

DEFENSE BASE REALIGNMENT AND CLOSURE COMMISSION

AFTERNOON SESSION

Wednesday, August 24, 2005

1:02 PM

Regency Room C

Hyatt Regency Crystal City

2799 Jefferson Davis Highway

Arlington, Virginia

COMMISSIONERS:

HON. ANTHONY J. PRINCIPI, presiding

JAMES H. BILBRAY

HON. PHILIP E. COYLE

ADMIRAL HAROLD W. GEHMAN, USN-Ret.

JAMES V. HANSEN

GENERAL JAMES T. HILL, USA-Ret

GENERAL LLOYD W. NEWTON, USAF-Ret.

SAMUEL K. SKINNER

BRIGADIER GENERAL SUE TURNER, USAF-Ret.

CHAIRMAN:

ANTHONY PRINCIPI

ALSO PRESENT:

CHARLES BATTAGLIA, Executive Director

DAVID HAGUE, General Counsel

BOB COOK, Deputy Director for Research and Analysis

RUMU SARKAR, Associate General Counsel

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T F F E

P R O C E E D I N G S

CHAIRMAN PRINCIPI: This hearing will come to order. We'll continue with the Navy recommendations. One moment. We're missing one Commissioner. We'll just wait one moment, please.

(Pause.)

CHAIRMAN PRINCIPI: Mr. Cook, you may proceed.

MR. COOK: Thank you, Mr. Chairman, Commissioners. We return this afternoon for the final two presentations from the Navy and then we'll transition into the Joint Cross Service Team presentations. Thank you.

Mr. Hanna.

CHAIRMAN PRINCIPI: Mr. Hanna.

MR. HANNA: Mr. Chairman, we now bring to the floor for discussion and vote chapter 11, section 192, of the bill, close Navy Broadway complex, San Diego, California. This recommendation closes the facility and moves the tenants to other locations in the San Diego area, allowing the complex to be redeveloped.

Mr. Brian McDaniel is our lead analyst for the complex.

MR. McDANIEL: Thank you, Mr. Hanna. Good afternoon, Mr. Chairman, Commissioners.

Based on staff review, a recommendation to add

Broadway for closure is justified based on the following reasons. It reduces excess capacity and eliminates underused property dedicated to a single support function. It will collocate Navy support functions on an existing operational base. It will enhance force protection for the 1200 military and civilian employees, and it has the potential of reducing excess capacity -- and generating non-appropriated revenues that could be used to offset other investment costs for facilities in San Diego.

Based on questions from the Commission, the Department has certified it would need to invest almost \$137 million. \$118 million would be needed for construction of new office space on another Navy base in San Diego to relocate Navy activities currently at Broadway. Due to the Navy's estimate of significant upfront costs and lack of personnel savings associated with the recommendation, the Navy estimates the 20-year present value cost to be \$106 million and will require more than 100 years before producing a payback.

Closing Broadway would not result in the loss of any jobs or generate negative effects on the local economy because under this recommendation jobs would not be eliminated, relocated, or realigned out of the city of San Diego.

Finally, the staff notes the Department reported

it has invested \$3.5 million through fiscal year 2003 for environmental restoration activities at Broadway and plans on spending another \$14 million to finish the remediation.

(Slide.)

This next slide depicts the primary issues surrounding the recommendation, correlated with the final selection criteria. Staff analysis indicates that, contrasted with the recommendation, the Secretary of the Navy would prefer to restart a privatization and leasing strategy initiated by the Navy in 1997, unfettered by the property disposal process and public sale options available to the Secretary under the BRAC law. I'd like to note here that the community is strongly in support of the Department's position.

It is the staff's position, however, that retention and operation of the 14-acre Broadway complex by Navy as a stand-alone office complex is less effective than collocation at another installation in San Diego. The potential efficiencies created by collocating the Broadway tenets with other operational entities continues to make this recommendation worthy of your consideration.

In the staff's view, continued retention and management of the Broadway property by the Department is neither cost effective nor in step with current Navy asset management policies or other similar Navy BRAC

recommendations. Additionally, the staff believes the Navy would benefit by exploring the full range of planning options, including the use of alternative building sites behind secure perimeters on other naval installations, such as the San Diego Naval Station.

This course of action would not only enhance force protection for Navy employees, but also rationalize Navy shore infrastructure planning with current and future mission needs.

The staff, however, also recognizes the good faith commitment and energy invested by both the Navy and the city of San Diego in the Navy's original privatization plan and recognize that it should not be wasted. Future Navy actions designed to shed unneeded property will create operational synergies needed to guarantee maximum benefit for the Navy and the city. Irrespective of how or how long the Navy disposes of Broadway, it should be encouraged to act as quickly as possible to take full advantage of an improved real estate market and renewed developer interest.

The staff estimates that closure and disposal under BRAC compared to a long-term lease could generate greater revenues for the Department, as well as sooner for the Navy, but could also expose existing Navy and city agreements to unnecessary and costly delays and legal challenges, resulting in lowering the property's benefit

and value to both the Navy and the city.

(Slide.)

The staff review of the Navy military construction costs included in their certified COBRA -- the staff believes that this estimate for new offices is overstated. The staff COBRA run indicates that the required replacement facilities could cost the government as little as \$60 million compared to the Department's estimate of \$118 million.

Finally, due to the Commission's consideration of this issue, the Navy and the community have again entered into active discussions aimed to move the current Navy plan forward as quickly as possible.

In conclusion, the staff review and analysis indicates that by not recommending the Navy close the Broadway complex in San Diego, the Secretary deviated from Final Selection Criteria 1, 3, 4, and the Force Structure Plan. That concludes my presentation.

MR. HANNA: Mr. Chairman, we're standing by to answer the Commission.

CHAIRMAN PRINCIPI: Thank you.

Are there any questions for the staff, any discussion on the Navy Broadway complex?

(No response.)

The issue before us, the Navy Broadway complex in

San Diego, is the second installation that the Commission added to the Secretary's list for consideration.

Additional recommendation 2, Navy Broadway complex, San Diego, California, will appear at chapter 11, section 192, of the bill if approved by seven Commissioners. The recommendation in the form of a motion, which I will address momentarily -- but first I would ask if there are any questions or any discussion?

COMMISSIONER GEHMAN: Mr. Chairman, colleagues: For those of you that were at the West Coast public hearing on the adds, you will recall that both the city, the state, and the Navy testified as to the ongoing negotiations to turn this property over to the city for use and for the Navy to gain some benefit from that process. Most of the Commissioners who listened to that process wondered why this action hadn't happened five, six, seven years ago and why we're still waiting around for it to happen.

