring costs for these areas to be about \$195 million.

The staff would like the opportunity to further investigate this difference of conclusions between the Defense and the government accountability office.

Next slide.

In closing, the purpose of this add consideration is to further realign Pope and return its assets to the Army. This add will allow further analysis of the military impacts and costs associated with removing permanently assigned aircraft from Pope while retaining their associated support organizations. We emphasize that the intent of this add is not to close the airport, but to transfer its operation to the Army in a manner consistent with airfield at other Army installations. The jump training support mission and strategic force projection mission capabilities will continue to be served, with or without assigned aircraft at Pope.

Are there any questions that I may answer at this time, prior to any motions that might be made?

MR. PRINCIPI: Thank you, Mr. Flinn.

Have any commissioners focused themselves from deliberating and voting on this measure? (No audible response.)

General Hill.

MR. HILL: Thank you, Mr. Chairman.

I think that this recommendation to add this and to study it from the staff is a solid one. Just given the differences in the amount of dollar savings, it requires us, I think, to take a hard look at this. The Army can clearly run Pope as it's configured in this thing. So we ought to take a look at this.

MR. PRINCIPI: Admiral Gehman.

MR. GEHMAN: I want to make sure that I understand -- my colleagues understand what this proposal is. The original DOD recommendation is to

move the active A-10 Wing out -- and we don't propose to -- we're happy with that? We're not relooking at that?

MR. FLINN: No -- yes, sir. We're not revisiting the A-10 issue, sir.

MR. GEHMAN: All right.

The original proposal is to move the 43rd Airlift Wing's 25 C-130s out?

MR. FLINN: Yes, sir.

MR. GEHMAN: And we're not looking at that?

MR. FLINN: Yes, sir. The trade -- this is really the C-130 discussion and --

MR. GEHMAN: I'm coming -- don't worry. I'm coming to --

MR. FLINN: Okay, you're staying there. I'll shut up, sir.

MR. GEHMAN: The original proposal -- the Department of Defense's -- the Department of Defense recommendation specifically says: Transfer all the real property to the Army. Do you want me to quote it? I just looked it up.

MR. FLINN: Yes, sir.

MR. FLINN: It says transfer property accountability, yes, sir.

MR. GEHMAN: That's correct. So the airfield is being transferred to the Army, under the original proposal?

MR. FLINN: Yes, sir.

MR. GEHMAN: Okay. So I'm still looking for what we're studying here.

Now, the only thing that's moving in are two Air National Guard C-1 -- eight-plane C-130 squadrons?

MR. FLINN: Sixteen C-130s.

MR. GEHMAN: Two eight-plane --

MR. FLINN: Right, yes sir.

MR. : Yes, sir. One's a Guard, one's a Reserve.

MR. GEHMAN: Right. Okay. And what you're proposing is that we study not doing that; is that right?

MR. FLINN: That's correct.

MR. GEHMAN: So what you're doing is you're taking one little piece out of this great Air National Guard mess that we have, taking one little move out of it and deciding that we're going to study it all by itself?

MR. FLINN: In the context of Pope --

MR. GEHMAN: Mr. Chairman, I think this is out of order.

MR. : I disagree.

MR. GEHMAN: Well, okay, that's -- I believe that the original DOD proposal already covers the transfer of the real property to the Army; that whether the Army can operate it for \$19 million a year or \$22 million a year or \$23 million, that's none of our business. We don't care how it's going to cost them to operate it. The Army can operate the airfield, that's stipulated; nobody has any problem with that.

And so the question is, should we take one of the scores and scores of C-130 moves, take it out of context and study it by itself. And so I'm lost about that.

MR. PRINCIPI: Thank you.

General Newton.

MR. NEWTON: Well, I think by taking a look at this part, it could certainly shed a different light on other moves with reference to C-130s. And as a result of that, I want to give us every opportunity to do that. Yeah, I agree with you that this is one small part of what's happening in North Carolina and what's happening at Pope. But it could be a very important part, and it certainly has an impact on the Air National Guard.

MR. : Mr. Chairman?

MR. PRINCIPI: Yes -- but I -- just a quick question. Following up with Admiral Gehman said, this would no longer be quote, "Pope Air Force Base," this would be Fort Bragg Army Air

MR. FLINN: Likely it would be -- yes, sir, likely it would be Pope Field at Fort Bragg. And the Army would own the asset, the Army would run base ops, the control tower, maintain the airfield.

MR. PRINCIPI: And what would be the command structure for the Air Reserve and the Air Guard? I mean, how do they interrelate with the Army?

MR. FLINN: Well, the Guard disappears -- in the recommendation that's in the book, the Guard disappears. The unit becomes a 16 U.E. Air Force Reserve active duty associate unit. And that would be --

MR. PRINCIPI: And they were a tenant -- and they were a tenant at

MR. FLINN: They would be tenant on an Army installation. Associated with them and still remaining and not discussed in the book, really, is the fact that the Air Force's Air Medical Evacuation Squadron that is there now would remain as a tenant, as would the command element

to work the air-to-ground warfare that are embedded in the Army, and all those elements stay. And the aerial port stays, which is the magic that makes the load-out for Fort Bragg work.

MR. SKINNER: As I understand it, the 16 aircraft are -- eight are coming from Yeager, and eight are coming from Milwaukee.

MR. FLINN: No. Eight are from Yeager, and eight are from Pittsburgh, sir. They're --

MR. SKINNER: I was in Milwaukee, and they think they're going to Bragg.

MR. FLINN: Their ground people are. The F-4 --

MR. SKINNER: Oh, that's right. The ground -- the unit is going to Bragg, but they're taking the airplanes and giving them to the active Army.

MR. FLINN: They're going to -- no. Sir --

MR. SKINNER: Active Air Force.

MR. FLINN: The planes are going to Little Rock Air Force Base.

MR. SKINNER: Yeah. Okay.

MR. FLINN: The planes go to the Air Force --

MR. SKINNER: That's the active Reserve --

MR. FLINN: Yes.

MR. SKINNER: -- the Reserve component at Little Rock. Aren't they going to the active Army -- active Air Force?

MR. PRINCIPI: There's a National Guard unit. There's a mobility wing there. And there's a training wing at Little Rock Air Force Base.

MR. SKINNER: Okay.

MR. PRINCIPI: I'm not sure exactly where those specific planes will come from Mitchell to Little Rock.

MR. FLINN: But physically, the planes do go to Little Rock, sir.

MR. SKINNER: And I guess is by -- we don't know how this is all going to play out, with the Guard, with the Reserves, with the 130s and everything else. But it appears to me by keeping this alive, if things fall out one particular way, there would really be no reason to have Pope Air Base other than a few little support facilities. If, in fact, the aircraft arrived and there was a major -- oh, that is correct.

MR. SMALL: No. I'm sorry. No, no. No. The 82nd Airborne requires --

MR. SKINNER: Oh, no, no. I understand what they need. But I'm saying from the Air Force's viewpoint, if the Air Force has no -- oh, no, I understand we need the facility. All I'm saying is, is to who operates it, the major argument for operating it -- being operated by the Air Force is because, number one, they've got active C-130s, associate units, or active airplanes, there and support functions that support Fort Bragg.

MR. SMALL: I don't think -- I don't think it's going to be operated by the Air Force. That's where I was confused at the outset. I thought there was -- even if we rejected this recommendation, at some point in time an Air National Guard or an Air Reserve unit could -- they could work out some kind of joint sharing agreement where --

MR. SKINNER: Oh, no. I understand that. But right now, as it's set up, we couldn't close Pope Air Force Base, even if they didn't have any airplanes, and all of the stuff coming in was coming in to support

Fort Bragg. You'd still have it open, but they wouldn't have any aircraft, depending on what happened, and it'd be a small support -- so I'm getting -- the point is that the Army is going to have a major control of it. It's still going to be called an air force base rather than Pope or Fort Bragg Army Airfield.

MR. SMALL: It will leave under the original recommendation from OSD, and we would not modify it by what we're discussing right now. The airfield, the real estate would return to the Army. The Army would operate the airfield: base ops, control tower, weather services, crash-fire, et cetera. The Air Force would be tenant -- and I'd say "Air Force" in a generic term. It could be Air Force Reserve/Guard. But the Air Force activity there would be tenant there. What we're discussing now is whether by -- there be 10 airplanes there as a unit equipped -- unit on the ground for missions PVA but likely involving Fort Bragg, or would the Air Force have the option, through their central scheduling, to provide that mission support by using planes from wherever else.

MR. SKINNER: Okay. And I guess is -- I don't quite understand the original recommendation. If the Army's going to own the -- is going to do most of the management and own the real estate, you know, why did -- why didn't they, you know, give that flexibility to begin with? Why didn't they recommend the Army take it over, we become tenants as we need it.

MR. SMALL: This is a -- this is a little bit of a -- we're in the crack between the last of the Air Force deliberations and the 13 May report. The Air Force in late April was clean closed and out of Pope,

except for those air medical and other associated units we discussed.

(On) 13 May, lo and behold, we see we have 16 airplanes there.

MR. SKINNER: All right. Well, then -- then, all we'd be doing is opening the opportunity to look at the whole thing to see how it comes out.

MR. PRINCIPI: Yes.

MR. GEHMAN: I -- I would suggest that the Department of Defense recommendation is a transfer of all the real property to the Army, and nobody has any -- that's not on the table. The Air Force as a real property manager ceases, stops. That's not even proposed to be discussed.

I think that the issue boils down to this -- and this may be what the staff is trying to get at, and I must admit it's obscure to me -- and that is, should there be any 16 there at all. And that's why I say that in the great mix of hundreds of C-130s moving all over the country, why should we pick this one out to make a big study out of? And that's -- unless we want to put a marker down that because of the unique relationship with the Airborne, that there shall be C-130s there. Now, if that's the question, I could sign up to that kind of a study, but I don't think that's what the question is. So I must admit I do not know the purpose of this recommendation. I still do not know the purpose of this recommendation.

MR. PRINCIPI: Mr. Skinner?

MR. SKINNER: We're beating a horse here, because it looks to me like if we take the airplanes out, we go back -- the only reason they kept it instead of turning it totally over was because they put 16

aircraft in there. If you pull the 16 aircraft out as part of other process, not this process, then you would go back to where you would. But we couldn't do that because we hadn't put ourselves into that position to do it. So I see it as, if by our other actions we end up pulling all the aircraft out, they would want to do what they originally intended to do before they pulled it back and put aircraft in there, and we couldn't do that because we don't have that option on the table. And so therefore, I'd say vote on it because we don't know what's going to happen, and it may come out that way, it may not.

MR. PRINCIPI: Mr. Coyle?

MR. COYLE: I think Mr. Skinner just answered my question. But we all understand we're not going to deal with the Air Guard issues today. We'll deal with that in the future. Now, if this particular item is voted yes today, will we deal with it today. That's going to be decided along with all the others in the future as well.

If the commission votes yes on this item today, does it constrain in any way our examination of the Air Guard issues?

MR. SMALL (?): I don't see any way it would, sir.

MR. COYLE: Thank you.

MR. PRINCIPI: Any further questions or comments? (No response.)

All righty, there being no confusion whatsoever -- (laughter) -- why we're doing this, all those in favor of considering Pope Air Force Base, North Carolina, for closure or to consider increasing the extent of realignment, please raise your hand. (A show of hands.) All those opposed, please raise your hand. (A show of hands.)

STAFF: Thank you, Mr. Chairman. The vote is 7 ayes, 2 nays. There are no recusals. Therefore, Pope Air Force Base, North Carolina, will be considered for closure or to increase the extent of realignment at this time. Thank you.

MR. PRINCIPI: Thank you.

Galena Air Force Base. I'm sorry; Forward Operating Location

MR. SMALL: Yes, sir. Mr. Craig Hall will discuss Galena, sir.

CRAIG HALL (senior analyst, Defense Base Closure and Realignment Commission): Thank you, Mr. Small.

Chairman, commissioners, the next action for consideration is to close Galena Airport Forward Operating Location, located in Galena, Alaska. Galena Airport serves as a forward operating location for air intercept aircraft to respond to unauthorized intrusions to U.S. airspace in northwest Alaska.

Galena is one of two forward operating locations, or FOLs, in Alaska. The other is operated at King Salmon, Alaska, which is not affected by this action.

We believe the commission should consider a Galena closure because its mission could be accomplished at Eielson Air Force Base, Alaska. Eielson is about 270 air miles east of Galena. Under an existing DOD recommendation, Eielson Air Force Base would be realigned, but the airfield and certain facilities that could support the alert mission would be left intact.

Conducting the mission from Eielson Air Force Base rather than Galena might, however, require NORAD to launch aircraft slightly sooner than they would have launched at Galena to intercept aircraft entering

U.S. airspace, but that difference should have very little operational impact.

Next chart.

The Galena FOL is located on a small commercial airport and maintained by DOD contractor personnel. The Galena FOL is used on an as-needed basis when an increased alert posture is declared by NORAD. At one time, the aircraft at Galena were on a 24/7 alert. However, the daily alert mission was relocated to Elmendorf Air Force Base during the early 1990s. The aircraft are based at Elmendorf and sent forward to operate out of Galena when the threat is perceived high.

Galena was converted to a warm base in 1998. The rationale for maintaining two forward operating locations in Alaska was derived during the Cold War era, when the threat level was high. However, the security environment has changed, and the requirement for FOLs may no longer be valid.

Further, the increased performance of the F/A-22 over current air dominance fighters will reduce response times. Ultimately, the basing of F/A-22 aircraft in Alaska, currently planned at Elmendorf in 2008, will improve response times to potential intrusions to U.S. airspace.

If the Commission decides to add Galena for consideration, we will work with the Air Force and NORAD to fully evaluate the impact of a Galena closure on NORAD mission requirements.

This slide depicts the personnel implications associated with this proposed action. As mentioned earlier, Galena is operated by a small number of contractor personnel. Closure would not impact DOD military or civilian personnel.

However, there could be other significant savings to the Air Force, such as cancellation of planned improvements to Galena. We understand that this could be significant -- over \$30 million through fiscal year 2012.

Certified DOD data on the financial aspects of a Galena closure do not exist. DOD was unable to generate a COBRA run for this session. However, we were able to obtain some information on the cost to operate Galena. The Air Force pays about \$11 million a year to maintain Galena. There could be other savings to the Air Force, such as cancellation of planned improvements, as I mentioned earlier. However, there could be some one-time costs, such as contract termination costs, potential refurbishment or upgrade to the alert facility at Eielson Air Force Base. But in the end, we believe that this action could result in significant net savings to the Air Force, as much as \$80 (million) or \$90 million over the BPA implementation period.

There are three issues I'd like to discuss. First, as I mentioned, there is a requirement in a NORAD operational plan with respect to the Galena FOL. Closing Galena would impact execution of the plan and the NORAD air defense mission. However, DOD has stated that closing Galena will not create unacceptable risk to the NORAD NORTHCOM mission accomplishment. Staff believes that this requirement may be met at Eielson Air Force Base.

Second, Galena has been used in the past as an alternate landing location for Eielson. However, since the airfield at Fort Greely, Alaska, has recently reopened, it may be able to serve as an alternate landing site for the aircraft at Eielson.

Finally, the Galena Airport is located in a small community of about 700 people. Our staff estimated a negative job loss of 2.2 percent would result from a Galena closure, based on an economic area of about 2,000 people. There would also be some indirect negative economic impact on the local community.

In response to the commission's July 1st letter, DOB stated that closing the Galena forward operating location in Alaska and moving its missions to Eielson will not create unacceptable risk to NORAD NORTHCOM mission accomplishment. GAO did not comment on Galena in its BRAC report.

Mr. Chairman, that concludes my presentation.

I'd be pleased to answer any questions you have at this time before a motion is made.

MR. PRINCIPI: Have any commissioners recused themselves from deliberating or voting on this issue?

(No audible response.)

Is there any discussion or comments?

MR. HANSEN: Mr. Chairman?

MR. PRINCIPI: Yes, Mr. Hansen.

MR. HANSEN: You know it seems to me that when we were in the Alaska area looking at this, that all of the work that they're doing and everything they do could really be done at Eielson. It also -- when you bring up the idea that the F-22 is coming along, would be able to shorten that time element, would be another big factor in this thing. But I just caution the commission that when we get to the point of talking about Eielson and the recommendations that have been given to us

by the Air Force, that this is a factor right here and it may be taken into consideration.

Personally, I'm going to vote for this. I think it makes sense. I think we can save money. I don't think we're hurting anybody, and I think they're justified in what they're saying. But I just sure hope that we give some really serious thought to it when Eielson comes up because these two are tied very closely together, and if we're going to close this one, we better give some really -- second look at the proposal from Eielson.

Thank you, Mr. Chairman.

MR. PRINCIPI: Am I correct that the Galena facility is both the forward operating location, a Joint FOL, and a commercial airport, and that the commercial airport will remain in existence?

MR. HALL: It is a commercial airport. This recommendation would not close that airport.

MR. PRINCIPI: Thank you.

Is there any further discussion?

Mr. Coyle.

MR. COYLE: Just a clarification question. Mr. Hall, I believe you said the F-22s are slated to go to Elmendorf?

MR. HALL: Correct.

MR. COYLE: So depending on what was decided about Galena, would that suggest that some of those would go to Eielson also?

MR. HALL: No, it would not. They could go forward to Eielson in alert-status, but they would be permanently based at Elmendorf.

MR. COYLE: I understand.

MR. PRINCIPI: General Newton.

MR. NEWTON: Mr. Chairman, I'd just like to clear up a couple of things. One, as Mr. Chairman asked, you mentioned the alternate landing facility. Even if we close this FOL, because it's an airport that we anticipate will stay active, it could still be used an alternate landing. Is that correct?

MR. HALL: That is correct.

MR. NEWTON: Okay.

Final question then. When last have we had airplanes here, forward station, on alert?

MR. HALL: At Galena?

MR. NEWTON: Yes.

MR. HALL: It's been two or three years.

MR. NEWTON: Okay. Thanks.

MR. PRINCIPI: Any further questions or comments?

There being no further discussion, all those in favor of adding Galena Airport Forward Operating Location Alaska to the list of installations to be considered by the commission for closure or realignment, please raise your hand.

(No audible response.)

MR. PRINCIPI: Those opposed, please raise your hand.

(No audible response.)

MS. SARKAR: Thank you, Mr. Chairman.

The vote was unanimous. Therefore, Galena Airport Forward Operating Location Alaska will be considered for closure or to increase the extent of alignment at this time.

Thank you, Mr. Chairman.

MR. PRINCIPI: Thank you very much, gentlemen.

Let's proceed to the Joint Cross-Service Group.

MR. CIRILLIO: Thank you, Mr. Chairman.

At this time I'm going to be able to introduce Mr. Dave Van Saun. Dave Van Saun is the team leader for the Joint Cross-Service issues, and Mr. Van Saun will introduce the three remaining considerations that are under review for today.

Dave.

DAVE VAN SAUN (Joint Cross-Service Team Leader, Defense Base Closure and Realignment Commission): Thank you, Mr. Cirillio.

Good afternoon, Mr. Chairman and Commissioners.