Everybody seemed to be in agreement at that hearing that it was a good thing to do. They all promised us that the delay was behind them. I see nothing wrong with putting a date certain in here and urging them on to greater efforts. So I support this.

CHAIRMAN PRINCIPI: I would certainly concur with Admiral Gehman's comments. Since 1987 the Navy has attempted to develop the Broadway complex, a very valuable

piece of property at the foot of Broadway and the doorstep of San Diego, but has been unable to do so for a variety of reasons. It's two 1941-type warehouse type buildings that were converted to office space.

Recognizing that recently steps have been made to move on with redevelopment, the Navy entered into a redevelopment agreement with the city of San Diego, which expires in January of 2007.

So accordingly, I would offer a motion that the Commission find that when the Secretary of Defense failed to recommend the closure of the Broadway complex, San Diego, California, he substantially deviated from Final Selection Criteria 1, 3, and 4, and the Force Structure Plan; that the Commission add to the list of installations to be closed or realigned the recommendation, if the Secretary of the Navy does not enter into a long-term lease on or before January 1, 2007, that provides for the redevelopment of the Navy Broadway complex, San Diego, California, under the authorities granted by section 2732 of Public Law 99-661, the National Defense Authorization Act for Fiscal Year 1987, close Navy Broadway complex, San Diego, California, and relocate the units and functions on Navy Broadway complex to other Department of the Navy-owned sites in San Diego at chapter 11, section 191, of the bill; and that the Commission find this additional recommendation

is consistent with the Final Selection Criteria and Force Structure Plan.

Is there a second?

COMMISSIONER COYLE: Second.

CHAIRMAN PRINCIPI: Is there any further discussion on this amendment?

(No response.)

CHAIRMAN PRINCIPI: Are there any recusals on this amendment?

(No response.)

CHAIRMAN PRINCIPI: Hearing none, all those in favor of Motion 192-4a, please indicate.

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(No response.)

CHAIRMAN PRINCIPI: Counsel?

MS. SARKAR: Mr. Chairman, the vote is unanimous.

The motion carries.

CHAIRMAN PRINCIPI: Thank you.

Mr. Hanna.

MR. HANNA: Mr. Chairman, we now bring to the floor for discussion and vote chapter 11, section 193, close Naval Air Station Oceana, Virginia. Under this proposal, the master jet base will relocate to former Naval Air Station Cecil Field, Florida. The analyst for this

action is Mr. Bill Fetzler.

(Slide.)

MR. FETZER: Thank you, Mr. Hanna.

The issue regarding Oceana is driven primarily by the encroachment of the Navy's Atlantic fleet and the master jet base and Oceana's outlying training field located in Chesapeake, Virginia and the training and safety implications of that encroachment. Several scenarios were considered to determine if there was in fact a cost-effective and suitable alternative for resolving the encroachment of Oceana. The options ranged from temporary solutions to long-range, permanent solutions and the costs ranged from \$180 million to \$1.8 billion.

The staff obtained DOD certified COBRA estimates for each option. Among the alternatives considered were: moving all or some of the F-18 squadrons to other locations to relieve the noise impacts; finding an outlying field that could be expanded to a new master jet base in the future; relocating to a new greenfield site; and finally, relocating to a site that was closed by a previous BRAC round. Cecil Field was offered by the state of Florida and the case for Cecil Field was also investigated.

The rationale for adding Oceana to the 2005 BRAC list was to examine the encroachment issues to understand how they affected the operational effectiveness of Oceana

and determine if there was a cost effective alternative for the Navy's Atlantic Fleet master jet base. The evidence is clear that NAS Oceana operations are affected by the development pressures associated with the operation of the base at Oceana in the middle of a popular resort area. As you have heard during many hours of testimony and base visits, the encroachment issues have been addressed and managed by succeeding generations of base commanders and community leaders, with some successes, but at also some costs, including suboptimum training, constrained flight profiles, and finally the cost of a more remote outlying field for more realistic training.

Additionally, the risks to civilians living and working in the accident potential zones increases with the intensity of the training cycles. Of course, there are always inherent risks whenever aviation operations are conducted, but the sheer volume and intensity of Navy jet operations conducted when squadrons are preparing for deployment are staggering.

The DOD COBRA results indicated that the one-time cost to move the master jet base to Cecil Field would be in excess of \$1.6 billion and the payback period would be greater than 100 years, with a net present value of \$1.919 billion. However, the Department did not take into account the significant amount of master jet base infrastructure

that remains at Cecil Field. That result will be provided later.

An environmental remediation program has been in effect at Cecil Field since 1999 and is nearly completed. The state of Florida and the Navy were cited by the Secretary of Defense as a success story for the defense environmental restoration program in 2003. They succeeded in delisting over 95 percent of the 17,000 acres from the national priorities list. \$16.9 million is estimated for completion of that program.

Next slide.

(Slide.)

The issues depicted here relate to the final selection criteria. Unabated encroachment affects the operational readiness of the fighter wings and will cost them even more when two F-18 Super Hornet squadrons stand up at Cherry Point in the future. They will be separated from the rest of the Navy's strike wings and operating with an additional maintenance and administrative overhead.

There is greater concern that the Joint Strike Fighter will be even noisier than the Super Hornet and may not be able to be hosted at Oceana if the encroachment is not halted or reversed.

During previous BRAC rounds, Virginia Beach pledged to manage the encroachment, moving two schools

outside the APZ and rejecting some development plans to which the Navy objected. However, property rights issues in Virginia make it difficult for local governments to manage development, even with state laws in place enabling them to protect the local civilian and military air fields in their jurisdiction from encroachment.

Since the Navy left Cecil field in 1999, the state and local officials in the Jacksonville area continued to protect AICUZ zones around Cecil and White House, the outlying practice field still in use by the Navy. They took this action because they were redeveloping Cecil Field into a modern civilian and industrial aviation complex.

As mentioned earlier, the DOD COBRA did not include the Cecil Field infrastructure. 70 percent of the master jet base infrastructure still remains, including all the hangars, runways, and many of the newer admin and operations buildings, upgraded utility services, and road structures in and around Cecil Field. Additionally, older buildings were demolished to reduce the overhead costs of maintaining antiquated buildings.

A line by line adjustment of the 182 Navy requirements and other known costs resulted in a staff-estimated COBRA with one-time costs of \$410 million and a payback of 18 years, just about what one would expect for a

master jet base that was just moved out of 6 years ago.