As you can see, the Joint Cross-Service team has explored three items for your consideration for further investigation. First, we'll look at the Defense Finance Accounting Service, DEFAS, with Senior Analyst Marilyn Wasleski.

Marilyn.

MARILYN WASLESKI (Senior Analyst, Defense Base Closure and Realignment Commission): Good afternoon.

The motion before you --

MR. PRINCIPI (?): Okay.

MS. WASLESKI: The motion before you is to consider for closure or realignment the Defense Finance and Accounting Service or DEFAS sites that are the only sites scheduled to gain function from the current recommendation. As you're aware, the associated recommendation with this action is the proposal to close or realign 26 DEFAS sites into

three major centers located at Denver, Colorado; Columbus, Ohio; and Indianapolis, Indiana.

DEFAS's mission is to provide responsive professional finance and accounting services to the Department of Defense and other federal agencies. It is the working capital fund agency, which means rather than receiving direct appropriations, DEFAS earns operating revenue for products and services provided to its customers. Therefore, it is important that it does this at the lowest possible cost.

Next slide.

This consideration will allow the commission to add the three gaining sites so all DEFAS sites can be examined equally. There are no requirements at this time, and as previously stated, the related recommendation is to close or realign 26 DEFAS sites into three major centers.

The reasons for consideration are as follows. To review DEFAS's military-value criteria, staff believes DEFAS used military-value criteria that does not accurately reflect DEFAS operations. For example, being on a DOD installation carried more weight than locality pay. Given the fact that personnel costs are about half of DEFAS's budget, it appears that maybe this factor should have been given a higher weight. It would seem that being on a military installation was overemphasized, while personnel costs were underemphasized.

In addition, reviewing all sites may lead to an option that will reduce DEFAS's need to rehab buildings and obtain additional lease space, reduce personnel moves and locality pay costs. It may also help to minimize the economic impact on certain DEFAS sites that are more

severely impacted by the consolidation -- doing all this while still maintaining low operating costs and providing for strategic redundancy of operations.

Further, it will allow staff to perform in-depth analysis. If the commission votes to improve this action under consideration, three additional DEFAS sites will be added for review.

This slide shows the approximate number of additions currently at each of the three gaining sites in the first column and the number of positions to be gained on the DOD recommendation. DEFAS Denver would remain about the same, while Columbus is scheduled to increase by 60 percent and Indianapolis is scheduled to more than double the number of positions currently at the site.

As no final analysis has been completed on this recommendation, no updated COBRA data is available currently.

Staff analysis: In summary, the main issues for this consideration are four issues as follows. It allows for a comprehensive review of the recommendations and ability to perform independent analysis. We'll look at second issues to reduce renovation costs and reduce the need for additional leased space. Choosing additional sites with low-operating costs provide DEFAS savings.

Third, issues to reduce overall personnel costs. Choosing sites with lower locality pay, thus reducing personnel costs, a major portion of DEFAS budget.

Fourth is economic impact. The possibility of retaining sites with severe economic impacts. The DOD position is that an interactive process was used to review all DEFAS locations and the best-valued

solution was chosen using an optimization model; however, it must be pointed out, no economic impact on sites was considered. The community position has yet to be determined.

In response to the commission's letter to DOD, in which you asked why we're keeping DEFAS Denver, Columbus and Indianapolis open and closing remaining DEFAS site, the only scenario considered, the DOD response to this action is that an interative process was used to review all DEFAS locations by using an optimization model to develop a best-value solution that involved no military construction, only funds for reactivation or rehabilitation.

The optimization model was a tool used that allowed the OSD BRAC team to maximize the military value of facilities retained while reducing the excess capacity. The best-value business decision was made to get to the lowest number of sites while discouraging but allowing for construction of new capacity, encouraging concentration of business lines into centers of excellence, DEFAS' three business lines will be military and civilian pay, contract and vendor pay and accounting services.

The models parameters included maximizing military value, while minimizing number of locations, looking at existing and expansion of excess capacity, also workforce availability, DOD force-protection standards and anchor sites for business operation integrity. There was no GAO comment on this recommendation.

I would like to point out that if this action is not voted on today, it does not preclude the commission from realigning functions that are proposed to go to one of the three gaining sites to other sites

deemed appropriate by the commission to remain open. It follows that by not adding the three sites, the commission cannot realign the sites below their current level or close any of the three sites.

This concludes my prepared testimony. I'm prepared to answer any further questions.

MR. PRINCIPI: Thank you, Ms. Wasleski.

As I understand this recommendation, it really is to assess whether going from -- whether three is the optimal number of DEFAS sites and the locations identified by Defense are the optimal sites.

MS. WASLESKI: Correct.

MR. PRINCIPI: We're not -- okay. And whether to add additional sites to the three. In other words, three, five, seven, whatever that number might --

MS. WASLESKI: Correct.

MR. PRINCIPI: Thank you.

Are there any -- or have any members recused themselves from deliberating or voting on this issue?

Are there any comments or questions?

Mr. Coyle.

MR. COYLE: Ms. Wasleski, do I understand correctly that the Department of Defense itself did not run COBRA calculations for all of the DEFAS sites?

MS. WASLESKI: Correct. They used an optimization model that determined the three sites, whether optimum number and just ran the COBRA on those three sites.

MR. COYLE: So they never did the arithmetic that would have allowed them through the COBRA model --I understand that they ran the optimization model, but they never did the arithmetic with the COBRA model that would have allowed them to compare all these sites?

MS. WASLESKI: Correct.

MR. COYLE: And if we vote yes on this item, you would see that all of those COBRA runs were done?

MS. WASLESKI: Go ahead.

MR. KARL GINGRICH (COBRA Analyst): Mr. Commissioner, let me clarify.

DOD did actually run one COBRA run and that was for the official recommendation that focused consolidating into the three sites. That COBRA recommendation has a net present value in 2025 of \$1.3 billion and has a one-time cost of \$282 million. It is an immediate payback within the first year.

What they did not do is do alternatives and then do those COBRA runs so that not only could you compare potential optimized solutions -- the costs associated with those optimized solutions. With this recommendation, it would allow us to go back there and do that and run some various iterations or alternatives, if you will.

MR. COYLE: That's what I was asking, and I think I understand.

So, for example, you will look at the alternative of, say -- I'm not suggesting that this is in any way the correct answer -- but if we vote yes on this item, you would then do COBRA analysis to determine whether Charleston was a better location than, say, Cleveland or

Limestone be a better location than Charleston. Was that correct that you'll do that?

MS. WASLESKI: We would have to -- when we get to that point. We'd have to do an analysis to get to what would be the more ideal sites to run the COBRA model on.

MR. COYLE: Yes. But to start among other things, you would do COBRA runs for other sites?

MS. WASLESKI: Other scenarios.

MR. COYLE: Thank you.

MR. PRINCIPI: Is it correct to say that several of the current DEFAS locations are located on military installations that were closed in previous BRAC rounds and were located there as perhaps a buffer to the closure or to backfill, to help those communities in some way?

MS. WASLESKI: Correct.

When DEFAS was established, they -- (inaudible) -- picking 26 sites, and many of those sites were chosen on bases that were BRACed in the early '90s in order to ameliorate the economic impact of those closures on those locations.

MR. PRINCIPI: So by closing them it's kind of a double, double shock, a double hit to these communities. That's not to say we don't want to achieve the greatest efficiency and build a good business model, but in the same vein, that's why they were placed there --

MS. WASLESKI: Right. And many of those communities have not fully recovered from that loss 10 years ago from a base closure.

MR. PRINCIPI: So this recommendation would allow us to take a look at this whole issue --

MS. WASLESKI: Correct.

MR. PRINCIPI: -- in a clean slate.

Thank you.

Are there any further questions or comments?

MR. BILBRAY: Mr. Chairman?

MR. PRINCIPI: Yes.

MR. BILBRAY: Just one question.

A lot of these spots like Rome, New York actually have a lot -- they were buildings that existed on this base and they're government-owned. Is that correct?

MS. WASLESKI: Well Rome is in a government -- Air Force-owned facility --

MR. BILBRAY: Yes.

MS. WASLESKI: -- that lease back one dollar a year.

MR. BILBRAY: So that's actually not only is it economically feasible -- good for the community, it's cheaper because these are buildings and facilities owned -- had been owned by the United States government and are still owned by the United States government?

MR. PRINCIPI: That could very possibly be the case. I think worthy to look at.

Anything further?

Okay. There being no further questions or discussion, all those in favor of adding Defense Finance and Accounting Service Buckley Annex, Colorado, Defense Finance and Accounting Service Columbus, Ohio, and Defense Finance and Accounting Service Indianapolis, Indiana to the list

of installations to be considered by the commission for closure or realignment, please raise your hand.

All those opposed, please raise your hand.

MS. CARNEVALE: Mr. Chairman, the vote is unanimous; therefore the Defense Finance and Accounting Service Buckley Annex, Colorado, the Defense Finance and Accounting Service Columbus, Ohio, and the Defense Finance and Accounting Service Indianapolis, Indiana will be added to the list of installations to be considered by the commission for closure or realignment at this time.

Thank you, Mr. Chairman.

MR. PRINCIPI: Thank you, Ms. Wageski.

We'll proceed now to number 17, Professional Development Education.

Next we have for Professional Development Education, Senior Analyst Syd Carroll.

MR. CARROLL: Mr. Chairman, Commissioners.

My presentation focuses on consolidating graduate education programs presently operated independently by the Department of the Navy at its post-graduate school in Monterey, California, and the Department of the Air Force at its institute of technology in Dayton, Ohio, with the language programs conducted by the Army's Defense Language Institute also located in Monterey, California. This consideration would require construction of some facilities in the Monterey, California area to accommodate an increase in students.

The list of realignment and closure recommendations presented to the commission by the Secretary of Defense does not contain any actions associated with this proposal. Although several scenarios were explored

and endorsed by DOD's joint education and training study group, none were included in DOD's final list of recommendations.

The purpose of this consolidation is to combine three schools with similar education missions. Currently both the Navy and the Air Force independently operate schools to provide graduate-level education courses and professional development education programs to service members, DOD civilians and foreign military personnel. The Army relies on universities for its graduate education needs, but does operate the defense language institute in Monterey, California to provide intensive language training for all service departments, DOD agencies and various other governmental agencies and intelligence activities.

This consideration would establish a single center on a university model for post-graduate and language instruction to replace three separate schools with similar missions and duplicate support structures. The emphasis on this consideration is the consolidation of common functions and the reduction of duplicate support and infrastructure. While we believe there may be opportunities to offer consolidated classes covering core curriculum courses in some graduate education programs, the need for continued service-specific instruction is recognized in this consideration.

This consideration -- next slide please. This consideration is an opportunity to provide significant cost savings, reduce educational infrastructure, eliminate operational redundancies, consolidate command management and instructional staffs for like-education programs, enhance the military value of DOD assets, promote further joint-service interaction and allow staff to perform in-depth analysis.

If this action is voted in favor of today, your actions will provide for the realignment of the Naval Post Graduate School, the Air Force Institute of Technology and the Defense Language Institute.

If implemented, this consideration will affect the number of military and civilian personnel assigned to each of the schools. Data provided by the Air Force for COBRA analysis shows that 271 permanent positions and 1,097 students would be relocated under the Air Force Institute of Technology to the Naval Post Graduate School. This represents less than 15 percent of AFIT's annual resident student population for relocation.

Available COBRA data shows a one-time cost for this consideration of \$62.7 million. The cost-payback period calculated by the COBRA model is 11 years. And the net present value of savings from this consideration through 2025 is estimated at 24.1 million (dollars). However, the actual savings from the consolidation may be much greater, as I will explain in a moment.

There are four primary issues being addressed at the present time regarding this consideration.

The first involves the availability of land at the Naval Post Graduate School for construction of additional facilities. There are indications that the available unrestricted land is very limited. Whether this is accurate and whether there is an adequate amount of land is unknown at this time.

Second is the availability of physicians in the Monterey area that accept TRICARE payments. We need to assess the availability of physicians to service an increased student population.

The final two issues involve the actual savings that would be achieved by this consideration.

For example, first is the basis for the number of Air Force students who would be relocated since the 1,097 student figure submitted by the Air Force represents a 71 percent increase over student throughput in previous years.

Secondly, is the accuracy of the military construction costs included in the COBRA analysis, and this is important because they account for 60 percent of the total one-time cost.

Third is the personnel cost savings that can be achieved through personnel reduction from program consolidation, since even a 10 percent reduction in staff through consolidation would result in a savings of nearly \$150 million over what was calculated through COBRA.

And lastly, we believe there are actions that can be taken to save base-operating support costs if the schools are consolidated.

Presently there are separate base structures and work forces for the Navy and Army schools in Monterey, even though they're only about two miles apart. A combined base support structure would reduce the duplicate support staff and cost.

My last slide highlights comments concerning this consideration made by the Department of Defense and the GAO. The DOD told us that maintaining graduate education is a core competency of the department. They also said that consolidation of the Naval Post-Graduate School with the Air Force Institute of Technology was considered during their BRAC deliberations, but consolidating the Defense Language Institute with these schools was not considered.

The GAO in its recently released report regarding the BRAC process stated that various issues uncovered by their work warranted further consideration by this commission. One of these issues involves the last-minute elimination by senior DOD officials of a recommendation to change how post-graduate education and training is provided.

Mr. Chairman, this concludes my prepared presentation. I will be happy to address any additional questions you or the commissioners have prior to any motions you might want to make.

MR. PRINCIPI: Thank you, Mr. Carroll.

Have any commissioners recused themselves from deliberating or voting on any of the three installations just briefed?

MR. BILBRAY (?): Mr. Chairman, consistent with my recusal, I would like my vote recorded as abstained.

MR. PRINCIPI: Thank you.

Are there any questions or comments for the panel?

GEN. NEWTON: Mr. Chairman?

MR. PRINCIPI: Please.

GEN. NEWTON: Sir, I don't have a problem with engaging in the process of deciding whether we should combine these functions. What I do have a problem with is we've decided -- seemingly we've decided already where this function should go. In that regard, it seems like to me we're taking it to possibly a very high-cost area. So instead of us making a decision today that we're going to study this to go to Monterey, we should be studying this to see where's the best place that this should go.

MR. PRINCIPI: Thank you, General. Is that part of the recommendation before us, that this to be consolidated at -- or co-located, I should say, co-located at Monterey or another location? Is that a possibility that might come out of this analysis if we vote in favor of this recommendation?

MR. CARROLL: Chairman, yes sir.

The idea here is to take the good look, take the good analysis and come and look, where is the most effective place to do this.

MR. SKINNER: Well then we would have to as I understand it, we would have to add all three schools -- you were really were adding two and we would have to add all three for either closure or realignment. In order to effectively do that, I think you have to have all three available for realignment or closure.

MR. CARROLL: Correct.

MR. SKINNER: -- (inaudible) --

MR. CARROLL: -- (inaudible) --

MR. SKINNER: -- trans --

MR. CARROLL: -- closure.

MR. SKINNER: -- but it's a closure if you moving the institute, say, to Columbus, then it's closing it. So I think technically you'd probably have to have that language in there.

MR. CARROLL: That is correct.

MR. PRINCIPI: Okay.

MR. BILBRAY: Mr. Chairman, can legal counsel tell us the wording that went to the Secretary of Defense whether or not we can do what we're talking about doing now without -- I mean, I don't know what the

exact wording went up there, if it was to realign to Monterey, can you now say, but we're going to realign it to the other location?

MR. PRINCIPI: The language as I have before me, and I'm assuming that this is the language that we sent to the secretary, was basically cite the three post graduate schools, Naval Post Graduate School, Monterey, the Defense Logistic Language Institute Monterey and Air Force Institute Technology Wright-Pat to the list of installations to be considered by the commission for closure or realignment. So I think that's generic enough, broad enough to cover the concern.

Okay?

MR. CIRILLIO: And I could read the exact - in your specific letter, it says what consideration was given to the closure or realignment of the Air Force Institute of Technology Wright-Patterson Air Force Base, Ohio and the Defense Language Institute of Monterey, California with Naval Post-Graduate School California to create a consolidated, professional development education center. That was specifically in your letter to the secretary.

MR. PRINCIPI: I -- Admiral Gehman?

MR. GELMAN: For the proposal that you have before us, does it not include the possibility of the masters degree part of AFED, which is, of course, a tiny little part of AFED, that there would still be some people there teaching, granting masters degrees, but it would just be part of a post-graduate university? Is that not a possibility, or are -

- ?

MR. CIRILLIO: Yes, sir, that is an option.

MR. GEHMAN: In other words, it might be that -- that if they teach aerospace at AFED, which I bet they do, that all the aerospace masters students ought to go there. And the physics students ought to go to Monterey, or something like that.

I kind of agree with General Newton here. We don't want to preclude any options here. We want to look at the best option. Is that -- are we together on that?

MR. CIRILLIO: Absolutely, sir.

MR. PRINCIPI: Is there any further consideration, deliberation? Hearing none, all in favor of adding Post-Graduate School, Monterey, California, Defense Language Institute, Monterey, California, and Air Force Institute of Technology, Wright-Patterson Air Force Base, Ohio to the list of installations to be considered by the commission for closure realignment, please raise your hand.

Those opposed please raise your hand.

Counsel?

MS. CARNEVALE: Yes. Chairman, the vote was eight ayes, one recusal. Therefore the Naval Post-Graduate School, Monterey, California, Defense Language Institute, Monterey, California, and the Air Force Institute of Technology, Wright-Patterson Air Force Base, Ohio will be added to the list of installations to be considered by the commission for closure/realignment at this time.

MR. PRINCIPI: Thank you. And thank you, Mr. Carroll.

Mr. Van Saun.

MR. VAN SAUN: Yes, Chairman. We now have our last one to consider today. We're going to realign the Joint Medical Command Headquarters. We have associate analyst Ethan Saxon, assisted by Elisha Manzia (sp).

MR. SAXON: (Off mike.)

MR. PRINCIPI: There we go.

MR. SAXON: Third time's the charm. The action under consideration would establish a single location to house the Army, Navy, Air Force Office of the Surgeons General, TRICARE management activity, OSD Health Affairs, and their combined headquarters support activities. This action would allow the commission to consider closing the Potomac Annex in Washington, D.C., which is home to the Navy Bureau of Medicine, and has excess headquarter capacity of over 80,000 square feet. Other medical commands at Bolling Air Force Base in Northern Virginia would be combined to a single headquarters. The foremost candidate for such a headquarters is the National Naval Medical Center in Bethesda, Maryland. But the action under consideration would allow the commission to examine other potential locations that could accommodate 400,000 square feet of general administrative space and sufficient parking.

There are two associated DOD recommendations. The first is the secretary's recommendation to realign the Walter Reed Medical Center. The second is the secretary's recommendation to establish an extramural research Center of Excellence at Bethesda that would bring together the Defense Advanced Research Projects Agency, DARPA; the Defense Threat Reduction Agency, the Office of the Naval Research, and other DOD research activity. While building both the research center and a medical command headquarters at Bethesda is feasible, the increased

building density drives up the cost of the recommendations. These costs are reflected in the COBRA data that I will present later.

Examining the concept of a joint medical command headquarters would afford the commission the opportunity to review the current infrastructure used by each service in its medical command, and identify duplicative support systems that exist in the current footprint, which includes over 166,000 square feet of excess capacity.

The Potomac Annex could be returned to the city for redevelopment. Meanwhile, other medical commands, which have a shortfall of space, such as the Air Force Medical Support Agency, would benefit from realignment. The secretary has already identified recommendations that would address joint warfighting in medical health care training and research, but unless the headquarters is off the table, this action under consideration would bring the same analysis to bear on the facilities of the commands that oversee medical services. A central medical command could promote jointness, reduce support staff and require less space.

The two charts that you see on the screen represent two options that could be implemented if the actions receives further consideration. And I apologize for the small font. The medical command could co-locate in a facility, retaining largely independent support staff, contractors and operating structures.

Alternatively -- the second chart there -- the medical commands could consolidate in an action that would share resources to a greater extent, resulting in the elimination of support positions in the smaller organizations consolidated, and hence require less space. You can see this reflected in the greater number of eliminations in the

consolidation scenario. Both these figures are drawn from data provided by the HSA Joint Cross-Service Group, using common support personnel savings factors.

It is important to note that in either scenario, the commission would not be considering the establishment of a unified medical command, but of a building which the various Army, Navy and Air Force medical commands would share. The focus of the action under consideration is on the installations, not activities.

As you would expect, COBRA data reveals significantly higher savings from consolidation than co-location. Co-location would yield an estimated annual savings of \$18 million, and savings of \$111 million through 2025. Consolidation would increase projected annual savings to \$42 million, and pay back the initial investment in two years. Both projections are based upon the building at Bethesda, and other locations may yield different data.

Next slide.

Initially, there are three associated issues that the commission could consider. The first is to review the optimum location for the command headquarters with the highest military value. It may be that Bolling Air Force Base, Anacostia Annex or the Walter Reed Army Medical Center is more attractive than Bethesda. The action under consideration would ask the commission to look at all possible locations.

The second issue for the commission to consider in its review and analysis is the associated recommendation to establish a joint extramural research center. Constructing this research facility

increases the density of buildings at Bethesda by an additional 500,000 square feet.

Since the space to build at Bethesda is finite, the commission could consider other suitable locations. For example, the Department of Defense strongly considered building the facility at the Anacostia Annex. Furthermore, DARPA Chief of Staff Ron Kurjanowicz briefed the commission on the 27th of May, 2005, that the move to Bethesda will affect DARPA's ability to successfully perform its mission. Reconsidering the DARPA recommendation would decrease the one-time cost of locating the medical commands there by about approximately \$20 million from the figure presented in the earlier COBRA data. This is because requirements for additional garage parking and other support facilities would be reduced.

This action under consideration would allow the commission to consider all alternatives for the use of Bethesda in its review analysis leading to final deliberation.

Regarding the economic impact, the final issue there, approximately 3,300 jobs would be shifting round the National Capital Region.

The Secretary of Defense responded to the commission's request for comment with two key points that addressed the economic considerations of this action, not the inherent military value. The Department of Defense only looked at co-location of medical commands, not consolidation. When the Infrastructure Executive Council voted on the 4th of May, 2005, to retain the Uniformed Service University of Health Sciences, or USUHS, it dropped the proposal for co-location, as early

data suggested it was not as cost-effective just as a stand-alone recommendation.

According to the presentation made at that meeting, however, this decision was made with rough, uncertified data of the National Naval Medical Center, Bethesda. The data included no civilian personnel or contractor savings whatsoever for co-location.

The DOD decision also assumed that the joint extramural center would be placed at the same site, as I mentioned, drawing up costs. As the data presented in the earlier COBRA slides indicates, this action would actually yield savings over the next 5 years of between \$110 (million) and \$395 million.

The GAO identified that the DOD examined this proposal for consideration, with no further comment.

A joint medical command headquarters would reduce excess headquarter capacity. This action under consideration would afford the commission the opportunity to examine the best possible location of a medical command headquarters, and in doing so, the commission would be able to review and analyze equally the medical commands in the same process that is already affecting medical care services and research facilities.

This concludes my prepared remarks, and I'm ready to address any further questions prior to any motion you may wish to offer.

MR. PRINCIPI: Thank you, Mr. Saxon, for excellent brief.

General Turner?

GEN. TURNER: Thank you, Mr. Chairman.

In general, I'm very supportive of this proposal, but I do have a lot of questions. This is not something new that the respective medical branches have just started considering; it's been on the table for years. It's my opinion that folks just haven't figured out how to make it happen.

I was encouraged to see that the Joint Cross Service Group did entertain the notion -- I'm not quite sure if they considered both co-location and consolidation. Do you know the answer to that?

MR. SAXON: Yes, Commissioner. The group only looked at the co-location of the commands together, not a consolidation.

GEN. TURNER: Okay. Which probably tells us something at this point in our history. There's no question that today there's questions of excess space. There's probably efficiencies and synergies, to use the words that we heard yesterday, to be gained by co-location. Finding the right location, however, I think, is going to be a fairly big undertaking. But I'm not sure it's our job, but I think it would be interesting and perhaps very helpful to the future of the respective medical branches to provide some assistance in this regard since we have stepped in on it.

But I have a lot of questions swirling in my head about it, and I don't know that we can answer them all today. But I'd be interested in whatever my fellow commissioners are thinking about this.

MR. PRINCIPI: Well, thank you, General Turner. I'd just like to comment for a moment. I strongly support this proposal to consider the creation of a Joint Medical Command Headquarters. At a time when the Defense Department is considering or has recommended the co-location or

consolidation of enlisted medical training for corpsmen and medics at one location, I think this is a natural adjunct to that.

I also believe at a time of ever-increasing health care budgets -- at both DOD and, I remember, my agency of government, the VA -- consuming now some \$60-billion-plus in budget authority and outlays at Defense Department and the VA, anything that can be done to bring greater collaboration and coordination amongst the various services to help facilitate that both intra-agency and interagency, I think, could be a step in the right direction. And hopefully, this could help to open the lines of communication even more.

So I tend to support this initiative and consideration.

Admiral Gehman.

MR. GEHMAN: As this involves leased space in Virginia, I'm going to recuse myself from it.

GEN. TURNER: Mr. Chairman?

MR. PRINCIPI: I'm not sure it does, but if -- it will be in Virginia? (Off-mike response.)

GEN. TURNER: Mr. Chairman?

MR. PRINCIPI: Yes?

GEN. TURNER: One other thought before I totally lose track of it. On the slide it shows the Office of the Air Force Surgeon General being in leased space. Is that true? I missed that the first time I looked at it. Are they not all still at Bolling Air Force Base? I know I've been gone 10 years, but --

MR. SAXON: I believe that some of the Air Force medical commands also occupy leased space in either Skyline Drive or the Hoffman Building.

GEN. TURNER: Okay, but the slide says the Office of the Air Force Surgeon, though.

The other thing, just very quickly. We've heard mention a couple of times of possibilities at Bethesda or even the existing Walter Reed campus. Having toured that the other day, I would offer the opinion that there's just not a lot of excess capacity there to utilize, and I think this would take a good bit of square footage to make happen. I don't think it's going to happen there.

MS. WASLESKI: Commissioner Turner, I think that this particular recommendation will give us the possibility to look at other alternatives besides Bethesda.

GEN. TURNER: I agree. Thank you.

MR. PRINCIPI: Okay. Any further deliberations, comments?

Hearing none, all those in favor of adding Bureau of Navy Medicine, Potomac Annex, District of Columbia; Air Force Medical Command, Bolling Air Force Base, District of Columbia; TRICARE Management Activity, Office of the Surgeons General Military Departments and Office of the Secretary of Defense Health Affairs, all in Leased Space, Virginia, to the list of installations to be considered by the commission for closure or realignment, please raise your hand.

All those opposed, please raise your hand.

MS. SARKAR: Mr. Chairman, the vote is eight ayes, one recusal. Therefore, the Bureau of Navy Medicine, Potomac Annex, District of

Columbia; Air Force Medical Command, Bolling Air Force Base, District of Columbia; and the TRICARE Management Activity Office of the Surgeons General Military Departments and the Office of the Secretary of the Defense Health Affairs, all in Leased Space in Virginia, will be added to the list of installations to be considered by the commission for closure or realignment at this time.

Thank you, Mr. Chairman.

MR. PRINCIPI: Thank you, Counsel. I believe that concludes our deliberations for the day. On behalf of the commissioners, I want to express my deep gratitude to Charlie Battaglia, Frank Brillio, to all the team leaders and staff of the commission; you are indeed the backbone of our efforts and our work. And we greatly appreciate your time and dedication to this commission.

This hearing is adjourned.

UNCERTIFIED

2005 BRAC COMMISSION REGIONAL HEARING

AFTERNOON SESSION

SATURDAY, AUGUST 20, 2005

1:30 PM

106 DIRKSEN SENATE OFFICE BUILDING

WASHINGTON, D.C.

SUBJECT: EAST COAST MASTER JET BASE/NAVAL
AIR STATION OCEANA

COMMISSIONERS PRESIDING:

ANTHONY PRINCIPI, CHAIRMAN;

JAMES BILBRAY;

PHILIP COYLE;

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

JAMES HANSEN;

GENERAL JAMES HILL, U.S. AIR FORCE (RET.);

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

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

SAMUEL SKINNER

CHAired BY:

ANTHONY PRINCIPI

WITNESSES:

GOVERNOR JEB BUSH (R-FL)

CAPTAIN JOHN LEENHOUTS, UNITED STATES NAVY (RET.);

JOHN CRAIG, FORMER F-18 HORNET PILOT;

ADMIRAL STAN ARTHUR, UNITED STATES NAVY (RET.);

ADMIRAL ROBERT NATTER, UNITED STATES NAVY (RET.);

JACKSONVILLE, FLORIDA MAYOR JOHN PEYTON (R)

SENATOR BILL NELSON (D-FL);

SENATOR MEL MARTINEZ (R-FL);

REPRESENTATIVE ANDER CRENSHAW (R-FL);

REPRESENTATIVE CLIFF STEARNS (R-FL);

GOVERNOR MARK WARNER (D-VA);

STEVE MONDUL, DIRECTOR OF SECURITY AND EMERGENCY SERVICES,

VIRGINIA DEPARTMENT OF TRANSPORTATION;

VIRGINIA BEACH MAYOR MEYERA OBERNDORF (D);

DELEGATE TERRY SUIT (R-VA);

REPRESENTATIVE THELMA DRAKE (R-VA);

CAPTAIN GRANFIELD, UNITED STATES NAVY (RET.);

SENATOR GEORGE ALLEN (R-VA)

UNCERTIFIED

MR. PRINCIPI: (In progress) -- hearing of the Defense Base Closure and Realignment Commission. This afternoon the Commission will hear sworn testimony that will assist us in reaching a decision on an East Coast master jet base for the Navy. The Commission is mandated to consider whether the Department of Defense substantially deviated from the statutory BRAC selection criteria and the force structure plan in failing to recommend closure or realignment of an installation.

On July 19, 2005, the Commission voted in accordance with the process established by law to consider whether failure to recommend closure of NAS Oceana and move East Coast naval aviation to another base constitutes such a substantial deviation.

There are eight statutory selection criteria. However, the DOD and this Commission are required to give the most weight to the four criteria measuring military value.

There are few military values higher than the safety and proficiency of the men and women who accept the responsibilities and the risks of service in our armed forces. Naval aviators landing high performance aircraft on a carrier deck should be able to practice that maneuver realistically before they face the unforgiving environment of a career at sea. If conditions at a

naval air station compromise the quality of training operations, then continued operation at that base compromises military values. Testimony in prior commission hearings confirms the existence of serious encroachment issues compromising the military value of training and operations at NAS Oceana. These issues are of critical importance in assessing the impact of this BAC round on operational readiness and training.

However, I must make it very clear that the commission, collectively and individually, has not reached a decision. The commission's goal is to ensure our Navy provides Atlantic Fleet naval aviators with a location and condition for training, whether at NAS Oceana or at another location like those they will face when they fly and fight while deployed.

The commission must explore every possible option to ensure the best possible opportunities and environment for naval aviation operations and training, and sometimes compromises can be mitigated. This hearing will contribute to the commission's assessment of the options and costs of moving the installation or leaving it as is and trying to mitigate the problems.

We are directed to the maximum extent feasible to base our decisions on certified data and sworn testimony. Today we will hear sworn testimony from Governor Bush and representatives of the Florida delegation, as well as the Virginia delegation, later this afternoon, on possible alternatives that we should explore. That

testimony will become a part of the body of evidence considered by the commission on August 24. Our deliberations and decisions on that day will be based on force structure and military value and other selection criteria. No other factors will be considered.

At this time, I 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 Russ Sarkar, the commission's designated federal officer.

MS. SARKAR: Thank you, Mr. Chairman.

(The witnesses were sworn.)

MS. SARKAR: Thank you. Thank you, Mr. Chairman.

MR. PRINCIPI: Thank you. Well, again, welcome, Governor and members of the delegation. We have allotted one hour for this, your testimony. I'd very much appreciate it if you could adhere to that time limit, as we need to get on with other business. Thank you.

You may proceed, sir.

GOV. BUSH: Thank you, Mr. Chairman, and we will try to also make sure that there's 20 minutes of questions and answers time as well. We appreciate the chance to make our presentation about Cecil Field. We believe the case for Cecil Field is a compelling one, both from the business perspective, as well as from the military value perspective.

I also appreciate the fact that you all are committed patriots. You volunteered somehow for being on the BRAC commission. I appreciate that a lot. It's a lot of hard work, and I appreciate the fact that this process, which is intended to take politics out of a very difficult decision-making process is the right one for our country, and I appreciate your service to our country.

With respect to the business case, I want to make five very quick points. One, the state of Florida and the city of Jacksonville's prepared to provide a clear base. That would be a base of clean title, to the Department of Defense, 17,668 acres with all the capital improvements. There have been \$133 million of additional capital improvements since 1999 when Cecil Field was closed.

The property, as valued by the city of Jacksonville, is \$1.66 billion. In addition to that, the state and the city is prepared to spend up to \$200 million to cancel all of the leases and relocate every lease that is on the base and, in the interim, the Navy would have the opportunity to do all of its construction in preparation of reopening Cecil Field.

Secondly, we are accelerating a \$130 million road project that would connect the front gate of Cecil Field directly to I-10 to the north. That is already in our work plan, and it'll be accelerated to be completed by 2009.

Third, the Florida Housing Corporation is committed to, and has already allocated, \$500 million in tax-exempt mortgage revenue bond proceeds for low-interest mortgage loans for affordable rental housing to support Cecil Field, and I intend to seek \$100 million of support in a special session this fall for additional incentives so as to assure that there is a robust public-private venture for housing, should Cecil Field be reopened.

Fourth, encroachment protection is something that the mayor and I have been working on long before the BRAC process -- and you'll have a discussion about that -- but we have a long history of protecting of our natural environment. The largest land purchasing programs in the United States are in Florida. Three hundred million dollars a year over the last 15 years have been allocated for this.

We have committed to making sure that the properties inside the areas, the noise buffer areas, will continue to be part of our strategic approach to purchase these environmentally sensitive lands.

In addition to that, we will prioritize these spendings. They're already in our prioritized ecosystem strategy of purchases, and we will continue to make sure that those purchases occur on a timely basis, as they have in the past.

And then finally, we are confident that we can meet the deadline that you would impose on us. We believe that we could

get this done within the six-year time frame required by the BRAC process.

I am now pleased to introduce to you Captain John Leenhouts, who is United States retired pilot, to continue our presentation.

CAPT. LEENHOUTS: Thank you very much, Governor. Commissioners, if you would please allow me to stand, and I'll give a presentation from the charted area over here.

First of all, it's very important for you all to understand who I am so that my credibility will be established. I know who you are, and so it's clear in your minds, I'm a retired 27-year veteran of the United States Navy. I was commodore of the strike fighter wing for the last three and a half years that I was in the Navy. I have flown over 3,000 tactical jet hours, encompassing A-7 Corsairs, F-14 Tomcats, and lastly the F/A-18 Hornet. Of those, about 100 hours were flown in combat in Desert Storm. Additionally, I have extensive carrier landing experience and hold the record today for the most carrier landings in the history of the United States, with over 1,645 off of 16 different carriers.

With that as my background, what I would like to impart to you is my perspective as a naval aviator in looking at what it's like to fly out of Oceana, which I did for over four years, and have flown out of there since 1975, and in the last two years of my Navy career, I did fly out of there exclusively.

If you'll look to my left, this chart on my left indicates a city map, Rand McNally, of Virginia Beach. Imbedded within that great population, the largest city in Virginia, is NAS Oceana. If you look to my right, you will see that Jacksonville, Florida, is set close to the coast as well, but to the west of it, in the wide open spaces, is what used to be Naval Air Station Cecil, now Cecil Field Commerce Center, as well as Outlying Field Whitehouse.

The circles that you are looking at indicate the five-mile range of the typical air traffic control zone in which airplanes operate in. Around those air fields, as we well know in Oceana, is an extensive amount of encroachment. The charts in front of me here, numbers three and four, will show you the difference -- not in the AICUZ -- because the AICUZ is as important as it is, which is the noise zone we equate to the 65-decibel level range, that at Oceana we have in excess of 145,000 people living in that, the real crutch (side) of the matter is the accident potential zones.

At Cecil Field right now you have less than 10,000 people in the AICUZ 65-dB line, but when you get to the accident potential zones, you've got over 3,600 people living where the airplanes fly and operate right around NAS Oceana. At Cecil Field, you have zero. No one lives in the accident potential zones. No one. Additionally, in the APZs, you have schools and churches and commercial buildings around NAS Oceana. There are none of those in the APZs around NAS -- what would have been NAS Cecil Field.

Those combined create problems. The combination of ground encroachment, right up to the fence line, and you double that with the encroachment of air space, which over NAS Oceana is extensive and causes us great challenges. So the two of those place hindrances on our ability to do our mission.

Let me talk specifically right now about the potential, as we've already discussed, for encroachment around Cecil Field. We saw that there has been extensive encroachment on Oceana, but at Cecil, if you'll look to the right, to chart number seven, you will see that the green, the dark green area, is land that is currently owned by the government. That encompasses -- the base itself is over 17,000 acres compared to 5,000 at NAS Oceana. Couple with that -- and you can see the black line which indicates where the AICUZ line of 65 decibel levels is, you'll see the light green area. That land has been offered up for potential purchase by the government to ensure that there will be no encroachment.

And the realization, to the west side and the north and south of Cecil is what we could term a greenbelt. It's preserved land that can never be encroached upon, and the city and the state are actively engaged in acquiring even more of that land to ensure there will be no replication of what we have had to endure at NAS Oceana.