Analysis shows that Cecil Field presents a unique opportunity for the Navy to acquire an Atlantic Fleet master jet base, a base where all the F-18 Super Hornet squadrons can be collocated to reduce overhead costs and maintenance and administration, a base where the fleet aviators could effectively train as they fight in all mission areas, including the most demanding at-sea landing profiles, 24 hours a day, 7 days a week, at the main airfield and the outlying field, and a base that could accommodate the future Joint Strike Fighter.

The relocation could also be completed within the BRAD window. Consequently, the staff assessment is that Cecil Field is a suitable alternative for the Atlantic Fleet master jet base.

Thank you. This concludes my analysis.

MR. HANNA: Mr. Chairman, we are standing by to answer the Commissioners' questions.

CHAIRMAN PRINCIPI: Thank you.

The Commission has before it Naval Air Station Oceana, Virginia. It's another installation the Commission added for consideration to the Secretary's list. Additional recommendation 3, Naval Air Station Oceana, Virginia, will appear at chapter 11, section 193, of the bill if approved by seven Commissioners.

Are there any questions for staff, any discussion on this issue? I will offer a motion momentarily.

COMMISSIONER SKINNER: It might be best if you offer the motion, Mr. Chairman, and then we can ask questions and discuss at the same time.

CHAIRMAN PRINCIPI: I move that the Commission find that when the Secretary of Defense failed to recommend the realignment of Naval Air Station Oceana, Virginia Beach, Virginia, he substantially deviated from Final Selection Criteria 1, 2, 3, 4, and 5, and the Force Structure Plan; that the Commission add to the list of installations to be closed or realigned the recommendation: realign Naval Air Station Oceana, Virginia, by relocating the East Coast master jet base to Cecil Field, Florida, if the Commonwealth of Virginia and the municipal government of Virginia Beach, Virginia, and Chesapeake, Virginia, fail to enact and enforce legislation to prevent further encroachment of Naval Air Station Oceana by the end of March 2006; to wit, enact state-mandated zoning controls requiring the cities of Virginia Beach and Chesapeake to adopt zoning ordinances that require the governing body to follow air installation compatibility use zone, AICUZ, guidelines in deciding discretionary development applications for property in noise levels 70 dB day-night, average noise level DNL or greater; enact state and local

legislation and ordinance to establish a program to condemn and purchase all the property located within the accident potential zone 1 areas for Naval Air Station Oceana, as depicted for 1999 AICUZ pamphlet published by the U.S. Navy; codify the 2005 final Hampton Roads joint land use study recommendations; legislate requirements for the cities of Virginia Beach and Chesapeake to evaluate undeveloped properties in noise zones 70 DB DNL or greater for rezoning classification that would not allow uses incompatible under AICUZ guidelines; establish programs for purchase of development rights of the inter-facility traffic area between NAS Oceana and NAF Fentress; enact legislation creating the Oceana-Fentress Advisory Council, chapter 11, section 193 of the bill; and if the state of Florida appropriates sufficient funds to relocate commercial tenants presently located at Cecil Field, Florida, appropriates sufficient funds to secure public-private ventures for all the personnel housing required by the Navy at Cecil Field to accomplish this relocation and turns over fee simple title to the property comprising the former Naval Air Station Cecil Field, including all infrastructure improvements that presently exist, to the Department on or before December 31, 2006, if the Commonwealth of Virginia and the municipal government of Virginia Beach, Virginia, and Chesapeake, Virginia, decline

from the outset to take the actions required above or within 6 months of the Commonwealth of Virginia and the municipal governments of Virginia Beach, Virginia, and Chesapeake, Virginia, failing to carry through with any of the actions set out above, whichever is later. The state of Florida may not encumber the title by any restrictions other than a reversionary clause in favor of the state of Florida and short-term tenancies consistent with the relocation of the master jet base to Cecil Field.

If the Commonwealth of Virginia and the municipal governments of Virginia Beach, Virginia, and Chesapeake, Virginia, fail to take all of the prescribed actions and the state of Florida meets the conditions established by this recommendation, the units and functions that shall relocate to Cecil Field will include but are not limited to all of the Navy F/A-18 strike fighter wings, aviation operations and support schools, maintenance support, training, and any other additional support activities the Navy deems necessary and appropriate to support the operations of the master jet base, capability 11, section 193, of the bill; and that the Congress finds this additional recommendation is consistent with the Final Selection Criteria and the Force Structure Plan.

Additional statement of the Commission: The BRAC 2005 report language shall state: "It is the sense of the

Commission that the Secretary of Defense deviated from the BRAC criteria by failing to consider NAS Oceana for closure or realignment. The longstanding and steadily worsening encroachment problem around NAS Oceana, without strong support from state and city governments to eliminate current and arrest future encroachment, will in the long term create a situation where the military value of NAS Oceana will be unacceptable degraded. The remedies presented to the Commission thus far have been unconvincing. It is also the sense of the Congress that the future of naval aviation is not Naval Air Station Oceana. The Commission urges the Navy to begin immediately to mitigate the noise encroachment and safety issues associated with flight operations around the Virginia Beach area by transitioning high-density training evolutions to other bases that are much less encroached, such as Naval Outlying Field White House, Florida, or Kingsville, Texas.

"The Secretary of Defense is directed to cause a rapid, complete due diligence review of the offer of the state of Florida to reoccupy the former NAS Cecil Field and to compare this review against any plan to build a new master jet base at any other location. This review is to be completed within 6 months from the date that the BRAC legislation enters into force and is to be made public to the affected states for comment. After review of the

states' comments, which shall be submitted within 120 days after publishing the review, the Secretary of Defense shall forward to the oversight committees of Congress the review, the state comments, and his recommendation on the location of the Navy's future Atlantic Fleet master jet base."

Is there a second?

COMMISSIONER COYLE: Second.

CHAIRMAN PRINCIPI: Is there any discussion on the motion?

COMMISSIONER SKINNER: Yes, Mr. Chairman. I think as I looked at this and looking at the discussions we've had with counsel, we've left some language out that I think everybody is aware of and I would move to amend your amendment, if that's the proper procedure. Let me describe the language and let's procedurally figure out how we handle it.

I would add to the language that starts on page 2, that starts "enact state and local legislation and ordinances to establish a program to condemn and purchase all of the property located within all the accident potential zone 1 areas for Naval Air Station Oceana, as described for 1999 AICUZ pamphlet published by the U.S. Navy," "and to fund and expand no less than \$15 million annually in furtherance of the aforementioned program."

May we take questions on the amendment? As you

recall, that was the discussion on the amendment.

CHAIRMAN PRINCIPI: Any further discussion?

COMMISSIONER SKINNER: No. I would move that your motion be amended to include that language.

COMMISSIONER HANSEN: Can I ask a question on that amendment, Mr. Chairman?