Well, once you take those two combined, both the ground clutter and the airborne traffic that precludes rapid launching

out of Oceana, you end up with what we term right now a very congested area, on the ground and the air. Getting airborne out of Oceana, numerous times -- yes sir, that's right; we had to taxi out, hold short, wait for launch, unable to make it, turn around because our target time was unable to be met, and taxi out. If you do get airborne, then you have restrictive flight paths that limits you to 4,000 feet for 15 to 20 miles, then you're allowed to climb. Not the same at Cecil Field, and why is that? Because the airspace is not congested, and you can climb rapidly to your fuel efficient altitudes of 15 (thousand) to 20,000 and go directly to your target areas.

Now, let's talk about those target areas. You can look to my left, you'll see chart number six right here. This is a comparison between Virginia Beach operating area and the Jacksonville operating area. If you'll look to the bottommost, you'll see that you have one tactical range out there. There's a TACs range for recreation of tactical maneuvering, but you also have the massive war warning area that gives you 112,000 square miles. That's excellent airspace, but you have to share that with the Air Force out of Langley. You also only have two targets; you have their target, and you have BTs-9/11. Those, coupled with two MOAs, limit the ability you have to go train every day.

You compare that directly to what happens in Florida when you have two major tactical ranges which encompass over 220,000 square

miles of uninterrupted airspace, from the surface to 43,000 feet. And we can actually work those areas any time we want, because they're so massive. And yes, they do allow us to do joint work with the Air Force, as well as the Guard units that are located over at Eglin and at Jacksonville International.

Additionally to that, there are six different MOAs -- military operating areas -- associated within a single-cycle sortie of the aircraft, giving yourselves an hour and 15 cycle, or an hour and 30, you can fly to all those ranges. You could fly to the targets, which are six different targets in four different target complexes. There's live target ranges; two of them, both at Eglin and at Pinecastle, with the additional one going in live in January of '06 at Avon Park -- all of them within a single cycle of the Hornet. Those afford us the opportunity to fly anywhere you want, any day, and actually target over 100 different tactical aim points and live targets, and electronic warfare range, and the tactical range, and the ability to do tactical training with our sister services in the Air Force and the Army and the Marine Corps, out of Buford and out of Fort Stewart. And we did this regularly, both day and night.

Now, if you're going to be able to exploit the capability of naval aviation and train to fight, you've got to do it in the most unusual and demanding world you ever imagined, when you have to do this at an aircraft carrier at sea. So no matter how good my

training is in the air in putting a bomb on a target or fighting an airborne threat, I have to be able to come back and land on board the aircraft carrier. The most volatile skill of a naval aviator is his ability to constantly land, consistently, every time, in the pitching deck, nighttime environment, on an aircraft carrier, and the only way you're going to get there and ensure that success, that you can actually land every time you come from -- approach that ship, is you have to practice, practice, practice, practice.

What do you have at NAS Oceana? We have Fentress Field that, due to the encroachment, has caused the pattern to be flown in a dogleg fashion at altitudes of 200 feet higher than you normally would. What does that cause? That causes excessive rates of descent off the approach pattern from the 180-degree position, if you come in to land. So that rate of descent now becomes locked into your brain, and when you go out to the ship, and when you're under stress, you revert back to what you've been trained to do, and unfortunately, that causes problems for the young aviators.

Does it cause a problem for the exceptionally experienced aviator? Absolutely not. I tell you, I personally could go to train out at Fentress and do just fine. But I have over 1,600 carrier landings. The guy I'm worried about is that young man or that young woman who's got less than 100 traps -- 200 or 300 -- and they have to repeat their training every time to make it work.

If you try to do that at NAS Oceana, you can't do it. Those altitudes are 400 feet higher at the abeam position and have excessive rates of descent to get to the start point. And we say in the landing signal officer world, you have to get a good start when you start at the 180. If you can't do that, you'll never get aboard the ship every time.

Conversely, at Naval Outlying Field Whitehouse -- totally wide open; same pattern at the ship, 800 feet into the break, 600 feet on the downwind, 450 feet going through the 90, 375 through the 45, and you roll into the groove, and you can fly that past the same way every day, day and night, the same way you will do it at the ship. Repetition, repetition, repetition. At Navy -- what used to be Navy Cecil, now Cecil Field -- you have the ability to do the same identical pattern. Not only can you do that same pattern every day and at night, but you can do it concurrently with operations going on on the adjacent runway. And we did this regularly, all through the '80s and '90s, where you would do touch-and-go field carrier landing practice, right there with the exact patterns at Cecil Field, and concurrently having airplanes come in and doing full-stop landings on the adjacent runway.

Now, another one of the luxuries, if I say you have to practice like you're going to train, train like you're going to fight, then you have the ability at Whitehouse to do what we call the overhead marshalling stack, stacking them up to 6 (thousand),

8 (thousand), 10,000 feet overhead the field, circling down, simulating helicopter operations exactly like the ship, and then you come in and make your landings just like you would if you're at the ship and you're making your approach. That is not replicated at Fentress.

Additionally, when you go out to Cecil Field, we were able to put together what we called USS Ship Cecil Field, lining the airplanes up 15 miles behind the base, stacking at 5,000 feet all the way up to 15,000 feet, one minute apart push-out, replicating the carrier approach procedures all the way to touchdown. Every single time, that guy got to practice what he was going to see when he went to the ship, with no limitations. No limitations. All day, all night, and you didn't have to do -- you didn't have to do at Cecil the way they have to do it today at NAS Oceana. You can't do touch-and-gos after 10 o'clock in the evening, you can't do FCLPs - field carrier landing practice -- unless they've filled up the pattern all 2:30 in the morning out at Fentress. Those are limitations that are very challenging.

So, in closing, what I'd like to make sure you walk away from, is the fact that we have in Florida, in essence, a Fallon training range, a myriad of targets in airspace with which to practice all of the strike warfare capabilities of naval aviation as it has to offer today; all the altitudes, no restrictions, because the FAA works closely in a real-time basis with us to

allow high-altitude weapons delivery. All of those training things that we do out at Fallon, we can do right there in Florida.

And then lastly, but most importantly, if you're going to be able to have strike power from the aircraft carrier, you have to get aboard. And we can practice just the way we're at sea ship. The only difference between Outlying Field Whitehouse and Cecil Field is those two are not underway, but everything else is the same.

So when you consider all this, please remember that not only is this the ideal place to train, but it has the chance to give all those young men and women a chance to train like they're going to fight and fight to win. And if we want to think about savings, let's think about saving their lives when they go out and do their job.

With that, I would like to turn it over to another naval aviator, no longer in the service, Mr. John Craig.

MR. CRAIG: Good afternoon. My name is John Craig, and I appreciate your time. I recently left the Navy just two years ago as a commander with over 16 years of active service in order to care for my disabled son. My last job was the operations officer at Strike Fighter Weapons School Atlantic at NAS Oceana, where we were responsible for the training and combat readiness for all F-18 and F-14 squadrons as they prepared for deployment.

I'm a Naval Academy graduate with over 4,000 hours of flight time, including 2,000 hours operating from the NAS Oceana and NAS Cecil Field complexes. I have completed four combat deployments, have over 650 carrier landings.

I asked to participate today due to my ongoing concerns regarding the degraded training environment and the safety issues that exist at NAS Oceana as it exists today.

There is no doubt that combat readiness suffers due to the operations at Oceana and Outlying Field Fentress. Commercial and military flight restrictions; persistent instrument flight conditions, including severe icing in the winter time; and severely restricted arrival and departure procedures due to the encroachment, all increase the fuel and money needed to fulfill training requirements.

Additionally, that Dare County training complex in northern North Carolina is just simply inadequate for today's precision weapons delivery techniques. We need to practice in an environment that allows us to replicate exactly what we do on the battlefield, and there is no live bombing capability at Dare County.

As the officer in charge responsible for the strike fighter advanced readiness program, part of the interdeployment training cycle, I consistently was forced to compromise training objectives, waive individual flight events for pilots, and

eventually, squadrons were sent on deployment without completing the CNO-directed training.

Fentress continues to be a severe detriment to our training and, as Captain Leenhouts adhered to -- or talked about, the lack of the proper carrier environment simulation, especially at night, is a severe safety issue.

In contrast, we did not have to face those issues while flying at Cecil Field and Outlying Field Whitehouse. Airspace and flight patterns allowed us to train as if we were in combat. The close proximity to both over-water ranges and superb inland bombing complexes at Pinecastle and Avon Park in central Florida gave tactical aviators all the tools they needed to be successful in combat.

Strike fighter advanced readiness program and that interdeployment training cycle portion never suffered when we were training out of Cecil Field. And, in fact, in the spring of 2002 while I was the operations officer at the weapons school, several senior leadership -- TAC Air leadership -- at Oceana explored the possibility of taking five squadrons back down to Cecil Field in order to make sure that we got the requisite combat training during that time. Unfortunately, money did not allow us to do that.

In conclusion, I've just come today to give you the perspective of the current fleet aviator. I know the issues

surrounding Cecil Field and at Oceana, and I know that we have an opportunity to secure premier training facilities at Cecil Field and allow our warriors today and in the future the ranges and the ability to train to the best of their ability so they can go and fight and win. I endorse that option completely, and I appreciate your time.

Now, it's my privilege to introduce one of my personal heroes, a man with over 500 combat missions in Southeast Asia, in Vietnam, Admiral Stan Arthur.

ADM. ARTHUR: It's a pleasure to be here today with you. I am Admiral Stan Arthur, Navy Retired. I spent 38 years on active duty as a naval aviator and spent most of my operational time aboard our wonderful carriers.

The issue of pilot training is a very important one to me. I know how critical it is for our young aviators to be able to train realistically before we ask them to risk their lives flying from the decks of our carriers.

When bad habits are allowed to grow, mistakes happen. Tiger Woods knows this; except for him, it results in a bogey. But in the carrier environment, it can often result in a fatality. I have seen this more often than I care to. When you are under stress, you must rely on your instincts to make the right choice. Instinct and habit patterns are honed through realistic, repetitive training. This is why I want our young aviators to

have the best training possible, so they can continue to contribute to our national security and live to a ripe old age.

Are they getting what they need? Let me read some statements from Oceana aviators as taken from a 13 September, 2004 article from "The Virginian-Pilot." I quote Lieutenant Commander Mark Sullivan, an F-14 pilot and veteran landing signal officer, referring to carrier landing practice at Outlying Field Fentress, "The difference in approach is dramatic. The whole neighborhood is off limits to us," pointing to a map of Fentress. "So we fly around this farm on this side; we stay outside the road here, cut back in on this side so we don't cross the Intracoastal, go all the way out here, and now drive over to get on line."

Captain Mark Mills, who commands Air Wing One at Oceana, said, "Flight patterns are a half-mile wider than those used at the carriers." Captain Tom Kelley, Oceana's commanding officer, "The Navy is out of alternatives. We are at the limit."

This article went on to say that Oceana pilots say they can see the advancing encroachment every time they return from an extended deployment. I would comment here that it is almost impossible to roll back encroachment.

In another article dated 30 June, 2004, the same Virginia newspaper reported on a five-page affidavit submitted by Admiral William J. Fallon, then U.S. Atlantic Fleet commander. When speaking about the operations at Outlying Field Fentress, "The

first time an aviator actually lands at sea on a dark night will be more difficult than it has to be if he had to do his night training at Fentress." In my mind, this is unacceptable risk when there is an alternative.

In summary, it boils down to whether this great nation, through you nine commissioners, is going to provide the best and safest training available to our young aviators. I am convinced it is available. You certainly have a tough job, but I believe the choice here is easy.

Thank you very much. And now, Admiral Bob Natter.

ADM. NATTER: Thank you, Admiral. I'm Bob Natter, a resident

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(Direction off mike.)

ADM. NATTER: Thank you. I'm a resident of the state of Florida. I'm also consultant for the state on military issues. I'm proud to say that I had the great honor of serving for 41 years in the Navy. I'm even prouder still to be able to say I have three daughters in the Navy today, one of whom is a naval aviator.

I retired about a year and a half ago. My last three years in the Navy were as commander of the United States Atlantic Fleet based in Norfolk, Virginia. During my three-year tenure there, I worked very closely with the chief of naval operations, Vern Clark, on issues associated with Oceana and Fentress.

Additionally, I met with the commanding officers of Naval Air Station Oceana about the issues of noise abatement and training. I also met on two occasions with the air wing commanders out at Naval Air Station Oceana to talk about deployment training, readiness and the ability to attain those readiness levels around Oceana and Fentress.

As an example of the encroaching -- the encroachment problems around Oceana that was a problem for training, I have to note that the commanding officer of NAS Oceana wrote the city council of Virginia Beach on 70 occasions, offering his strong objections to specific building projects around Oceana. In 51 of those appeals, the city council voted to go ahead with the construction in spite of those objections.

The CNO and I looked at alternatives. Oceana is a very valuable air station. But we knew we needed relief from the ability to train around Oceana and around Fentress.

The result of that effort was to find a location for an additional outlying field. That location is currently in North Carolina. The Navy, with the support of the United States Congress, has appropriated \$180 million to build this additional outlying field if the courts don't block it. I believe that a \$180 million problem is not just an inconvenience, but a very serious problem.

Subsequently, the CNO testified before this very commission that -- and the vice chief testified just last month before this commission that the Navy had to look for an opportunity to build another master jet base 10 to 12 years from now.

The plan to build an additional outlying field to relieve the pressure and a determination if they wanted to invest another \$2 billion 10 years from now to help alleviate the training problems around Oceana, I think, are indicative.

Now, let me talk about Cecil Field. To me, the Navy's opposition to this is befuddling, primarily because they've never bothered to go down to Cecil Field to look at what's there. They strictly have said that there's an encroachment problem, an FAA problem and an investment problem.

The reality -- and the facts don't support that. Let's look at the numbers. Here's what one gets for the return of Naval Air Station Cecil Field to the Department of Defense: 17,600 acres, all government and federal government DOD land -- around the air strip, as opposed to 5,000-some acres around Oceana; all existing infrastructure there. There's actually more hangar space at Cecil Field today than there is at Oceana. The idea that this is going to cost the Navy \$1.6 billion, to me just flies in the face of reality.

The acreage, the infrastructure, to which has been improved to the tune of \$130 million, is all for free. The value of this

real estate and the infrastructure there is assessed at \$1.66 billion.

In addition to the great facilities at a bargain, I think the military value of Cecil Field and the Navy outlying field there is obvious. The 1993 BRAC actually assessed the military value of Cecil Field at a score of 8.14. NAS Oceana was assessed at a score of -0.95. And I would argue that with the ensuing encroachment around Oceana today that that -0.95 would go even lower. Those are not our numbers. Those are not the commission's numbers. Those are the U.S. Navy's numbers and the BRAC effort in '93.

I want to address a couple of operational issues. Number one, the load-out for deployments has been mentioned; the close proximity of the ships, the carriers in Norfolk and the short distance to Oceana. In reality, this is the way a load-out for deployment works, of which there are about 1.5 deployments per coast per year. Trucks go out to Oceana. The squadrons and the wings load their planes, load their ground equipment into trucks. They drive across the city about 45 minutes down to the piers and they load them aboard the carriers.

The same thing happens at Cecil Field. You load your equipment and it's a day's drive up to Norfolk. Now, if that's such a serious issue for the Navy, I would ask the question, why is that done at Lamore, California, where there are no aircraft at

the master jet base located anywhere near the coastline? It's 320 miles from NAS Lamore down to San Diego. During my entire time in the Navy, and certainly as a flag officer, I never heard one complaint from the Pacific fleet about the distance from Lamore to the ships.

The second issue I think is worthy of mention is this issue about a classified mission at Oceana. As commander of the Atlantic fleet, I obviously had purview over what happened at Oceana. I was cleared into that classified program. And I can assure you that that mission can be moved to another naval air station in the Norfolk area. And with that, I won't discuss it anymore, but I'm happy to discuss it in private with the commission.

In summary, let me just say this is all about mitigating risk; number one, risk to our pilots, the ability to come aboard the carriers; secondly, the risk of the people who live around this base. I can tell you that Norfolk and Virginia Beach are outstanding, wonderful communities, wonderful people. But there are too many of them living next to the fence line at Oceana. That restricts our operations and in my view endangers the citizens.

Also, it's about mitigating risk to the future of naval aviation in the Atlantic fleet. If we're going to buy another master jet base 10 years from now at the tune of \$2 billion and

the Navy says they don't have the money today, where are they going to get it 10 years from now?

Secondly, where are you going to find a place that's going to take a master jet base and get all the environmental permitting done that's necessary to put it there? And lastly, how are you ever going to do it outside of BRAC process? Impossible, in my opinion.

The bottom line is that Cecil Field, in my opinion, is the right decision for the taxpayers today, as you will hear from Mayor Peyton in just a second. Most importantly, it's the right decision for our young naval aviators, who deserve the opportunity to train the way we ask them to go to war.

With that, let me turn it over to Mayor John Peyton, mayor of Jacksonville, Florida.

MAYOR PEYTON: Thank you, Admiral. And Mr. Chairman, members of the commission, we appreciate your time. And on behalf of the citizens of Jacksonville, we appreciate being part of this discussion.

My name is John Peyton. I have the distinction of serving as mayor of Jacksonville, Florida. You have heard the aviation case for Cecil Field. Now I'd like to present to you the business case for Cecil Field. But first, let me repeat, our commitment is clear: We will return Cecil Field to the Navy as a master jet base, a base that is clear -- that is in better condition than it

was found and clear of commercial tenants and the promise that encroachment will never interfere with Navy operations.

Cecil Field is a unique asset with a great history and an unmatched potential. It is the largest of four master jet bases created by congressional action in 1951. It is three times larger than NAS Oceana, with direct access to unrestricted air space in the Atlantic and the Gulf of Mexico. In fact, this unrestricted air space is one of the reasons the military value of Cecil was significantly higher than Oceana when analyzed by the Department of Defense in 1993.

Since acquiring the property in 1999, Jacksonville has been a good custodian of Cecil. The city has been improving the base to accommodate a first-tier aviation commerce center. Our investments include \$133 million in infrastructure enhancements, demolition of antiquated buildings, and environmental remediation. In fact, 70 percent of the base is intact and upgraded.

The city did all of this to attract one large aviation enterprise. We've been very close to landing two significant anchor tenants and believe that we are probably the most marketable aviation facility in the country.

In short, Cecil Field is in better shape today than it was in 1999 when it was transferred by the Navy. And because of this value, we have every reason to believe that the window of opportunity for making Cecil available to the Navy is narrow.

There are several things you should know about Cecil Field. There is more hangar space on the flight line at Cecil than there is at NAS Oceana. The hangars have been refurbished and expanded. There is six miles of new roads at Cecil Field, and funding is in place, thanks to our governor, for a \$130 million project to connect Cecil Field to Interstate I-10. Environmental problems have been remediated.

Now, I'd like to speak a moment about encroachment. Encroachment is and will not be a problem at Cecil Field. There are no, I repeat no, improper uses of the accident probability zone -- no schools, no churches, no shopping areas. You will never have the same encroachment problems at Cecil that are currently existing at Oceana. Link this chart up here expresses that contrast.

Currently there are 145,000 people living in the ACUIZ of NAS Oceana, while only 10,000 live in the ACUIZ of Cecil Field. The densely populated ACUIZ in NAS Oceana is, in fact, restricting training and hindering flight operations. There are no such limitations at Cecil, and the air strip can be used 24 hours a day, seven days a week, 365 days a year.

The Jacksonville municipal code lays out clear and detailed restrictions on land use in the ACUIZ, which our city government strictly adheres to. We regulate the sale or lease of property with the ACUIZ through disclosure statements in the deeds.

The threat of future encroachment is virtually impossible due to the major greenbelt that bounds Cecil Field. This is an extraordinary feature of this facility. This permanent buffer prevents encroachment to the north, south and west of the runways. This greenbelt is the result of a successful state and local partnership to preserve land and manage growth.

Jacksonville has the largest park system in America, with over 100 square miles of publicly-owned land. And the state of Florida boasts the most aggressive land acquisition program in the union. We can and will control encroachment. And between the land we own, the land we are scheduled to acquire and the land that we can restrict, encroachment is not and will not be a problem at Cecil Field.

On the business side of this commitment, the city has made a comprehensive effort to estimate cost necessary for re-establishing Cecil Field as a master jet base. We provided construction estimates and capacity data to your staff. Our business experience at Cecil Field gives us a validated number for the square foot costs of administration buildings, barracks, aviation-related infrastructure.

We believe the cost to re-establish Cecil Field as a master jet base is one-quarter of the amount estimated by the Navy. This large cost discrepancy results from the failure of the Navy to

account for the existing infrastructure currently in place at Cecil.

On August 19th, yesterday, our city council passed a unanimous resolution that calls for the immediate transfer to the Navy the title to Cecil Field. We estimate the monetary value of the land and the buildings of this transfer to be \$1.2 billion. And this is depicted in chart nine.

We commit to transfer the base clear of all commercial tenants no later than December 2009. Additionally, we will support the state's commitment to public-private housing to accommodate Navy arrivals.

We have also included a time line for your view. This conversion of Cecil Field to a master jet base can be completed in four and a half years. We expect the environmental impact study to be a seamless process that will run concurrently with the construction and conversion planning. Construction should take three years. And because Cecil has never stopped operating as a jet base, the EIS will not be a problem.

In summary, let me restate, Jacksonville will turn over Cecil Field free of tenants and environmental problems to the Navy. Encroachment is not and will not be a problem. And all reports that encroachment, commercial leases, air space restrictions or exorbitant costs we have found to be incorrect and not based on facts.

The facts are compelling, and the contrast between Cecil and NAS Oceana is clear. This is a unique opportunity with near-providential timing. This mayor and this governor will pledge to make this work. Cecil Field is the largest and best master jet base in the world. We recognize that the highest and best use of this community asset is to return Cecil to the Navy.

Jacksonville was entrusted with a jewel in the form of a master jet base. We've been good custodians of this jewel. She has been cared for. She is polished. And, quite frankly, she has never looked better. We now seek to return this jewel to its rightful owner, the naval aviators that train diligently to keep us safe.

Now it's my privilege to introduce the senior senator from Florida, Bill Nelson.

SENATOR BILL NELSON (D-FL): Mr. Chairman and commissioners, we're united as an entire congressional delegation. And as you can tell from the testimony thus far, Florida has put its bottom line up front, and that is that Cecil Field and northeast Florida still has its military value, and Cecil should be reoccupied by the Navy.

The evidence that has been presented to you over the last several weeks has been objective, it's been measurable, and it's been compelling. Cecil can give the nation the air, sea and land ranges necessary to achieve the most realistic combat training at

the lowest risk. We don't just have that restricted air space off of the northeast of Florida. We've got almost the entire Gulf of Mexico off the coast of Florida that is restricted.

We're here to demonstrate the Florida delegation's solidarity in support of the re-establishment of the Navy at Cecil. And we're here to demonstrate our total commitment as members of Congress to do whatever is necessary for Cecil. We're here to pledge that the Navy will have the federal resources to make this happen efficiently, effectively, affordably and on time.

Mr. Chairman, I'm a member of the Senate Armed Services Committee. And over the last four years, we have examined over and over the need and for the purpose of this BRAC round. And our direct intent has always been that this commission should objectively examine the value of our national military infrastructure, without limitation, and act in the ways that you judge appropriate and necessary to preserve and increase the readiness of our forces and those forces into the future.

We support it to give the men and women of our armed forces exactly what they need, without any limitation, no limitations day and night, without compromises on training and operations, without having to have extraordinary management, and without additional risk, so that they can remain the most capable and ready force the world has ever known.

Thank you again, each one of you, for your personal public service to this commission and throughout the years. And I want to introduce Congressman Ander Crenshaw from Jacksonville.

REP. CRENSHAW: Thank you. Mr. Chairman, members of the commission, I want to echo the words of Senator Nelson and briefly comment on the military construction aspect of this proposal.

I sit on the House Appropriations Committee, the subcommittee that oversees military construction projects throughout the world. And I can tell you that this is an incredible value.

Cecil Field can be made ready for a military construction number of about \$300 million. I don't mean to imply that \$300 million is not a lot of money, but when you take the military value that will be gained and you compare it to the federal dollars that will be expended, and it is flat-out off the charts. It is an opportunity of a lifetime.

My colleagues and I appropriated \$180 million a few years ago to build an outlying field in North Carolina to deal with the training problem at NAS Oceana. Was that a good value? Sure, it was a good value if that's the only option that the Navy had to make sure we train our aviators the way they're going to fight. But when you compare it to a proposal like this, it doesn't add up.

Here's an opportunity to take a military installation valued at \$1.6 billion, transfer it to the Department of Defense at no

cost to the government, absolutely free, spend \$300 million of military construction dollars and have an asset that will meet the long-term needs of our country for the 21st century. That is a great deal for the Navy and a great deal for the people of America.

Thank you. And now let me turn it over to my colleague, Congressman Cliff Stearns.

REP. STEARNS: Thank you, Ander. Mr. Chairman and members of the commission. Frankly, I'm very much honored to be here to be able to speak to you. And I simply appreciate you allowing us to look at Cecil Field again. I remember sitting here in 1993. The roles were reversed at that time. And with my former colleague, Tillie Fowler of Jacksonville, we were looking carefully at keeping Cecil Field open.

Now, Cecil, of course, is located in my congressional district. And it's important to note that the overwhelming support for this proposal comes from the city, the state and the local residents. The area around Cecil Field is still very military-friendly, just as it was when the Navy left.

This Cecil Field was certified back in 1993 as the best option for remaining open for national security. Admiral Nader just pointed that out earlier. Today, like before, when Jacksonville residents hear Navy jets in training, they don't complain at all; quite the opposite. The residents there consider

the sound of military jets in training as the sound of freedom. And that is a very good thing which all of us are proud of.

So it is the goal of all of us here today to ensure that Cecil Field is just as valuable in 50 years as it was in the past. Our commitment today does just that. I strongly urge the commission to seriously consider our proposal.

With that, I return to Governor Bush.

GOV. BUSH: Thank you, Congressman. Mr. Chairman, thank you very much. That's the end of our presentation. We appreciate you allowing us to come make this presentation. I also appreciate the fact that, as you know very well, this type of discussion -- it would be impossible to do this through the normal congressional process. Decisions like this of this magnitude come never happen in the normal political process. So I hope that you put politics aside, as you have been over the last few months serving your country. And we'd be happy to answer any questions.

MR. PRINCIPAL: Well, thank you, Governor. Thank you all for your testimony this afternoon. Your written testimony will be incorporated into the record.

We have just a few minutes before we will go to the Virginia delegation. I'd like to just ask a couple of quick questions.

Admiral Nader, Admiral Arthur, Florida may soon not have any aircraft carriers home-ported there. What impact will this have

on operations, readiness and cost if the master jet base was moved to Florida?

MR. NADER: Yes, sir, as the fleet commander, I think that's a question I'm happy to take. Number one, I mentioned already in my remarks about trucking the equipment to the carriers when a ship is going to be deployed. When it goes out for operation and training off the coast, the aircraft actually have to fly out from either Oceana, Cecil Field or wherever they're based.

And I would also note that the carriers with the Navy's training resource strategy now train more down off Florida waters than off the eastern seaboard. Why? Primarily because of the ranges -- Pine Castle, soon we'll have Park, Eglund Air Force Base. And it's just as easy to fly out of that carrier as it is out of Oceana. It's a one-cycle flight, and they go right out to the carriers and do their training. So in my view there's no impact.

Admiral Arthur?

MR. PRINCIPALI: Admiral Arthur?

MR. ARTHUR: Yes, sir. I spent most of my flying time out of Lamore in California, so I was very isolated from my carriers. My carriers were either in San Diego at the time or Alameda. Of course, Alameda is gone now, so they're up in Everett, Washington.

But what we did is we flew the aircraft out to the ship or to the air stations if they wanted to hoist them aboard instead of having us fly aboard. And we trucked all of our admin gear. And

it was as routine as it could possibly be. So the one thing that they have going for them in Cecil is that even if the carriers leave Mayport, Mayport is carrier-capable for either conventional or nuclear as far as coming in for a load-out.

So you don't necessarily have to truck to Norfolk if you don't want to. You can bring the carrier in, load it up from there. But in any case, you're going to have to put your admin stuff on trucks, and it's whether you want to drive across town or whether you want to drive up the road to Norfolk.

MR. PRINCIPI: Thank you. One very quick follow-up question for our aviators. I certainly agree with you about not wanting to have any unacceptable risks for our naval aviators -- anyone who wears the uniform of our country. We want to optimize training -- critically important. I remember that before I went to Vietnam.

Has the training at Oceana in any way resulted in any mishaps or accidents that you're aware of? I mean, can you attribute any of these training problems to accidents? That's not to say that we're going to in the future we want to have the best training possible. But what's been the result of that?

MR. LEENHOUTS: (Off mike.) If you trained at Outlying Field White House in comparison to Outlying Field Fentress -- and I will speak specifically for the mid '80s till the late '80s, when I was the senior force landing signal officer -- we found that those young aviators that did their training out at White House had a 20

percent first-pass success rate higher than those that trained at Outlying Field Fentress due to the very dark, unencumbered flight patterns that were flown out there at those outlying fields.

Additionally, the training incidents -- or the actual accidents, since you brought that up, we did have incidents throughout the '70s, '80s and '90s where aircraft unfortunately crashed in the Oceana area near to the field or on the field, right on the very fence line. And fortunately no one was, other than one young lady, was killed in one of those incidents. And yet one of them crashed literally right there where there is the proximity of a major mall at this time. So there have been crashes out at Oceana and that the training we do out at Fentress didn't produce the same first-pass success rate as we did out at White House due to the conditions.

MR. PRINCIPI: Thank you. Are there any other questions?

Commissioner Coyle.

MR. COYLE: Commander Craig, in our base visits and hearings and meetings around the country, some of the most candid testimony that we have received has been from relatively low-ranking, working-level military officers and civilians. And we've seen a number of news articles recently where active working-level Navy pilots have told the press that the training limitations at Oceana are producing unacceptable limitations on their training.

My question for you is, to what extent do those statements that we've seen in the press, which seem pretty compelling, represent Navy pilots who train at Oceana in general? In other words, has the press found a couple of disgruntled Navy aviators, or do you think -- to what extent do you think the people who have spoken out about this represent their colleagues?

MR. CRAIG: Yes, sir, I can address that, obviously. I would submit to you, in all honesty, that that is the prevailing attitude amongst today's naval aviators, especially the TAC-air community located at Oceana. For those of us that had the opportunity to fly at both bases, we knew what the other situation was, what the training afforded us at Cecil Field, both in the tactical arena of strike warfare, the ability to drop weapons, the ability to train with live weapons, the ability of our maintainers and ordnance men to practice loading live weapons and seeing aircraft come back without them on board.

When we got to Oceana, that doesn't exist anymore. We don't see that anymore. Certainly the younger officers that have never had the opportunity to serve at Cecil Field and don't have that comparison -- certainly they feel the effects of the lack of training as we consistently move our training away from Oceana to distance ourselves from the problems around the area. Detachments to Key West, out to Fallon, Nevada, are commonplace. And more and

more show, just so that we can find better training that just doesn't exist at Oceana.

So I'll tell you that, quite honestly, that is the feelings of the naval aviation population. Certainly as the operations officer at the weapons school and seeing all the different squadrons and all the air wings come through on a rotating basis for their inter-deployment training cycles, that was the number one problem that we had, was how were we going to get training done while we were at Oceana and did we have the money to go somewhere else in order to actually complete it the way it should be done.

MR. PRINCIPI: Secretary Skinner.

MR. SKINNER: I just want to go over a couple of issues real quickly. It's my understanding that -- and there's a couple of letters in here, and these letters are all part of the record now. But, number one it's my understanding that -- maybe I heard this from the mayor and the governor -- that you're prepared -- the state of Florida and the city of Jacksonville will be prepared to turn over title to this property to the United States government by the end of this year?

MAYOR PEYTON: Yes, sir, that's correct.

MR. SKINNER: Number two, it's my understanding that the EIS that would be required for any facility -- that an EIS was recently done for your development -- aviation development -- down

there and that you would have to apply for a new one. But do you have any idea how the EIS for this property would be versus an EIS, not even for the auxiliary field in North Carolina but for a new greenfield jet base?

MAYOR PEYTON: Well, yes, sir, Commissioner. Because the use has not changed and this has been a master jet base and has been having flight operations continuously for decades, we anticipate a seamless process by which the EIS will be completed.

MR. SKINNER: And your commitment to clear title by year-end would also include a commitment of \$20 million in available dollars to clear out the tenants and make it available? Is that correct?

MAYOR PEYTON: Yes, sir, it is a partnership. The state of Florida is agreeing to 150 million (dollars), the city of Jacksonville 50 million (dollars).

MR. SKINNER: Okay. And my one last question is you talk about your estimates and I understand your estimates were done by a representative of the city of Jacksonville, who has a great deal of BRAC experience. I happen to have met him yesterday. Is that

--

MAYOR PEYTON: Yes, sir. We're comfortable that the numbers we've provided are --

MR. SKINNER: And does that 400 million (dollars), did you include any housing in that, or is that in addition to housing?

MAYOR PEYTON: I'll let the governor answer the housing component, but that does not include housing.

MR. SKINNER: Okay, thank you.

MR. PRINCIPI: Congressman Hansen.

MR. HANSEN: Who are the occupants on Cecil Field and what would it cost to get them out? And secondly, do you have general aviation in there at the present time? I'd like to know that.

MAYOR PEYTON: Yes, there is general aviation. Seventy percent of the tenants are doing military work -- Flight Star, Boeing is there -- Northrop-Grumman. But all of these -- we've been waiting for the big tenant -- big anchor tenant. And for that reason, most of the leases are on a short term and have provisions to cancel or move. So we have the flexibility, and that's why we think we can get everyone out within three and a half to four years.

MR. HANSEN: Thank you.

MAYOR PEYTON: The estimated cost, Commissioner, that we associated with that move is about \$200 million.

MR. PRINCIPI: Thank you. The hour is up. We'll give equal time to the Virginia delegation. But I do want to defer to my colleague, Admiral Gehman.

MR. GEHMAN: Just one quick question. Before I ask this question, because it's kind of a loaded question, I want to make

sure that I'm clean with you. My question is, is your offer to transfer the property to the Department of Defense unconditional?

But before you answer that, let me say that the proposal before the commission is to close or realign Oceana. And one of the problems with encroachment at Oceana is, of course, the noise abatement profile that the pilots have to fly. One of the fixes is to reduce the noise.

So, under the realignment thing, we could perhaps find some combination that we were thinking of in which we reduce the noise around Oceana, but no close Oceana, more a part, a parcel, the rag or something to Cecil.

So now I go back to my question, is your offer unconditional?

MR. PEYTON: I'll answer that, Commissioner. The investment our community and our state will make in this transition would really call for a master jet base. It would be hard to justify the taxpayer --

MR. PRINCIPI: Thank you, Governor, and members of the delegation. We very much appreciate your testimony. We'll take a five-minute recess and ask the Virginia delegation.

(Recess.)

MR. PRINCIPI: I'd like to extend a welcome to Governor Warner and members of the Virginia delegation. And, Governor, I'll let you proceed --

MS. SARKAR: Mr. Chairman, we --

MR. PRINCIPI: -- as you deem most appropriate.

Oh, I apologize. Would you please stand for the administration of the oath required by the Base Closure and Realignment statute?

MS. SARKAR: Thank you, Mr. Chairman.

(The witnesses were sworn.)

MS. SARKAR: Thank you.

Thank you, Mr. Chairman.

MR. PRINCIPI: Governor Warner.

GOV. WARNER: (Off mike) -- look forward to the chance to both raise some new information about some of the comments that have been made in the earlier Florida presentation, and again hopefully leave enough time for questions.

So to make sure that we get through all of our presentations, I'm going to turn over for brief comments from Senator Allen, who will actually come back and can close. But, Senator Allen?

SEN. ALLEN: Thank you, Governor.

Mr. Chairman, members of the commission, good afternoon. Here we are again, discussing the issue of Oceana. (Comes on mike.) You all heard my welcoming.

We do meet again. We meet again after your August 1st -- many of you all, some of you all, came down to Oceana on August 1st. We had a hearing on August 4th. And we're here to respond to yet another attempt to move the master jet base from Oceana.

I have a great deal of respect for the mayor of Jacksonville, Mayor Peyton, Governor Bush, and the whole Florida delegation, and I can understand why leaders from North Carolina or from Texas or from Florida would love to have a master jet base. However, your decisions are to be based upon military preparedness, military value, as well as saving the taxpayers' money. And I believe that when you look at these controlling factors, which have been examined very closely by the Department of Defense and the Navy, they clearly favor Oceana. I believe that at the conclusion of this hour, and I'm going to actually not use all the time at the end so that you all may wish to pose questions for further clarification. But I do think that at the end of the hour, it will be very clear, beyond a reasonable doubt, that Oceana has the best attributes -- the key attributes.

Number one, proximity to the fleet, which is so important for readiness, for training, for preparedness. Absolutely essential. Now you can have jets fly further distances, but why do that when you can have them so close, especially with these high fuel costs? This is not something that is an insignificant matter for preparedness and readiness. So proximity to the fleet -- key attribute.

Second, unencumbered air space. Clearly, when you look at the evidence, Oceana has unencumbered air space. And when you compare, back in 1993 when Cecil Field was closed, one of the

reasons it was closed, and one of the negatives, was because of all the civilian, commercial aircraft. And that has only increased. Florida's a fast-growing state. There's even more flights going into Jacksonville, Orlando, Miami and elsewhere in that flight pattern, which harms -- clearly harms -- the ability for training.

Second key point, joint training. Joint training is essential.

Fourth, the key location to fill -- fulfill -- and we can't discuss it in great detail -- its special classified military mission. And I can -- we'll talk a little bit more about that. But it also --

The fifth point that you will get from this hour will be an unprecedented effort, and a benefit, and action, on the part of Virginia Beach to ensure that land encroachment is alleviated. And you will hear again, as you did this morning, by the way, from Admiral Willard, that Oceana's the best location for the East Coast master jet base.