CHAIRMAN PRINCIPI: Counsel advises that we'll vote on the underlying motion, then we will vote on your second degree amendment to that underlying motion.

COMMISSIONER SKINNER: That's fine. I just wanted to make you aware I was going to make an amendment. If your amendment passes, then I'm going to make an additional amendment.

COMMISSIONER BILBRAY: Mr. Chairman, on your motion.

CHAIRMAN PRINCIPI: Yes.

COMMISSIONER BILBRAY: When it says "establish a program to condemn and purchase all the property," does that include property that's compatible with the AICUZ program? There are some uses that are compatible.

CHAIRMAN PRINCIPI: If the uses are compatible, they certainly would not have to be condemned. These would just be uses that are incompatible with those operations.

COMMISSIONER BILBRAY: Is that the correct interpretation?

CHAIRMAN PRINCIPI: Any further discussion?

General Newton?

COMMISSIONER NEWTON: Yes, Mr. Chairman. Mr. Chairman, first let me say that when -- the only reason that, from this Commissioner's mind, that this was added was because it was brought to our attention during testimony by the Department and by the services, and particularly by the United States Navy. This was not something that we went out seeking and looking for, but it was brought to our attention and it certainly is one that we needed to pay a lot of attention to, which we have.

We've listened to several individuals and a number of testimony that the situation which exists with naval aviation and training at Oceana today is fine and it does not degrade training. And this Commissioner is saying that is absolutely wrong. Any time you fly an alternate pattern of flight that is different from the flight manual, you degrade training no matter how small that may be.

In the critical nature at which our naval aviators work on and off the carrier, it is extremely important that they be able to fly and train in a way that does not prevent them from training as they're going to fight.

This unit was transferred from Cecil Field to Oceana during the BRAC process in 1993 and they arrived

there in '99. From all of the data which I have seen, I've seen nothing that the city has really done to prevent the encroachment of this airfield from that point until this station and this installation was added to the list, and immediately all kinds of activity started taking place to what I would say stall this process.

Next point I'd like to make. There have been quite a bit of discussion with the Navy about the importance of a master jet base and the Navy has repeatedly come back and said that that is required for its operation, and because so I accept the Navy's response to that. If that is true and the situation around Oceana as we've seen -- and I don't know whether we have the photos to put that up or not, but if we don't it's okay. And we've seen this encroachment at Oceana.

(Slide.)

Very good, thank you.

I find that even with the recommendation and the amendment which we are hoping to put forward, if we are not careful it will not have any significant impact on helping our aviators to ensure that they can train like they fight. Passing legislation and doing studies and all of that is just fine. However, until we move that would allow our naval aviators to fly the pattern, and in this case at 600 feet, just as they fly when they are at the carrier, we

will continue to add risk to their activities.

I find that, once again, the results of us adding this to the list and the response from the community of trying to do something at this point, I find that to be a delaying tactic such that this decision cannot be made. I say that we need to ensure that we hold this community feet to the fire so that if it does not respond in the time that we have indicated here that we move this operation from Oceana to Cecil Field.

Thank you.

CHAIRMAN PRINCIPI: General Hill.

COMMISSIONER HILL: I'd like to associate myself with all of General Newton's comments. My greatest concern from the moment we began discussing this has been one of safety. It is why we never let this fall off the table. It is why we continued to search for an alternative, a viable alternative to help the Navy through their problem. We never thought of Cecil, just as the Navy did not consider Cecil in its original deliberations, because it was not a Department of Defense asset. But it is a viable alternative, as the staff has reported, as those two pictures reported, and as the visit that Secretary Skinner, General Newton and I made to Cecil Field.

The reality of life between Cecil Field and Oceana is as you fly the pattern at the required height,

not at additional height, you are always over trees inside Cecil Field operational areas. The reality of life for Oceana is as you fly the pattern at whatever height you are, you are flying over buildings, schools, churches, and shopping centers.

In good conscience, many of us up here have said we've got to do something about that because when the plane augurs into Lynnwood Mall I want to have at least had my say on this subject. So that's why, that's why we have not let this go by.

It has been suggested that it may not be for the BRAC to decide. I suggest to you that's exactly why there's a BRAC, to be able to raise these issues up for a lot of different reasons that were not brought up before. I think that the compromise language of this amendment allows us to fully explore something that should be explored, that must be explored.

10 years from now, 15 years from now, Oceana cannot be the future of navy aviation because that encroachment is not going to go away. You may halt it today, but it is not going to change. You can have it at Cecil Field or you can have it somewhere else. We think that -- in my view, in this Commissioner's view, we ought to put the Secretary of Defense and the people that are smarter than all of us at work finding a viable

alternative, and that's why I support the issue. It is a safety issue, not a noise issue.

COMMISSIONER SKINNER: Mr. Chairman.

CHAIRMAN PRINCIPI: Yes, Commissioner Coyle -- I'm sorry. Commissioner Skinner, yes.

COMMISSIONER SKINNER: Mr. Chairman, thank you. I think this Commission is fortunate that we have on the Commission General Newton and others who have a lot of knowledge about aviation, aviation safety, aviation mission planning. It's fortuitous, I think, that this issue comes, but I think it's a blessing in disguise.

I support fully what General Newton said. I'd like to just make a couple of observations. I had the honor to serve as Secretary of Transportation for 4 years. My primary role as Secretary of Transportation was safety, on the land, on the water, and most particularly in the air. I had the honor to lead the FAA, the Federal Aviation Administration, which is the leading agency in the world in aviation safety, and unfortunately I had to deal with some of the issues, some of the accidents that have happened in aviation safety that the General talks about.

I would make a couple of observations with that experience in mind. If this airport were a civilian airport, it would not be approved and be operating today. It is a military field and because of that certain leeway

is given. In Chicago we're building a new airport or expanding an existing airport and the first thing that we are doing is taking all the land and buying it up to make sure that all of the area around the O'Hare Field is safe.

Number two, it is clear that this is not, Oceana is not the long-term future master jet base for the Navy. The Navy has said that. It's obvious as you look at the future of the Navy that it will not be. As General Hill and General Newton pointed out, the planning for a master jet base is way behind where it should be.

Having been involved in the building of the only new airport in the United States in the last 15 years, Denver, deeply involved with the city of Denver and the state of Denver, I can tell you it is a huge task, not only from a funding but from an environmental issue. It is fortuitous that we have a field that was a major jet base in Florida that has not yet been converted to a mall, but in fact is an aviation facility that is basically zoned and sited for a major aviation facility, and just 5 years ago they were flying out of that field. It is an opportunity.