Admiral Natter, by the way -- on point number four, attribute number four, which has to do with the special classified military mission -- and almost in a passing assertion, he said they could move this special classified national security mission to some other place. Some of the commissioners went to have that classified briefing. And you all understand the requirements for

these special missions cannot be met at any other airfield in the Norfolk area, or anywhere else on the East Coast for that matter. Any vote -- any vote on the future of Oceana -- cannot responsibly be registered until the members of this commission fully understand and can make a sound judgment about the impact that the decision will have on the national security missions of the United States.

Until these special missions requirements provided to the commissioners as certified data on August 9th, 2005 can be absolutely guaranteed -- absolutely guaranteed -- NAS Oceana must remain in place and fully operational.

Now, Mr. Chairman, the air space issue -- air space encroachment. We will hear from individuals on that. The air space encroachment issue was a problem at Cecil Field. Now it is the Cecil Commerce Center, it is even worse. And I will go into the details of it. We'll have aviators talk about it as well. But there's a very narrow slot that the aviators, our jet pilots, can fly out of Cecil. And it's because of all the commercial aviation. That will be borne out.

Now, Mr. Chairman, and members of the commission, many of you all know, of course, that Senator Warner has been on the forefront of this issue, and whose position has been made very clear regarding military value and the need to retain Oceana. He's unable to be here today because of other Senate commitments. He

has asked that I submit for the record his statement, in which he reiterates his concern that the BRAC process, which was intended to be used to shed excess infrastructure, might be used, in this case, to open a new military installation. He continues to work with the department to ensure that the commissioners are fully aware of the full range of issues involving Oceana and the fact that it has received one of the highest military value scores, the highest BRAC priority, I might add, of all air installations within the Department of Defense.

Most importantly, he asked me to submit -- in addition to his statement, submit to the record the letter he received this very week on August 17th from deputy secretary of defense Gordon England, which outlines the department's strong position that there is, I quote, "there is no viable alternative to Oceana" -- let me get this -- you get it all clear -- quote "there is no viable alternative to Oceana Naval Air Station."

So let me make it very clear that the letter is contemporary and is a conclusion even after the department examined the Florida proposal being discussed today.

Now since the full commission has not actually had an opportunity to hear from all the state and local officials, in consultation with Senator Warner, he wanted to yield his time to Congresswoman Drake, Delegate Suit, and Mayor Oberndorf. Their actions in recent weeks have been dramatic and important.

And at the conclusion, I do think you will see that Oceana remains the best site, the best location for all the military attributes. Best for the taxpayers. Best for our security. And we look forward to working with you in the future.

I also do want to put into the record a statement of Congressman Bobby Scott, also from the Hampton Roads area.

I thank you, Mr. Chairman, and now turn it back to Senator Warner to present part of -- the other part of the delegation and their testimony.

GOV. WARNER: Thank you, Senator. I'm not sure I got promoted or demoted. You moved me to the Senate right --

SEN. ALLEN: Did I say Senator? Governor. I've gotten used to Senator Warner all the time. You could create all sorts of controversy on --

GOV. WARNER: I know, all kinds of -- (Laughter.) Stirring the pot.

All right. Let's go again -- thank you, Senator.

Let me go again. I want to make a couple of points and we're going to want to make sure we leave time for questions.

Let's again start with the most basic, simple statement, which has been made by the Department of Defense and the Navy. Neither entity recommend either the closure or alignment of Oceana. We've heard that repeatedly. Again, I want to say I was very impressed with the Florida presentation. But what you heard

from the Florida presentation was a series of opinions, not certified data.

The Navy's assessment, based upon certified data, lists Oceana fifth in overall military value of any air station. Military value also includes all of the components of training. We've heard, and Senator Allen's already made mention, of Admiral Willard's comments, that Oceana remains the most effective location for a master jet base.

Obviously, the Navy's assessment of what it would take to deal with Cecil Field is \$1.6 billion. We've heard, as well, and I know you've reviewed, Deputy Secretary of Defense Gordon England's letter, that says there is no viable alternative to Oceana Naval Air Station. Period.

And a few days ago, you heard from the CNO, Admiral Mullen, after visiting Florida, again repeating his opposition to closing Oceana. In the words of the CNO, Oceana is the right master jet base for the Navy.

Now we heard a number of items coming from the Florida presentation, and these will be addressed by other presenters. But I think it is important that we at least highlight a couple of them.

Some of us were down at Oceana a few weeks ago when we heard from Admiral Turcotte who had served both at Oceana and at Cecil, where he said quite clearly, Oceana was the better facility.

We heard, as well, from young aviators who said, while there are problems, they didn't feel there was any degradation of mission.

We heard from the earlier presentation, comments about no encroachment in terms of air encroachment, when Admiral Turcotte said the absolute opposite. And as recently as July of 2005 in a DOD assessment of ranges and air spaces around Cecil Field, they said there was great constraint by commercial air traffic.

Again, with real data, we have, and you'll see a presentation a little bit later, that shows various FAA-based data of commercial flight patterns comparing Cecil and Oceana. The data is very clear in terms of which has more encroachment.

We heard, as well, a number of comments about Oceana constantly being referred to as a 5,000-acre base. The accurate number is 6,800 acres and an additional 3,600 acres of easement at Oceana, almost double what was referred to in the earlier presentation.

Another item that has been raised was the question, for example, of schools. Well, our data shows that actually within the flight path between getting to the area where you need to train, yes in Oceana, there are seven schools. In Cecil, 26 schools.

So what we have here are conflicting data. One set of data that has been certified by the Navy. Another set of data that has not.

We believe that the certified data is the way to move. I think, as well, to take the step of re-opening a facility that was previously closed, what signal does that send to communities around the country who have spent time, effort, and dollars trying to take previously-closed BRAC facilities, and turn them into commercial purposes?

And if we are going to be looking at new facilities, in terms of green fields, again, the Commonwealth of Virginia has put forward in the past, and again we've always continued to support the Washington County outer landing field in North Carolina -- we have a 42,000-acre facility at Fort Pickett that the Navy has made an assessment could be turned into an OLF facility for \$50 million. So if we're going to, in effect, open the bidding for potential sites, we and I'm sure other states and locations, would like to put forward presentations and proposals.

Again, the dollars we've heard -- \$1.6 billion from the Navy in terms of what it would cost to potentially re-open Cecil.

Now we have heard, loud and clear, your concerns about encroachment. We heard it from the first session. And we feel like we have not simply sat back and listened; we have acted. Back in 2004, the state legislature acted to make sure that the

Navy had a seat at the table in terms of all future land-use decisions. In 2003, I believe it was the joint land-use study. And you'll be hearing again from certain local officials in terms of making sure that on a going-forward basis, we're going to do a much better job.

There's one particular issue that I think has -- that the Navy, I know, has stuck in the craw of the Navy. And I think, perhaps, even a few commission members. The 10-story condo building that was in the flight path. Well again, we heard your message loud and clear, and the state, in conjunction with the city, has bought out that developer. Not a promise, it is under contract. That building will not be built as Oceana continues in Virginia Beach and in the Commonwealth of Virginia. As a matter of fact, on the same day that action took place at the city council level in Virginia Beach, five other properties were put on the list to start negotiating to buy out those rights as well. And again, the mayor will make further comments in a few moments about dedicating part of the real estate tax to generate even more funds, in terms of prohibiting further encroachment.

Again, I might add, in terms of getting rid of the condo, that was \$15 million cold, hard cash that we put forward.

In addition, you'll hear from others who will lay out what the state will continue to do to promote the close relationship that has existed for a long time between the Navy and the armed

forces and the Commonwealth of Virginia, the hundreds of millions of dollars that we've put forward in terms of improvements around Oceana. As a matter of fact, we now have -- I heard the Florida proposal -- we have a \$500 million Virginia housing development authority proposal for military families to help them buy at below-market rates housing in the Hampton Roads area. Again, one of the reasons why you hear constantly from military families of the value of why they love living in the Commonwealth of Virginia, and more specifically in Hampton Roads.

You'll hear in a moment from Delegate Terri Suit about further state legislative action that we will be taking to make sure that the encroachment will be further restricted, and again more we can do to make sure that what has taken place is, in effect, not only the line is drawn, but we actually even move further back.

I have before me letters from legislative leaders in the House and the Senate supporting this legislation. And since Virginia still has that antiquated one-term gubernatorial restriction, I have a letter from the two gubernatorial candidates who are currently running, supporting that legislation.

Again, following up with what Senator Allen has said, I believe at the end of our hour, you will hear quite clearly what the Commonwealth of Virginia has been prepared to do to stand up

and support the Navy and the Defense Department's recommendation that Oceana remain the site for the master jet base.

I would like to very quickly, before I turn it over to one of our first military presenters, also recognize that we have here Senator Ken Stolle, one of our general assembly's leading experts on public safety and who represents Oceana, who has got a statement for the record. Delegate Terrie Suit, who you'll hear from for a few moments, will talk about additional legislation she's putting forward. Delegate John Cosgrove, a former vice-mayor of Chesapeake. Again, we've spent a lot of time talking about the beach. As you all know, realize Fentress is actually in the city of Chesapeake, and has strong support for Oceana and Fentress. We also have council member Debbie Ritter, who chairs the joint land-use study policy committee. And given the importance of the joint land-use efforts, I'm very, very pleased for her leadership and the fact that she's here, as well.

I'd now like to call upon for our first briefer, retired captain -- retired Navy captain, Steve Mondul to present some facts that further underscores our position.

Steve?

MR. MONDUL: Thank you, Governor.

All of the information which I will be presenting are certified facts. We have back up for every single of the slides, every piece of data, and we'd be happy to provide that to you, or

your staff, upon your request. And I was sitting in the back and couldn't help but understand that the Florida consulting group raised some questions. And some of the data seems to conflict. It does raise questions. Everything in this presentation is certified facts.

I would like to refresh your memory about this, and my only single comment on this is that there was an allegation made about the scoring between Oceana and the former Cecil Field. That was, as I think you probably know, the scoring -- the initial scoring -- was the result of a unfortunately a calculation error by the Navy. That has been since corrected.

What I'd like to go over today is Oceana's military assets, our unfettered air space, the joint training environment, the proximity to the fleet and fleet support and the safe access to offshore training ranges. All of these considerations save the Navy operational costs for fuel and time.

MR. PRINCIPI: Captain, excuse me for just a moment. Were you sworn when the others were?

MR. MONDUL: Yes sir, I was.

MR. PRINCIPI: I just wanted to make sure. Thank you.

MR. MONDUL: I was back here --

MR. PRINCIPI: No, I -- they raised the question, and I wanted to make sure.

MR. MONDUL: I was.

MR. PRINCIPI: Thank you.

MR. MONDUL: I'll do it again if I need to.

I'd like to look at Naval Air Station Oceana Virginia Beach. Here are the general facts. I believe you have these slides in front of you in folders.

MR. PRINCIPI: Steve, get your mike up a little bit closer.

MR. MONDUL: I'm sorry.

This is Naval Air Station Oceana. I believe you have the slides in front of you in the folders. I would particularly like to invite your attention to that we have 200,000 -- 200,000 square feet of new and existing facilities constructed or modified to support the closure of the former Cecil Field.

We also have an engine test enclosure, which is known as a hush house, that is very important construction for the ambient noise around the base.

Here are the data on the former Cecil Field. And I would invite your attention to the last bullet.

The slide emphasizes the fact that there, in fact, is growth near Cecil Field and encroachment upon it.

Oceana provides superior fleet support. In particular, NOB Norfolk is not encumbered by ESQD or reactor safeguard clearance considerations.

The outer landing field Fentress is less encumbered than the former Cecil Field's outer landing field of Whitehouse. And on

this overhead you can see housing development directly to the south of Whitehouse.

Oceana, as you can tell, is much closer to the ocean than the former Cecil Field is. What this provides, and my aviation expert here will address this later, is that you're almost wheels up, feet wet right away when you take off from Oceana. Then you have complete tactical flexibility for multi-mission tasking right away off the end of the runway. That's not true from the former Cecil Field.

Air-to-air training a range -- NAS Oceana has a closer air-to-air training range.

TACTS range -- Naval Air Station Oceana has a TACTS range that integrates with the dam neck -- that the -- excuse me.

The dam neck former fleet anti-air warfare training center, and I'm an old Navy guy, and that's what I remember it as. That's where we do all of our shore training with our systems devices, and the interaction is synergistic with Oceana when you can do that. If you remove it from Oceana, it is no longer synergistic.

Cecil Field uses Beaufort Tactical Aircrew Combat Training System, which is 52 miles away, and that's a roughly equivalent distance.

Oceana has a larger air-to-ground inert ordnance range at Dare County.

MR. PRINCIPI (?): Go ahead.

Military housing. Oceana has 932 officer enlisted housing units. The former Cecil Field has none. You've got to either transfer to Jacksonville or decommissioned. In addition to that, as you can see by the note below here, the Centers for Disease Control has found that there may be a future hazard for unexploded ordnance in areas which might be constructed for housing at Cecil.

This slide represents a public health assessment by the CDC about environmental issues for future inhabitants of Cecil Field housing areas, particularly lead-based paint, asbestos and pollutants. The former Cecil Field is a Superfund site. The report to the Congress from the Department of Defense states that the special-use air spaces at Cecil are constrained by commercial air traffic. I've got a couple of future slides that'll show you that graphically.

These two slides illustrate the FAA flight routes. This is the former Cecil Field. This is Naval Air Station Oceana.

GOV. WARNER: Here, I might mention again, this was a point that was constantly made by -- in our visit to Oceana by all of the aviators and military officials there of the tremendous value that Oceana had in terms of the unencumbered air space versus the very encumbered commercial air space around Cecil.

MR. MONDUL: Next one. We talked about schools within flight paths. If you're going directly from the ocean, as you can see, there were seven schools, as the governor mentioned at Naval Air

Station Oceana. If you went from the former Cecil Field, you would overfly 26 schools.

There's less hazardous weather at Naval Air Station Oceana.

MR. : Although I would count Isabel as -- maybe not made landfall in Virginia Beach, but Admiral Gehman and others were around. It was a hassle.

MR. MONDUL: Yes, sir. Hurricanes do affect Virginia but they don't make landfall here.

Turning to critical infrastructure, and to clarify, this critical infrastructure is, as designated by the U.S. Department of Homeland Security or the U.S. Department of Energy, the data comes off of the Department of Homeland Security's IMAP mapping data system.

Fly from NAS Oceana to operation areas, there is no critical infrastructure overflow. If you flew from the former Cecil Field to sea, you can see that there are numerous pieces of critical infrastructure, including a stadium, malls, oil tanks and chemical facilities.

Turning to quality-of-life issues, Naval Air Station Oceana area has superior quality-of-life issues for military families -- schools, higher education, crime levels and health status. I'll go through each of those very briefly.

There's outstanding public schools. There's higher education, continuing education. Next. There's crime. And here's public health measures.

I thank you, Governor.

GOV. WARNER: Thank you, Steve. And again, I think that you're seeing there, beyond some of the quality-of-life issues, are the air encroachment, the environmental issues, which could prove to be very, very significant, that have - I'm not sure whether the \$1.6 billion that the Navy has assessed includes the potential environmental Superfund costs or not.

With that, I will move over to Meyera Oberndorf to make comments about recent actions by the city of Virginia Beach.

MAYOR OBERNDORF: Thank you, Mr. Chairman and commissioners. Thank you very much for allowing us to be here.

Let me say, we value the strong relationship we have with Oceana, and we will do whatever is necessary to preserve that relationship. In 1992 when a member of the BRAC commission said to me, "What would you do if I told you there are two schools in the APZ zone?" I looked up and said, "We'll move them." And we did exactly that. We spent \$22 million to move the schools, and later found out that they weren't in the APZ area. But we wanted to make our commitment. Our word is our bond.

In the recent past, we've taken other strong actions to preserve Oceana. We removed 205 by-right development units from

around Oceana thru-road projects. We spent \$22 million to purchase approximately 7,000 acres under the agricultural reserve program, a portion of which is located in the inter-facility traffic area. And, by the way, that was pointed out by the base commander as one of the most critical things that the Navy thought.

We are spending millions to provide sound attenuation around Oceana. We're spending more than \$15.5 million to acquire 311 acres of right-of-way for highway projects in noise-zone areas greater than 65 decibels.

Let me state unequivocally, in the strongest possible terms, that our entire city council, our general assembly delegation and our congressional delegation are united on this issue. We are dedicated and committed to the preservation and the future of Oceana.

I hope that you heard Governor Warner when he was gracious enough to tell you that last Tuesday the council voted to spend \$15 million to buy the near-post condominium development, which has been a lightning rod for our protection of Oceana. You've heard about the joint land-use study and that we will go to unprecedented efforts to dedicate part of our local real-estate tax to buy land development rights near Oceana, particularly within the inter-facility traffic area. And the Navy has

identified this, as I said before, as the number one priority for protection.

Over the next 20 years, we will invest, on an annual basis, about \$161 million to continue to buy up the rights. The Virginia Beach city council has listened to your concerns. They have heard the wakeup call. We will continue to host the bravest men and women and their families in our area with the high quality of life that we can offer them.

And just one final note. You've frequently talked about naval aviators concerned about some of their training. But at your behest, when you asked the questions in Virginia Beach, you were also told that they go by the same syllabus whether they're on the West Coast or the East Coast and that our pilots have come out with a sterling record no matter what. So for the sake of naval aviation and national security, for the sake of our fighting men and women, for the sake of those concerned about fiscal responsibility and for the sake of those who value freedom, we implore you to please keep NAS Oceana open as the Navy's East Coast master jet base.

Again, thank you for allowing me to be here this afternoon.

GOV. WARNER: Thank you, Mayor Oberndorf. Now we're going to hear from Delegate Terrie Suit about new additional state legislative action.

DEL. SUIT: Thank you. I'm Delegate Suit. I represent the areas that encompass Oceana, as well as the southern part of Chesapeake, which is south of Fentress. I live in the 79-decibel zone at Fentress, and we don't mind it.

Chairman Principi has repeatedly and explicitly expressed that the encroachment issue is the reason that you put Oceana up for consideration. Virginia Beach has, over the last two years, worked with the Navy on adopting policies to curtail encroachment. I was present at the August 1st and the August 4th meetings with the three voting members of the commission, and it was very clear to me that while the city has represented the changes that they're making, there was a lack of confidence from the commissioners that there would be permanency and longevity to these changes.

In Virginia, land-use decisions are historically made by local government. But there is nothing to preclude the state from mandating those changes and creating those changes in law so that there is permanency and longevity. After the August 4th hearing, I met with the mayor and with the city attorney, and I consulted with my colleagues, Senator Stolle and Delegate Cosgrove, who are here, as well as the speaker of the house, the president pro tem of the senate, and others, the governor's office, and developed a framework of legislation that would provide permanency to these encroachment-curtailling policies that the city is moving forward.

Since that time, I have circulated that draft legislation or that framework to all of the returning members of the House and the Senate. I have a majority of votes in the House and a majority of votes in the Senate that have come in to me by e-mail and by calls over the last three days, and this package will pass.

I've sent you all a letter individually outlining the package, but I'll tell you just very briefly, we have state-mandated zoning controls to address future zoning changes and keep them in compliance with the OPNAV instruction. We have a comprehensive requirement for an evaluation of all existing zoning and a requirement to change zoning where it is constitutionally viable to do so. We have a purchase-of-development-rights program in the accident potential zone to take care of purchasing from willing sellers' properties that are in conflict -- that are already zoned but are in conflict with the OPNAV instruction.

We have an inter-facility traffic area purchase-of-development-rights program. So that brings it to three programs - the one the mayor spoke of earlier that already exists, that recently bought over 300 acres of development rights outside of Fentress, right across the street from me, as well as the inter-facility and the accident potential zone programs.

We have legislative staff reviewing all of the recommendations from the joint land-use study that was done over the last two years with the Navy, and we're going to be

identifying and codifying any additional items that we possibly can out of that study. And we have a very successful in Virginia military advisory council with members of the different bases and installations that works closely with our elected members on issues that are important to the military.

And as a subgroup of that, legislatively we will create an Oceana-Fentress advisory council consisting of members of council, COMNAV mid-Atlantic region, the CO of Oceana, and the legislative general assembly members who represent those installations, so that we can continue ongoing dialogue and make sure that we are addressing future issues on a consistent basis.

Over the last few days we circulated this legislation. We have significant support. It will pass, and it will make sure that the city's policy changes will be solidified and will be permanent.

I'm not a high-paid consultant here before you today. I'm a Navy wife of nearly 16 years. And I ran for this office, and I won it a few years ago because I believed strongly, having grown up as an Army dependent, that our military families needed to be involved in the policy decisions of our civilian communities where we reside. I earn a whopping \$17,000 as a state legislator, so there's no money motivation to testify before you here today.

Training, not just adequate training, but superior training experiences, increase the odds that our service members will come

home alive. It's important, and it's important that we do this. And I know it's important, because I have experienced, as recently as six weeks ago, the agonizing hours of waiting for either a call to deliver good news to me or perhaps a knock at the door by the CACO officer.

I was one of the lucky wives. I got the call with the good news. And I can assure you that I'm going to do everything in my power to make sure that the military families I represent never have to experience those agonizing hours and have surety that they will only get phone calls of good news.

You can have confidence that the encroachment issue is addressed. We are taking care of it. It is the only reason you put Oceana on this list. Please know that we are motivated by the same things you are motivated by. We are going to take care of this issue. It is going to be permanent. And you can take Oceana off the table.

GOV. WARNER: Thank you, Delegate Suit. Again, that legislation, the letters that I have from the gubernatorial candidates, the leadership that Delegate Suit indicated, the \$161 million, the fact that the 10-story condo -- we bought out the developer -- we have taken action.

Now let's hear from another one of our military experts to address some of the training issues. Captain Granfield.

MR. GRANFIELD: Thank you, Governor, chairman, commissioners. My name is Phil Granfield. I'm a retired Navy captain and naval aviator with 26 years of experience flying F-14s, F-4s and F-18s, with about 4,000 hours of flight time and over 1,000 carrier-arrested landings.

My tours include 10 years of experience as a landing signals officer, training young naval aviators how to train to and fly aboard the aircraft carriers. In my last operational command, I was commander of Carrier Air Wing I, stationed at NAS Oceana, where I was responsible for the tactical training of eight squadrons, to include three F-18 squadrons at Marine Corps Air Station Beaufort and an F-14 Squadron at Oceana.

I have flown tactical training missions from Oceana, from Cecil Field and from every other tactical training base the Navy owns, as well as Atsugi, Japan, where encroachment is a serious issue as well.

Also I'd like to point out that as a private citizen, I have not been paid to come to testify before you today.

Training naval jet aviators from any airfield demands a few things: Easy access to restricted air space or military operating areas; ground ranges; runways for field carrier landing practice; and proximity to carrier-at-sea space.

Each tactical aviation training base that we have has certain restrictions in one or others of these. There is no perfect

location for a tactical training base. However, access to each of these resources is excellent at NAS Oceana, and they all provide quality training for our young naval aviators.

The over-water ranges from Oceana are simple to get to. There is no interface with the FAA. You go straight from tower to approach out to the warning area. You don't even have to talk to an FAA controller. That's the same with getting to the air-to-ground ranges.

The coastal ranges in coastal North Carolina provide great access to joint training, not only inside the tactical aviation community but with E-2s, the ground forces in the Marine Corps, special operating forces, and the Air Force as well.

The restrictions to encroachment at Oceana are similar to restrictions at every other base that I have flown from, and they require procedures for mitigation. The current operating conditions at NAS Oceana, to include flight patterns and altitudes which have existed for decades, do not degrade aviation training. They do require diligence and dedicated training to abide by, just as every other aspect of naval aviation operations from every other operating location.

With respect to field carrier landing practice, FCLPs, there is no perfect location to conduct FCLPs. Every tactical aviation base and outlying field comes with its own pluses and minuses with regard to simulating a real carrier landing. (Pattern?)

altitudes, (pattern?) procedures, pilot sight picture, power settings, wind conditions, light conditions are all different from one base to the other. And none of them are exactly like flying aboard an aircraft carrier, to include White House and the right-hand pattern that is flown at night by the F-18s before Cecil Field was closed.

Incidentally, the pattern altitude restrictions at Fentress of 800 feet being 200 feet higher than the 600-foot pattern at the ship are self-imposed by the Navy and done to preclude noise, but we could fly 600 feet if the Navy deemed it was required. We don't deem that it's required for training.

However, the key ingredient to a successful carrier landing training is testing the pilot's response to the visual landing aid, or the meatball with power and flight-control inputs. How a pilot flies the track over the ground to acquire that meatball visually is not as critical as how he flies that ball when he can see it. And that procedure is the same at every facility that we use.

During my tours as senior landing signals officer on the West Coast, I conducted an analysis of training disqualification rates between each aviation community and where they did their FCLP training. My conclusion, after studying those conditions and restrictions of the widely varied FCLP facilities at each base and each OLF, was that the FCLP facility was not a factor. There was

no statistical difference between the performance of pilots, either young or experienced, when they flew aboard the ship based on where they conducted their FCLP training. It wasn't a factor.

Secretary Skinner this morning suggested that the former Cecil Field might be reopened as a result of his visit yesterday to be resurrected as a master jet base. Cecil Field provides less military value, more risk, less synergy, extensive cost, and tremendous turbulence and uncertainty when compared to what we already have at NAS Oceana.

Limitations imposed by the commercial air traffic in the area of the former Cecil Field represent a deviation of military value that should cause this discussion to be dismissed. It's easier to fly in and out of Oceana than it is Cecil Field to get to the over-water air space. The cost of this effort and the ramifications to future fleet readiness and fleet modernization make this a risky proposal.

In summary, the encroachment issues at Oceana and at Fentress need to be addressed. The commitment by the community and by the Navy to address the outlying field issues have been stated here today. However, in my professional judgment, and based on my extensive background in tactical aviation and carrier operations, the current conditions at NAS Oceana do not result in a degradation of training. Oceana remains the best place to do

tactical aviation training on the west coast -- I'm sorry -- on the east coast of the United States.

Thank you very much for your time, sir.

GOV. WARNER: Thank you very much. We'll now hear a final presentation from Congresswoman Thelma Drake, and then be happy to take any of your questions.

REP. DRAKE: Thank you, Governor Warner, Chairman Principi, commission members. Thank you for the opportunity to address you.

To begin, we have heard varying numbers on the costs associated with moving and reopening a Cecil Commerce Park. The Navy estimate is \$1.6 billion. On Virginia's behalf, I request the commission share with us the Navy's certified data on which the commission's estimate is based. I believe it is incumbent upon us to return to the primary factor that is to be used in the decision-making process in BRAC. That primary factor is military value.

Secretary Rumsfeld has stated, first, as required by law, the primary factor in each BRAC decision has been an assessment of any installation's underlying military value. This was echoed by General Richard Myers when he testified before you on May 16th.

Our senior senator, John Warner, chairman of the Senate Armed Services Committee, and a key drafter of the BRAC law, wrote this week reminding the commission that Congress, working in concert with the secretary of Defense, directed that military value be

given the greatest priority in the selection criteria during the 2005 round of the BRAC closure and realignment.

For the purpose of review, Oceana is ranked first out of 36 in military value for operational infrastructure, eighth out of 36 for operational training, and sixth out of 36 overall for Naval and Marine Corps air stations. The military value of Oceana is comparatively very high, and it demonstrates that Oceana provides quality training for our Navy pilots in a quality environment.

Testimony from the Department of Defense and the Navy has consistently stated that Oceana is the Navy's best option for its East Coast master jet base. Just this week, during a visit to Mayport Naval Station, Chief of Naval Operations Admiral Mike Mullen stated, "I testified before the BRAC commission a few weeks ago, and my position then, as it is now, is that Oceana is the right master jet base for the Navy. There are some challenges there, encroachment being a very specific one, but I'm comfortable that we are able to minimize any sort of risk associated with the training and that Oceana will serve us well into the future."

Admiral Mullen has made it clear that it is the Navy's policy to maintain Oceana as the Navy's East Coast master jet base. Admittedly, Admiral Mullen is correct in saying we have some encroachment issues at Oceana. However, these are issues the city of Virginia Beach, the city of Chesapeake and the Navy have been addressing, as you have heard today.

The concerns of the commission over pilot training are valid. But I should point out that the impact on training is considered an element in determining military value. By definition, the issues at Oceana have not diminished the training and readiness of our Navy pilots to the degree that military value is significantly impacted.

What is important is what takes place in the sky, inside the aircraft, and the evolutions that our pilots go through to ensure they are fully capable to defend our nation and project legal power forward in support of our military operations.

I believe when all facts are considered that you will agree with the Department of Defense and with the Navy and determine that Oceana best meets the mission of an East Coast master jet base. And I thank you.

GOV. WARNER thank you, Thelma. Again, Senator Allen wants to make one more comment. Again, let me come back to what we think are our major points. The Navy and DOD says Oceana is the best. The certified data ranks Oceana sixth in terms of Marine and naval air station, fifth in terms of overall air stations in terms of the military value, using certified data.

We've heard you loud and clear on the encroachment issue and we have taken tangible, specific action. To introduce at this late date, without certified data, the potential of other sites that may have environmental issues, that have clearly issues about

air encroachment, do not look at other potential sites if we're going to, in effect, open it up for possibilities like Fort Pickett and others, 42,000 acres, \$50 million price tag, as opposed to the \$1.6 billion, a lot of questions that need more time than late action in the BRAC process.

We respectfully request and recommend that taking the actions that Virginia and the city have taken and the military assessments made by DOD and the Navy, that we take this as a lesson. But we look forward to a long and continuing relationship between the Navy and Oceana.

Senator Allen.

SEN. ALLEN: Thank you, Governor. Sir, put on the civilian aviation charts, Virginia Beach versus Jacksonville, if you would, please.

Mr. Chairman and members of the commission, Delegate Suit said it correctly. The main concern through all of this matter on Oceana has always been encroachment. But for the encroachment, if you look at the military-value factors, proximity of the fleet, proximity to the fleet is important. Absolutely it's helpful for efficiency and readiness.

Sure, you can ameliorate it one way or the other. You can fly 400 or 500 miles. But why do that when you need to have a rapid deployment, especially in this global war on terror? And the president's first question any time there's a problem is

"Where are the carriers?" And so that is important. There's a great military value.

The joint training with Langley Air Force Base, that's very key to have dissimilar planes. It's good for training of both, both from out of Langley as well as Naval Air Station Oceana. The special mission -- don't forget that special mission, which only can be done at the specific site. And we can't right now talk about that classified aspect of it.

Then you get to air space. You talk about encroachment on the land. There's encroachment in the air, which actually probably means a whole heck of a lot more to a pilot, because that's where in the heck the naval aviators are -- in the air. And they'll have all sorts of different landings -- sometimes on carriers, sometimes on outlying fields, which will be ameliorated even more with the new outlying field, most likely in North Carolina or elsewhere.

But here you have this conflict with civilian aircraft. This is one of the reasons why, in 1993, the BRAC commission demoted or voted against, decided against what is now the Cecil Commerce Center, but Cecil Field. This is something that cannot be ignored. In fact, what happens is the pilots, when taking off through there, have a very narrow altitude they need to go through. It's a different situation also with the hurricane

season, storm seasons. And, in fact, there's even a change in the civilian aircraft if there are thunderstorms.

All of this ends up reducing the amount of time the pilots, when they were flying out of Cecil, could actually be in training. This is a significant matter. So that's why Admiral Willard once again this morning talked about the uncertainty of moving to Cecil. He talked about the air encroachment as an issue, and he talked about the cost.

Now, the only certified data is it's \$1.6 billion, and the payoff is over 100 years. And there are a lot of good business leaders right now on this commission, and if you were making an investment, whether for yourself or your company, you're going to get a payoff in over 100 years, the shareholders would vote you out. You want to get a payoff generally in the private sector of six to 10 years. Ten years would be about as long as you want to go.

So this is a great uncertainty. And so, for the military value and for the taxpayers, it's important to keep Oceana open, and also recognize that the only burr under the saddle for all of us, and particularly you all, was the rezoning issues, in particular this high-rise.

Well, the city council of Virginia Beach has taken an unprecedented move. They've removed that burr from underneath the saddle. And they've also promised, I think very credibly, that

they'll keep (curring?) that Oceana horse in the future so there won't be any more burrs under the saddle, and Oceana will continue to serve our country. And in Virginia Beach, you'll hear the people saying, "That's the sound of freedom."

Thank you, Mr. Commissioner, members of the commission. We'll be happy to have any questions.

GOV. WARNER: Mr. Chairman, we'll be happy to take any questions.

MR. PRINCIPI: Thank you very much. I'd like to start questioning about training. Captain Granfield -- is that correct, sir? We've heard directly from Oceana-based pilots, as well as we've read in the Virginian-Pilot, statements by your former colleagues about the problems with training at Oceana or Fentress, especially the altitudes imposed.

We now hear from you that this is a restriction imposed on Navy pilots by the Navy and not by the community. Are you telling -- are you saying that the Navy views noise more importantly than realistic training? And I simply don't understand. I would have thought the community would have imposed that restriction on the Navy rather than vice-versa.

MR. GRANFIELD: Sir, the community will allow at OLF Fentress to fly at 600 feet, which is a standard carrier landing pattern altitude. However, we choose to fly at 800 feet to mitigate some of the noise, and we view that that's an adequate tradeoff.

MR. PRINCIPI: But some of the former pilots we talked to said it's not a good tradeoff; that consistency and habit are so important. I think one described it as like practicing with a 10-foot basketball hoop and then going to eight feet. And that's what I don't understand, trying to reconcile what these pilots have said with what you've said.

MR. GRANFIELD: Sir, I'll stand on my experience, having over 1,000 carrier landings, having spent 10 years of my career training pilots how to land on the ship. I've operated from all the bases we've had and I have studied the impact of the FCLP procedures at all the fields that we had back in the '80s, and I determined that it didn't matter. None of them completely replicate how to land on a ship. The best --

MR. PRINCIPI: If you could, would that be important?

MR. GRANFIELD: In my view, no, sir.

MR. PRINCIPI: So you don't need an outlying field?

MR. GRANFIELD: The outlying field should be as dark as you could possibly make it. It should replicate the carrier pattern as well as you can. However, the statistics show that it doesn't show up once they actually get to the ship. There is no statistical difference between the capabilities of the pilots when they get to the ship based on where they trained.

My experience was also on the West Coast, where we had San Clemente Island. We call it the rock. It's out in the middle --

it's off the coast of Southern California. It's very dark, and it's very like the ship. It was very good training.

I compared the results from the people that trained there to the folks that trained at Fentress, at White House, at Crow's Landing, at Coupeville up in Whidbey Island. And the training aspects didn't matter when it got to the ship.

What mattered was the ability to react to the visual landing aids that make the power and the flight control directions they needed once you saw the ball. The pattern itself and how you got to that was not as important.

MR. PRINCIPI: Thank you, sir.

Any questions?

Commissioner Coyle?

MR. COYLE: I have a question for Captain Granfield, also.

Captain Granfield, it's good to see you again.

MR. GRANFIELD: It's good to see you, sir. You have a couple of carrier landings yourself, I take it.

MR. COYLE: But not 1,000. As you know better than anybody, I'm no pilot. But I did have the honor and privilege of working with you for a few years, and from those years, I learned that you were a person of the highest integrity and someone that I could count on to always tell it like it is.

But not being a pilot, we've had testimony that these flight restrictions are very important, that 200 feet or 400 feet or other differences in attitude really make a difference.

And I take it your testimony is, they're not so important.

Can you explain why they're not important? Why is it that these kinds of differences aren't important?

MR. GRANFIELD: The critical part to the carrier landing is the last part, once you see the visual meatball approach. As was testified to earlier today by Mr. Leenhouts, there is a difference in how you get from the pattern altitude down to that position. And you have to make those corrections based on the pattern altitude that you fly from.

But our experience has shown over the years, we fly at different attitudes at different bases, and it doesn't make any difference. Once you get to the point of flying the ball is what matters.

Again, in a perfect world you would do your FCLP training off of a carrier, perhaps anchored off the coast on a dark night that would simulate the ship the best. We do the best we can with the outlying fields that we have.

Again, at Fentress, we could fly lower; we choose not to. And it has worked in the past over the last several decades at Oceana, and I suspect it will continue to work.

That being said, the encroachment issues need to be addressed, and the outlying field options at Oceana are being pursued and will alleviate some of that problem.

But in my opinion, based on my 1,000 carrier landings and 26 years of experience, the pattern that you fly and the FCLP pattern is not as important as the final part of the landing.

MR. COYLE: And if I could just follow up, if we were to imagine that the fields where Navy pilots practice carrier landings were perfect and there were no flight restrictions whatsoever of any kind, and therefore, every single landing could be conducted within feet, each one to the next, would that be good or would it be bad? Would it actually hurt the ability of pilots -- affect the ability of pilots -- to adapt to unusual situations that they might run into at sea?

MR. GRANFIELD: There is no perfect FCLP facility. In my experience in Japan, we used to fly to Iwo Jima, 650 miles away from our home base. And we flew at that island, which was very much like the ship, very dark. Again, very good training, but still, the wind conditions were not the same in the ship. It's not moving. The pattern altitudes had to be different to avoid Mt. Suribachi. So even in those conditions, which were about as close to a carrier as you could get, it still is not like the ship.

But we found in experiences both East and West Coast, every base we fly at, everybody trains a little bit differently with their FCLP facilities, but when you get right down to it at the ship, everybody's training pays off and they perform well.

There is no difference between, and the disqualification rates, based on how they do that training.

MR. PRINCIPI: Sir?

General Newton.

GEN. NEWTON: Thank you, Mr. Chairman.

Ladies and gentlemen, let me just cite what I think are a few facts.

One, this is not an issue that this commission dreamed up. As a matter of fact it was the Navy who really pointed this out in the CNO testimony, in our very first meeting with the department. So I tend to think folks think that we are looking for work. I can assure you, that is not the issue here.

So this is not one of ours that was brought to the table; it was one that presented itself if we were going to do our jobs, which we were assigned to do by the law. That's why we're sitting here today. That's point number one.