Having said that, there is a strong feeling among some members of the Commission that -- and I concur in it and will vote for the amendment -- that we owe one last chance to the people of Virginia to get their act together. We are hopeful that with all the language that has been

presented they will do so.

We have also asked and mandated that the Navy begin planning for a master jet base and accelerate it and report back to Congress on that, and they consider Cecil Field not only as an immediate solution but as a long-term solution along with others. It has been postponed too long and fortunately in the BRAC we are able to rise above politics and look at this issue from an objective viewpoint.

I would finally opine that if → and we are putting in this motion, I believe -- I hope it carries. We will put in this motion language to mandate the spending of funds, substantial funds, as they've committed, to try to clean up the mess they have created. But as they look at it and if I were a policymaker in Virginia, and I would recognize that Oceana Air is not the long-term solution for the Navy's master jet base problems and it will inevitably come.

U I would certainly, before I expended \$170 million to \$200 million plus forever on cleaning up the mess and allowed the Navy to spend \$150 to \$200 million on an auxiliary field with no infrastructure, I would think I would look positively on the opportunity to spend that money or spend a portion of that money and let the state of Florida and the city of Jacksonville and everybody else

spend the rest, well below \$1.6 billion, more in the area of \$500 million, and we're getting close to it if you put those numbers together, to solve this problem quickly.

But we can only suggest. We can only issue as strong a finding as we can. It's up to the Department of Defense and the people of Virginia to figure out what's in the best interest of the nation, what's in the best interest of the aviators that fly in harm's way every day, and what's in the best interest of the people that surround that field, who go to school there -- 27 schools.

I've seen in Chicago a fire and what it does to a school. We don't ever want that to happen, and I hope we have taken action that will allow the state of Virginia to make sure that that doesn't happen.

I will support the amendment. Thank you.

CHAIRMAN PRINCIPI: Commissioner Coyle.

COMMISSIONER COYLE: Thank you, Mr. Chairman.

Everyone at this table certainly knows that this is one of the most significant and challenging issues this Commission has faced in the 2005 BRAC round and we would not have arrived at the amendment that you have offered, Mr. Chairman, if it had not been for your leadership and for the leadership and hard work of all of the Commissioners, and especially the staff, who put in many long hours, days, nights, and weekends on this particular

matter, as well of course on many others.

So I just wanted to note the significant efforts that the Commission put in on this matter. Thank you.

COMMISSIONER TURNER: Mr. Chairman.

CHAIRMAN PRINCIPI: Yes, Commissioner Turner.

COMMISSIONER TURNER: Thank you very much, Mr. Chairman and ladies and gentlemen.

This has probably been one of the most difficult things that I as a Commissioner have had to deal with over the last several months. It certainly generated some of the largest amount of paper and calls and voicemails that have come my direction. But I have learned a lot about the Navy in the last 4 months and I thank my Navy colleagues on the staff for their assistance in that regard, from naval aviation to the P-3's up in the Northeast, to our newest submarine in the fleet, to what a Navy shipyard does. I feel like I've got a fairly good grasp of the Navy at this point.

But as a career Air Force officer, where flying safety becomes such an integral part of your being, you don't lose that just because you retire and go away from the active force. When there's something as serious as the encroachment issue at NAS Oceana, you can't -- you can't ignore it. You can't walk away from it, and you really want to do whatever you can to try to provide a good remedy

to the situation.

The encroachment at Oceana poses in my humble opinion such a threat, not only to the naval aviators but to the people of Virginia Beach. On the basis of that alone, I need to support the amendment that's put forward, and I very much want to associate myself with all the comments of my colleagues.

Thank you, Mr. Chairman.

CHAIRMAN PRINCIPI: Thank you, General Turner. I certainly share in the comments by my fellow Commissioners and urge that the Commonwealth of Virginia and the city of Virginia Beach will take appropriate action to arrest and correct some of the encroachment problems that are hindering adequate training for our young pilots.

At this point I will ask for a vote on the perfecting amendment by Secretary -- excuse me, I'm sorry.

COMMISSIONER NEWTON: Mr. Chairman, I'd like to just make one more comment. This question came up before with reference to the '93 BRAC, where these two installations are ranked. I went back and reviewed the '93 BRAC. It clearly said that Jacksonville had a higher military value than Oceana did -- Cecil Field, I'm sorry. Cecil Field had a higher military value than NAS Oceana. There were other reasons why the move was taken to Oceana, largely centered around the F-15, which is moving out of

the inventory.

CHAIRMAN PRINCIPI: Thank you, General Newton.

(Pause.)

CHAIRMAN PRINCIPI: Counsel advises that we'll vote on the underlying amendment and then, if the seven votes are in the affirmative, we will perfect the amendment with your amendment, Secretary Skinner.

COMMISSIONER SKINNER: I think that is the right way.

CHAIRMAN PRINCIPI: I will call for -- is there a second on the motion? I believe there was.

COMMISSIONER SKINNER: Second.

CHAIRMAN PRINCIPI: Are there any recusals?

(A show of hands.)

CHAIRMAN PRINCIPI: Two recusals.

All in favor of the motion? The motion as I stated it, all in favor please indicate.

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(No response.)

MS. SARKAR: Mr. Chairman, the vote is seven ayes, no nays, two recusals. Therefore the motion passes.

CHAIRMAN PRINCIPI: Thank you.

Secretary Skinner, will you please state your perfecting amendment.

COMMISSIONER SKINNER: Yes. I would add the following language to the motion: After the words "1999 A1CUZ pamphlet published by the U.S. Navy," to take period out and put in there "and to fund and expend no less than \$15 million annually in furtherance of the aforementioned program."

CHAIRMAN PRINCIPI: Is there a second?

COMMISSIONER NEWTON: Second.

CHAIRMAN PRINCIPI: All in favor indicate by raising your hand.

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(No response.)

CHAIRMAN PRINCIPI: There are two recusals.

MS. SARKAR: Mr. Chairman, the vote is seven yeas, no nays, two recusals. Therefore the motion passes.

CHAIRMAN PRINCIPI: Thank you.

That I believe completes work on the Navy BRAC recommendations. We will take a five-minute break and go to the Joint Cross Service. I want to thank the Navy team in its entirety for a job well done. Thank you very much.

(Recess from 1:49 p.m. to 2:03 p.m.)

CHAIRMAN PRINCIPI: Welcome back, Mr. Cook, Mr. Dave Van Saun, and Karl Gingrich, and we'll begin with the Joint Cross Service Group.

MR. COOK: Thank you.

CHAIRMAN PRINCIPI: The Commissioners will now provide -- I keep forgetting. I'm sorry, Mr. Cook. You'll all have to stand for the oath required by the base closure and realignment statute.