Point number two, reference flying and tactical flying. If we're to fly at a differently altitude, and that's all okay, then let's change the flight manual to do that.

So the fact that the Navy spent a lot of time studying this, and the former CNO said if I could have gotten Moody Air Force Base I would have moved there, leads me to believe that there must have been a serious issue that we're dealing with.

So even going to build another airfield, another OLF, tells me that we're not meeting the requirements with the facilities which we have today. There was this -- our responsibility was to go out and study this issue, and in doing so, there were a few options that were presented to us, and we have explored those possible options.

So the question is probably to our aviators. I notice your colleague letting you answer all the questions here, and that is probably okay. But the idea that it is no risk and that to fly these patterns at different altitudes -- just absolutely no concern, I have a problem with that, having flown 4,000 hours myself in fighters helped me.

MR. GRANFIELD: Yes, sir, I'll reiterate again, to me the critical part of the carrier landing training is the final portion of that landing. Whether or not you start that pattern altitude at 600 feet or 800 feet or 1,000 feet, which is the pattern at Oceana, does require you to fly the aircraft differently with different power settings to get to where you need to be to get to the start of your visual landing pass. There is no disputing that.

The point I'm trying to make is that at the end of the day, when the pilots are ready to go to the ship, that doesn't matter. We've demonstrated over decades of flying these patterns at Oceana and at Fentress that it works.

The fact that the pattern altitude at White House Field is different, and it was different back when we flew at NAS Miramar, and different when we flew out at San Clemente Island -- they were all different. But it ultimately resulted in good training. It was not a degradation of training in my view. And there was no fact that could be pointed to -- a mishap rate, a disqualification rate, pilots at the ship -- that can be directed to the FCLP procedures.

At night at the ship we fly carrier-controlled approach, a straight-in approach pattern. But that's not replicated at the FCLP facilities that we use. So the training is different than the ship. And it's training at each -- it's different at each base. Each base has different lighting conditions. The wind is different. It's different than it is at the ship.

We simulate the best that we can, and the facts at the end of the day report that the pilots who "disqual" in different communities from training on the East Coast or the West Coast cannot be directly related to how they did their FCLPs.

In a perfect world, would I develop -- if I was to design an FCLP field from scratch it would probably be on an island in the

middle of the ocean that you could turn into the wind. We can't simulate that at any FCLP facility. It's a training limitation.

And each field has its own limitations, and in my view, at the Oceana and Fentress situations have not degraded to the point that they are negative training.

Despite the fact that the pattern altitude at Fentress are different -- and at Oceana are different than they are at the ship. That's true of every base that we fly out of.

GEN. NEWTON: Okay. I guess we're going to just disagree. And I would term that slightly different.

I understand what is going on, because we do it at other places, where we accept something other than the ideal way to fly patterns or to train. However, that would be characterized as not a degradation to training, but an acceptable risk. I think that would be a fair statement.

MR. GRANFIELD: Yes, sir, I would agree with that.

GEN. NEWTON: Reference the \$1.6 billion that's been quoted several times. I have great respect for what the Navy -- the number the Navy gave back to us. But I'm telling you, if they could have gone to Moody Air Force Base, which they quoted to us before, in testimony, for around \$500 million, don't tell me it's going to take 1.6 (million dollars) to go to a field like Cecil. That just flat doesn't make any sense. That's all I'm saying.

GOV. WARNER: May I just, again, sir, I wouldn't want to try to second guess the cost estimates. We've seen some -- we've questioned some of the cost estimates in an earlier hearing, for example, at Ft. Monroe.

It's not perfect data. But we are trying to deal with the certified data that Navy and DOD has come forward with. They have also continued to make the point -- you raised the CNO's point. The new CNO, Admiral Willard, deputy secretary, have all said that we feel -- they feel that Oceana remains the best option.

I guess the point that I would like to make, we know what the warts are around Oceana. Late in this process to take and make a decision like that that would reverse the decades of planning that the Navy has put into Oceana, the investments the city and state have made, the plans for the OLF, the other alternatives for the OLF that we have put forward, at Picket and Chesapeake, to take another non-perfect solution that I think has been pointed out has clearly similar encroachment issues in terms of airspace encroachment, at least conflicting data about schools and about the level of on-the-ground encroachment, to make that choice with as dramatic ramifications it has, going against what the Navy and the DOD says, when you may not be buying another perfect solution, I think, again, argues in favor of Oceana.

MR. PRINCIPI: Secretary Skinner.

SEN. ALLEN: If I may, Mr. Chairman, if I may respond to General Newton's comments.

One is on the cost, all we know so far as cost is, is what these estimates are. And if you're going to question the Navy's costs, we ought to question, also, the uncertainty of any of the costs or projections from the Jacksonville area.

MR. SKINNER: Can I talk about costs? Because I'm going to agree with you that it's 1.6 billion (dollars), but are you aware that when the Navy computed the 1.6 billion (dollars), they assumed that there would be nothing but runways, and the buildings were useless -- the infrastructure was useless?

SEN. ALLEN: All I'm talking --

MR. SKINNER: No, I think this is important. So if you were to build a green field site, it would be \$1.6 billion, and that's estimates we've heard from other places.

We're not building a green field site.

They also analyzed Moody, which is not a green field site, but it is not a former master jet base on the East Coast; it's an Air Force base. And they gave us 400 million (dollars) -- 500 million (dollars).

SEN. ALLEN: Right, 500.

So therefore I think that the disconnect is not as much as you think, because the Navy's COBRA run was done on a one-way-only basis at Cecil Field. And if you haven't visited Cecil Field, I'm

sure Governor Bush would be delighted to have you come down, but you might not get out, but you could go down.

But you will see that there are facilities there as we speak that are comparable to the facilities at Oceana, and I visited both. So the disconnection is, I think, really what they ran the COBRA run on, and that's what this commission goes through in analyzing these numbers on a regular basis, Senator Allen.

So I agree with you, the COBRA run you're referring to may not be the correct COBRA run that showed the value of existing airspace.

SEN. ALLEN: If I may, Mr. Secretary, whatever the costs are we'll have to determine. Understand that the only reason that there is a concern about Oceana, generally speaking, that I've heard is not because of its unencumbered airspace or its proximity to the fleet or its special missions or the joint tactical training airspace. It's an encroachment.

The outlying field that is proposed in Washington County, North Carolina, is part of the basing of the F-18s, some out at Cherry Point, some obviously out of Oceana. And it was decided that's the best place to put an outlying field that's to be jointly used.

That's going to cost a certain amount of money, and will be built anyway, by the way, unless you're going to be moving --

GEN. SKINNER: If the courts will let you.

SEN. ALLEN: Well, the courts --

GOV. WARNER: That's why we've got Virginia alternatives.

GEN. NEWTON: I know you've got a good Virginia alternative.

GOV. WARNER: Forty-two thousand acres, \$50 million.

SEN. ALLEN: But they probably wouldn't be there if all you were doing is taking care of jets out of North Carolina for two wings.

But regardless, there is that. But when that is built, and maybe it will be at Ft. Pickett, wherever it may be, that will get the question that General Newton -- I may be promoting you, but you seem like a general to me --

GEN. SKINNER: (Inaudible) -- a big general.

SEN. ALLEN: Big-ol' general. That's what I thought he -- (inaudible). At any rate, you all were grinning at me when I called him general, as opposed to commissioner. Regardless.

The point is, is that that concern that General Newton had, it will be addressed at that new outlying field, regardless of whether it's Pickett or Washington County, North Carolina.

And to the extent that any of this was prompted for this commission that General Newton said, well, you didn't want to take on this work, the CNO then -- former CNO -- is the one who brought up concerns about Oceana.

Well, if you are going to be concerned about it, and started with it, the issue is then disposed by the present CNO, Admiral

Mullen, as well as the secretary of Defense, and so forth, all who say Oceana -- the issues on encroachment are manageable. It's not perfect, but they are manageable. So why spend even \$250 million of the taxpayers' money when you can get all the key attributes you need out of --

MR. SKINNER: Now, let me finish my questions, if I can.

Number one, there are some disconnects, and we're trying to sort through the disconnects. One of our jobs is to sort through disconnects on data, certifiable data.

In 1993 Cecil ranked -- was fifth out of nine East Coast bases with a rating of 8.0. Oceana was ninth of nine at -.9. We've got to figure out that connection, how we all of a sudden went from nine of nine to one of nine.

GOV. WARNER: I think that's what one of our briefers referred to, was the Navy acknowledged that there was a calculation error. Was that --

MR. SKINNER: That's correct, sir.

MR. SKINNER: No kidding.

GEN. NEWTON (?): -- you know, is that same certified data --

MR. SKINNER: Right, that same certified data you're relying on. But anyway, we rely on it when we want to. I know how that works.

But I just do point out the COBRA run at 1.6 was on a green field site except for runways, and the estimates, if you take the

existing infrastructure, which was just only abandoned in 1999, and since then, a million six -- a million two -- I mean 120 million (dollars) has been put into it, so you've got to take that into consideration.

I guess is, if there is no problem -- and I go to General Newton's question, if there is no problem, and we can basically operate, why are we spending \$160 million dollars for an auxiliary field in North Carolina?

SEN. ALLEN: The answer would be, Mr. Secretary, that that was part of the basing of the new F-18, some at Cherry Point, some at Oceana, and that is a decision to have that as a joint field for those two bases. And that was just a very recent -- last, I guess, two or three years, decision.

GOV. WARNER: And I think, Mr. Secretary, we all would acknowledge that, I think what the captain said, there is no perfect facility. And now OLF that the Navy has made the decision to build will improve the overall capability of Oceana by moving out of Fentress.

MR. SWINNER: So maybe it's a question of where we should spend to improve -- really I'd broaden it beyond Oceana, because you talked about things at Cherry Point. What is the best for naval and marine aviation on the East Coast?

MR. GRANFIELD: Yes, sir. I think I would --

MR. SKINNER: Yes. I think we're all talking about that, what's in the best interest of naval aviation and marine aviation on the West Coast.

And then one final question, and I want to make sure that we don't rely on this and it's not correct. I've been told, or we've had certified data, that fleet carrier landing practice is restricted after 10:30 p.m. at Oceana. Is that correct? If that is not correct, maybe the good captain can answer that.

MR. GRANFIELD: Yes, sir, as far as I'm aware --

MR. SKINNER: I'm sure Captain Leachouts will come here and answer it for you if you don't. I'm sure you know him. So the two of you can --

MR. GRANFIELD: I'll talk to him later on the way out.

MR. SKINNER: I'll bet. You can go head to head with each other in the hall here.

MR. GRANFIELD: Yes, sir. As far as I'm aware, there is a restriction imposed locally to not do any FCLP landing practice after 10:30 at Oceana. However, that is a restriction. In time of war, if we had to surge the carriers, I'm sure they could lift that restriction. It's just a regulation, and we do have to be good neighbors.

MR. SKINNER: I understand. I just didn't want to assume that if it wasn't correct and you were here.

MR. GRANFIELD: As far as I know, that's correct.

MR. SKINNER: So I wanted to make sure I was correct on that.

MR. PRINCIPI: Well, thank you very, very much.

I'm sorry.

Congressman Hansen.

MR. HANSEN: Thank you.

Captain, can I get -- Captain Granfield, can I talk to you again?

MR. GRANFIELD: Yes, sir.

MR. HANSEN: I appreciate that.

GOV. WARNER: I'm glad he's a volunteer, with this many questions.

MR. HANSEN: We'll be back to you, Governor.

Let me just say this, I agree with your statement, there is no perfect place. We'll never find one anywhere.

But you know, now I don't understand all the nomenclature of the Navy, even though I was in the Navy, the Navy air, but as a private pilot, let me ask you this. Congestion seems to be the big deal in encroachment. That's always the big deal on all of them. After 2 years on the Armed Services Committee I've worked on that for the Navy, the Air Force, the Marines and everything, and it is a real thorn in your flesh.

You know, you start out in a kind of remote area, and then a couple of gas stations move in, and then a couple of schools, and

before long you're surrounded. And I don't know how you get around that.

But as a private pilot, we would come down on the base -- well, let's say the downwind leg, the base leg in the final, and I guess whatever you call it is very similar to that.

On all of your areas there, what about that? On your downwind leg are you going over encroachment? By that, I mean schools, churches, people, homes, shopping centers, the whole nine yards.

MR. GRANFIELD: Yes, sir, the flight pattern at NAS Oceana does fly over Glenhaven Mall, home.

MR. HANSEN: The flight patterns, so that includes it all, downwind, final, the whole shooting match; is that right?

MR. GRANFIELD: Yes, sir, and that's true at Fentress, and I would argue that is probably true at every field except perhaps Naval Air Station Fallon in the middle of the desert, but --

MR. HANSEN: Coming from Utah, and my sister state being Nevada, I don't know if I'd entirely agree with your statement of Fallon.

But anyway, you get down to this thing, I think that there is some differences on that. Tinker Air Force Base in Oklahoma floated a huge bond to clear off the places on both of their final approaches, however which way the wind's blowing.

Hill Air Force Base did the same thing. I know; I was the state legislator that carried that legislation. And I've seen a number of them do it.

Now, the mayor has pointed out, and I appreciate that statement, that she is willing to put up the money. And also your delegate, that's great that you'll do that.

But you know, you've got certain rules. I mean, there are certain things, you just can't come in and kick people out. Planning and zoning can keep them out to start with, but you just can't go out and arbitrarily say, we don't like where you're living.

I guess if you can put up enough money to entice them to go you could do that.

So if you're stating that you now have a situation where you fly over congested areas on your entire traffic pattern there, then someone has got a big job ahead of them and a ton of money to do it.

Is that right, Mayor?

But you're willing to put it up and try it. Tell us, if you would, briefly, how you would do it? I mean, I -- of course, money is the great incentive of the world. I understand that. It even says that in the Bible. So let's hear what --

MS. OBERNDORF: To be very candid, I'm not talking about buying existing homes. What we're talking about is buying up the

development rights on land that has yet to be developed in the inter-facility transport area.

In the ability to be able to go out and buy up homes, we have talked about buying up homes that are willingly made available to the city to purchase. But at this point, obviously, the many people who live near the base have explained to us they chose to live there. They have their jobs there. They want to be within a close area so that they did not have long travel and the like in order to get to their jobs.

They do not feel that Oceana is any sort of infringement on their lives or the lives of their families.

There are some people in Virginia Beach who do complain bitterly about noise, but they are not the people that are living right up near the base.

MR. HANSEN: Are you're talking of willing sellers?

MS. OBERNDORF: Yes, sir.

MR. HANSEN: Somewhere in the vicinity of the base where you feel there could be a problem, I would assume?

MS. OBERNDORF: Yes, sir.

MR. HANSEN: But basically right now the whole pattern is over encroached areas. Everyone keeps talking about the deviation between 600 and 800 feet. I'm assume you're talking noise.

When I was in the service most of the fatalities that we saw were on final. So I guess that would be the same with you, wouldn't it, sir?

MR. GRANFIELD: I would agree with that.

MR. HANSEN: Okay, so on final, and if you -- you know, an FA-18 can cut a real swath, if on final it goes through there. I think it's inevitable in most of our military bases, and I'm not trying to pick on Oceana, that eventually you will have one of those.

And in that case hang on to your seat. That's when the losses start going, and it seems to me you start trying to clean those out.

So let me ask you one thing. We've got -- the Navy is going to be mostly getting the joint strike fighter, as well as the Air Force being long. To your knowledge is that any noisier plane than the F-18?

MR. GRANFIELD: Sir, we don't know that yet. The airplane hasn't flown.

MR. HANSEN: I mean anticipated by the engineers?

MR. GRANFIELD: The anticipated noise is that it will likely be noisier on takeoff and quieter on landing, or maybe I have that backwards. But it's one of the two. But I would say -- I can only testify to, we don't know that yet, nor has the Navy made a decision on where to put the joint strike fighters.

MR. HANSEN: Well, let me just say, Governor, Senator, and you good folks, appreciate your great testimony. It's been very good. But you've got your work cut out for you.

But, you know, we did hearing after hearing -- I don't know about on the Senate side, Senator, but on our side -- you did a lot of hearings on this exact problem of congestion. I don't know the answer to it, but I think you're on the right track, Mayor, but maybe 20 years late. But I respect --

GOV. WARNER: And Congressman, we would point out again, we don't say that Oceana is perfect. But again, the slides we showed, in terms of what you're looking at as an alternative doesn't appear perfect either, whether it be air encroachment, whether it be the 26 schools versus the seven schools -- and again, this is not certified data.

MR. HANSEN: How far were those 28 schools?

GOV. WARNER: This is in the flight path.

MR. HANSEN: Of course, that term flight path is pretty large language, pretty broad.

MR. GRANFIELD: That's on the direct line between Cecil Field and the ocean, three mile either side.

MR. HANSEN: And miles out, what would you say, Captain?

MR. GRANFIELD: Thirty miles out, sir.

MR. HANSEN: Thirty miles out?

MR. GRANFIELD: Yes, sir.

MR. HANSEN: Thank you. Thank you for your testimony. I appreciate it.

MR. BILBRAY: Previous witnesses, Governor and Senator, allege there were some accidents, that one person was killed. You didn't address this -- if it's not true I just want to get from your group. Was there any accidents? Any of the planes crash or so forth?

GOV. WARNER: The mayor has been through this longer than any of us at the table, so maybe you --

MS. OBERNDORF: I'm used to telling the truth. Yes, there were two accidents. There were because of mechanical failures. And one happened back in '77, I think, and the young girl did survive, and she was treated and lived to grow up to be a married woman. Unfortunately, cancer eventually took her life and not the accident.

And there was one other. And I'm not sure if there was -- I don't recall a fatality. And that was also mechanical, and I think they said.

MR. BILBRAY: I just didn't want the allegation to be out there and not answered. Thank you.

MS. OBERNDORF: Thank you for asking.

SEN. ALLEN: I don't know enough about it to comment on it.

MR. PRINCIPI: Well, thank you very much.

We have one administrative matter to attend to, but I want to just thank Governor Warner, Senator Allen and the entire delegation from Virginia for your insightful testimony this afternoon.

I assure you, this is our last hearing, and the last issue I'll raise on Oceana --

GOV. WARNER: We've got a former condo site in Virginia Beach that we'd love to have you all down to.

MR. PRINCIPI: Thank you very, very much.
Gentlemen, we need to handle one administrative matter, adoption of additional procedural rules.

Do I hear a motion to adopt the proposed procedural rules?

(Inaudible.)

MR. PRINCIPI: Second?

(Inaudible.)

MR. PRINCIPI: Vote?

(Chorus of ayes.)

MR. PRINCIPI: Nays?

(No audible response.)

MR. PRINCIPI: Counsel, please announce the vote.

MS. SARKAR: Mr. Chairman, the motion was carried unanimously. The additional procedural rules numbers 11 through 15 are adopted, sir.

MR. PRINCIPI: Thank you. The rules we just adopted will be included on the BRAC website alongside our original rules.

Thank you.

(The hearing was adjourned.)

END

UNCERTIFIED