(Staff members rise.)

MS. SARKAR: Thank you, Mr. Chairman.

Members of the BRAC staff who are appearing before the BRAC Commission, please raise your right hand. Do you swear or affirm that the testimony you are about to give and any evidence you may provide are complete and accurate to the best of your knowledge and belief, so help you God?

STAFF MEMBERS: I do.

MS. SARKAR: Thank you.

Thank you, Mr. Chairman.

CHAIRMAN PRINCIPI: Do you just have most of the staff or most of the issues? I don't know.

MR. VAN SAUN: Both.

MR. COOK: Thank you, Mr. Chairman.

Commissioners, we'll now provide review and analysis of the Secretary of Defense's recommendations as they relate to the Joint Cross Service installations and functions. Mr. Dave Van Saun, the Joint Cross Service Team leader, and his analysts will deliver the results of their

research.

(Slide.)

MR. VAN SAUN: Thank you, Mr. Cook.

Good afternoon, Mr. Chairman and Commissioners.

My Joint Cross Service Team and I are prepared to present our review and analysis of the seven Joint Cross Service groups, consisting of 71 recommendations and 238 discrete actions proposed under this BRAC. There were also three additional items added.

Generally, the results of our analysis show that the Department of Defense, through their seven Joint Cross Service groups -- education and training, headquarters and support, industrial, intelligence, medical, supply and storage, and finally technical -- subjected these functional areas to a rigorous scoring process to determine military value, including excess capacity, and that most recommendations optimized that military value.

Our analysis considers the DOD 20-year Force Structure Plan, the desire to enable jointness, transformation of DOD, reduce facilities costs of ownership, and ultimately the goal of freeing funds for the recapitalization of the force. As with all teams, we have been sensitive to issues identified by communities that are affected by the recommendations.

(Slide.)

Mr. Chairman, the first group of recommendations that we will bring to the floor for vote are for the education and training group. This grouping includes: chapter 4, section 121, of the bill for the Joint Cross Service recommendation, education and training number 6, establish combat service support center; number 2, chapter 4, section 123, of the bill for the Joint Cross Service recommendation, education and training number 8, establish center of excellence for culinary training; chapter 4, section 126, of the bill for the Joint Cross Service recommendation, education and training number 12, establish Net Fires Center; chapter 4, section 127, of the bill for the Joint Cross Service recommendation, education and training number 13, realign Prime Power to Fort Leonard Wood.

Mr. Chairman, we are standing by for any questions.

CHAIRMAN PRINCIPI: Are there any questions or discussion on these four recommendations?

COMMISSIONER NEWTON: Mr. Chairman.

CHAIRMAN PRINCIPI: General Newton.

COMMISSIONER NEWTON: Thank you, sir.

Mr. Van Saun, please share with me or share with us number 126, establish Net Fires Center. What I'd like to know is what were some of the community concerns with

this particular item.

MR. VAN SAUN: Yes, sir. Let me introduce Mike Avenick, who was the senior analyst on that one, to answer your question.

COMMISSIONER NEWTON: I'm sure Mike was absolutely ready.

MR. VAN SAUN: Yes, sir.

MR. AVENICK: There were seven community concerns. The first had to do with training. The Fort Bliss community indicated that field training space at Fort Bliss can accommodate better than Fort Sill the field training requirements of both the air defense artillery and field artillery schools.

The Army agreed that, although Fort Bliss is much larger than Fort Sill, the field training space at Fort Sill is adequate to accomplish all training -- all air defense artillery school training requirements.

The second community concern was U.S. weapons system -- I'm sorry, that was the second one. The first one was firing Patriots and Stingers on Fort Sill. The Fort Bliss community believes the Net Fires center should be established at Fort Bliss because Fort Bliss can accommodate live firing of air defense artillery missiles and Fort Sill cannot.

The Army addressed this concern by informing the

community that Army air defense artillery school training requirements do not require live firing of missiles.

The third concern had to do with U.S. weapons system development and testing at Fort Bliss. The Fort Bliss community expressed concern that current U.S. air defense weapons system development and testing at Fort Bliss and associated technical workforces will be adversely affected by movement to Fort Sill of the air defense artillery center and school plus one of two Patriot air defense brigades currently at Fort Bliss.

The Army determined that weapons system development and testing activities at Fort Bliss are not tied to the location of the air defense artillery center and school or a tactical unit and that weapons development and testing are principally the responsibility of other Army and DOD organizations.

The next concern was foreign missile training at Fort Bliss. The Fort Bliss community expressed concern that foreign missile training at Fort Bliss, including that done by German, Norwegian, and Japanese allies, will be adversely affected by the air defense school leaving Fort Bliss.

The Army indicated that continued foreign training is independent of the air defense artillery school's move to Fort Sill because these allies generally

provide their own training instructors and they can choose to continue their firing and non-firing training at Fort Bliss or to relocate their non-firing training to Fort Sill.

The next community concern was restationing the First Armored Division from Germany to Fort Bliss. The Fort Bliss community believes that Fort Bliss is large enough to retain all units currently stationed at Fort Bliss, including the air defense artillery school and brigades, and additionally receive the field artillery center and school and a brigade from Fort Sill and the First Armored Division from Europe.

The Army indicated that its basing goals reflected in BRAC prioritized use of excess capacity at Fort Sill to create a Net Fires Center and use of vacated space at Fort Bliss to base incoming units, including the First Armored Division.

The next concern was force and family stabilization. The Fort Bliss community believes that greater opportunity for stabilization exists at Fort Bliss because it will have a greater number of units than Fort Sill.

The Army stated that force and family stabilization goals can be achieved at Fort Sill as well as at Fort Bliss and is enhanced at Fort Sill by relocating to

Fort Bliss an air defense artillery brigade along with the air defense school.

The last community concern category had to do with Army cost savings. The Fort Bliss community agrees with the concept of consolidating the air defense and field artillery centers and schools to create a Net Fires Center. However, the Fort Bliss community believes the center should be located at Fort Bliss.

The Army determined that locating the Net Fires Center at Fort Bliss would save 300 million more dollars than locating it at Fort Sill. That's \$621 million saved versus \$319 million savings. But Army priorities were to optimize military value rather than savings, to create a base the Net Fires Center at Fort Sill to use its excess capacity and retain surge capability and to base the First Armored Division and its 20,000 soldiers and extensive array of combat equipment at Fort Bliss to use its armor maneuver space and deployment access, such as to Beaumont Seaport.

CHAIRMAN PRINCIPI: Thank you.

COMMISSIONER HILL: Mr. Chairman.

CHAIRMAN PRINCIPI: General Hill.

COMMISSIONER HILL: To all my colleagues -- and I appreciate General Newton's questions because these are issues that needed to be discussed -- I took a very careful

look at this issue, received more than one briefing on this issue from both sides, both sides of the aisle on this issue. All of the community concerns are valid points, but all of the Army, in my view, answers to them and their mitigation of them satisfy that the Net Fires Center is necessary, the Net Fires Center ought to be at Fort Sill, and everything else can be mitigated in one way or the other. This is a great idea and it belongs at Fort Sill.

Finally, I would say to you that the strongest rationale for that is the stationing of the division at Fort Bliss. Fort Bliss becomes a big gainer in this and they don't begin to mix up what the Army's, operational Army, with the Army's institutional Army in a big way at Fort Sill -- excuse me, at Fort Bliss.

So I am all for this and I encourage my colleagues to do the same.

CHAIRMAN PRINCIPI: Admiral Gehman.

COMMISSIONER GEHMAN: Thank you very much.

I believe my question is probably not technically related, not technically in this group, but it's related. I agree that it makes good sense to create a Net Fires Center of Excellence. In order to do that, you have to combine the air defense artillery with the field artillery, and if they chose to do it at Fort Sill I think that's fine.

But related, closely related to this, are brigades which are going to pass each other on the highway, is that not right? I mean, one brigade from Fort Sill to Bliss and one brigade from Fort Bliss to Sill? And there's MILCON at both ends so they can all have new barracks and things like that, and I congratulate the Army on their gaming here.

Would you in your analysis, would you tell me that those two moves are rational and that they contribute to this center of excellence?

MR. AVENICK: Well, I would say a couple of things. First, there's the overarching issues of two factories or two production lines, so to speak, at two bases compared to one. The reason that this \$300 million savings if it's put in Fort Bliss has to do with overhead, spreading the cost of overhead. If you have a megabase, of course, the cost of overhead is dispersed among the many people as opposed to maintaining two bases.

In this case, the Army chose to maintain two bases in order to have future capability and surge capacity and take advantage of excess capacity currently in the inventory.

The issue of the two brigades swapping refers to an operational Army recommendation which was previously discussed. In that recommendation, to support this

activity, a Net Fires Center, an operational air defense artillery brigade is moved from Fort Bliss to Fort Sill to form part of the associated structure to the Net Fires Center as an operational unit at Fort Sill, and in reverse Fort Sill sends a fires brigade, multiple launch rocket system type brigade, down to Fort Bliss. That also is an operational unit, and that provides in both cases family and force stabilization, opportunity for cross-transferring, and that sort of thing. And of course they represent operational capabilities, separate but complementary to schools or other units they're with.

So the two are linked directly and related. That aspect, the swap of the two brigades in operational Army, exists because of the formation of the Net Fires Center in the net fires recommendation. So they go together as a package.

That's my answer to the question.

COMMISSIONER GEHMAN: Thank you, Mr. Chairman.

COMMISSIONER HILL: If I could add to that also, and I understand your concerns, but, as we're all aware, all the Commissioners, the pieces of the moving Army and the transforming Army on this BRAC and as they come back from overseas is a very complicated procedure. I will say for everyone, I spent 37, almost 37 years in the Army and the Army has done over those 37 years some pretty stupid

things. This, however, is not one of them. They thought this through in a way that made me very proud to have worn an Army uniform, and it will serve this nation greatly for many years to come.

COMMISSIONER NEWTON: Mr. Chairman.

CHAIRMAN PRINCIPI: General Newton.

COMMISSIONER NEWTON: Well, sir, as always, we can always count on my colleague to my right to be very frank about what he says and he has not failed us again today. I also would like to point out, though, I don't see, based on the discussion and the question of moving both of the brigades and so on, that we're going to achieve the end objective. I don't see a reasonable way to make it happen other than through this process.

If we said, well, the Army could maybe do this programmatically, I'm of the opinion it will never happen. So I fully support and think the Army has done a wonderful job by selecting this method to make this happen, and I think it's the right thing. It should all work well.

Obviously, there's always the thought, let's put them all in one given community. If that community is speaking, to me that's not the right thing to do.

CHAIRMAN PRINCIPI: Yes, Commissioner Coyle.

COMMISSIONER COYLE: Thank you, Mr. Chairman.

Mr. Avenick, can you clarify? Do I understand it

correctly that if the proposed changes here are approved by the Commission classroom training, if I can put it that way, will now take place at Fort Sill, but when it comes to firing Patriots and perhaps even Stinger missiles -- I'm not sure here -- people from Fort Sill will still go to Fort Bliss and fire Patriots on the range there, MacGregor Range, White Sands? There is no intention on the part of the Army to fire Patriots at Fort Sill, is that correct?

MR. AVENICK: That is correct.

COMMISSIONER COYLE: Thank you very much.

CHAIRMAN PRINCIPI: Thank you.

Any further discussion?

(No response.)

CHAIRMAN PRINCIPI: Are there any amendments?

(No response.)

CHAIRMAN PRINCIPI: Hearing no motion to amend, we will vote on whether to approve the Secretary's recommendations -- specifically, these recommendations are education and training recommendations 6, 8, 12, and 13 as highlighted -- and find that they are consistent with the final Force Structure Plan and the Final Selection Criteria.

Are there any recusals?

(No response.)

CHAIRMAN PRINCIPI: Hearing none, all those in

favor -- excuse me. Is there a second?

COMMISSIONER NEWTON: Second.

CHAIRMAN PRINCIPI: All in favor, please indicate by raising your hand.

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(No response.)

CHAIRMAN PRINCIPI: Counsel.

MS. SARKAR: Mr. Chairman, the vote is unanimous. Motion carries.

CHAIRMAN PRINCIPI: Mr. Van Saun.

MR. VAN SAUN: Thank you, Mr. Chairman.

I'd like to move to the next group of recommendations that we'll bring to the floor for a vote are for the headquarters and support activities group. The grouping includes: chapter 5, section 138 of the bill for the Joint Cross Service, headquarters and support activities number 22, consolidate correctional facilities into joint regional correctional facilities; chapter 5, section 139 of the bill, for the Joint Cross Service recommendation, headquarters and support activity number 26, consolidate Defense Commissary Agency offices; chapter 5, section 140 of the bill, for the Joint Cross Service recommendations, headquarters and support activities number 27, consolidate Defense Systems Agency and establish joint

C4ISR capability; capability 5, section 141 of the bill, for the Joint Cross Service recommendation, headquarters and support activities number 30, consolidate media organizations into the new Agency for Media and Publications; chapter 5, section 142 of the bill, for the Joint Cross Service recommendation, headquarters and support activities number 31, consolidate Transportation Command components; chapter 5, section 144 of the bill, for the Joint Cross Service recommendation, headquarters and support activities number 35, create joint mobilization sites; chapter 5, section 147 of the bill, for the Joint Cross Service recommendations, headquarters and support activities number 44, relocate Air Force Real Property Agency; chapter 5, section 148 of the bill, for the Joint Cross Service recommendation, headquarters and support activities number 46, relocate Army headquarters and field operating agencies.

Mr. Chairman, we are standing by for any questions.

CHAIRMAN PRINCIPI: Thank you.

Are there any questions for the staff, any discussion? General Newton.

COMMISSIONER NEWTON: Yes, Mr. Chairman. I'd like to have a bit more information on number 140, the consolidation of Defense Information Systems Agency and

establish joint C4ISR capability. Where is that being done?

MR. SAXON: Thank you for your question, Commissioner Newton. The consolidation of DISA would affect a number of installations in Northern Virginia, Slidell, Louisiana, Panama City, Florida, amongst others, and they would be relocated to Fort Meade, Maryland.

COMMISSIONER NEWTON: Okay. Tell me what's involved -- new one, 142 -- what's involved in the Transportation Command components?

MR. DURSO: Thank you for your question, sir. The service components involved in the Transportation Command are, on the U.S. Army side, the Surface Deployment and Distribution Command headquarters in Alexandria, Virginia; the operations center for the SDDC in Fort Eustace, Virginia; and the U.S. Army Transportation Engineering Agency in Newport News, Virginia.

COMMISSIONER NEWTON: And they're going to? Consolidating where?

MR. DURSO: At Scott Air Force Base, Illinois, sir.

CHAIRMAN PRINCIPI: Are there significant savings associated with these recommendations just overall?

MR. SAXON: With regards to the consolidation of DISA, it provides a 20-year net present savings of \$491

million.

COMMISSIONER NEWTON: And for the Transportation Command, those components are going under Transportation Command at Scott, is that correct, under the joint command?

MR. DURSO: That's correct.

COMMISSIONER NEWTON: Fine, thanks.

CHAIRMAN PRINCIPI: Are there any further questions?

(No response.)

CHAIRMAN PRINCIPI: Are there any amendments on these recommendations?

(No response.)

CHAIRMAN PRINCIPI: Hearing no motion to amend, we will vote on whether to approve the Secretary's recommendations -- specifically, these recommendations are headquarters and support activities 22, 26, 27, 30, 31, 35, 44, 46 -- and find that these recommendations are consistent with the Final Selection Criteria and Force Structure Plan. Is there a second?

COMMISSIONER COYLE: Second.

CHAIRMAN PRINCIPI: Are there any recusals?

(No response.)

CHAIRMAN PRINCIPI: All in favor indicate by raising their hand.

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(No response.)

MS. SARKAR: Mr. Chairman, the vote is unanimous. There were no nays, no recusals. The motion passes.

CHAIRMAN PRINCIPI: Thank you.

Mr. Van Saun.

MR. VAN SAUN: Mr. Chairman and Commissioners, the next group of recommendations that we will bring to the floor for a vote are for the industrial group. This grouping includes: chapter 6, section 151 of the bill for the Joint Cross Service recommendation, industrial number 5, close Riverbank Army Ammunition Plant, California; chapter 6, section 152 of the bill, for the Joint Cross Service recommendation, industrial number 6, realign Sierra Army Depot, California; chapter 6, section 153 of the bill, for the Joint Cross Service recommendation, industrial number 7, realign Rock Island Arsenal, Illinois; chapter 6, section 155 of the bill, for the Joint Cross Service recommendation, industrial number 9, close Kansas Army Ammunition Plant, Kansas; chapter 6, section 157 of the bill, for the Joint Cross Service recommendation, industrial number 11, close Mississippi Army Ammunition Plant, Mississippi; chapter 6, section 159 of the bill, for the Joint Cross Service recommendation, industrial number 13, realign Watervliet Arsenal, New York; chapter 6,

section 162 of the bill, for the Joint Cross Service recommendation, industrial number 16, close Lone Star Army Ammunition Plant, Texas; chapter 6, section 164 of the bill for the Joint Cross Service recommendation, industrial number 18, realign Ship Intermediate Maintenance Activity, Norfolk, Virginia; chapter 6, section 166 of the bill, for the Joint Cross Service recommendation, industrial number 26, realign Naval Shipyard Detachments.

Mr. Chairman, we are standing by for any questions.

CHAIRMAN PRINCIPI: Thank you.

General Hill.

COMMISSIONER HILL: All of us are very familiar with all of these issues and the pros and cons of each one of them. But how about let's have a little discussion of these on the rationale for closing Lone Star Army Ammunition Plant and the community concerns, please.

MR. VAN SAUN: Thank you for your question, Commissioner Hill. I'd like to introduce George Delgado, who is the lead analyst for that item.

MR. DELGADO: Good afternoon and thank you for your question. The basic rationale for the closing of Lone Star is its low usage, which was reported at 5 percent by the Department of Defense, and also the high capacity for Army ammunition plants that exist. So in essence it's

rationalizing this capacity to a more manageable level.

The community was very active indeed. We had many communications from them, including the operating contractor as this plant is a government owned, contractor operated plant. Their concerns, of course, dealt with the loss of employment and the typical things.

COMMISSIONER HILL: How many jobs are affected by this?

MR. DELGADO: At Lone Star it's somewhere around 400. Most of them are contractor, I must say. I can't remember; I think it's about nine -- there is very few civilians and no military, I believe.

COMMISSIONER HILL: Very few Department of the Army civilians?

MR. DELGADO: Yes, sir.

COMMISSIONER HILL: But all those contractors are civilians, too.

MR. DELGADO: Yes, sir.

COMMISSIONER HILL: Okay. The other thing, the other question I would ask you is, because of the related Red River decision which we've already made, this also plays into that because of the Patriot issue, isn't that correct?

MS. BIERI: I believe they have done some work as a subcontract for Red River on the Patriot. So yes, this

will be affected.

COMMISSIONER HILL: Thank you.

CHAIRMAN PRINCIPI: With all of these closures and realignments, how much excess capacity will exist in our Army ammunition plants across the country?

MR. VAN SAUN: Thank you for the question, Commissioner.

Liz, I didn't introduce her earlier, but can you give us an estimate on that?

CHAIRMAN PRINCIPI: Are we eliminating all of our excess capacity with these actions?

MS. BIERI: No, sir, we're not eliminating all the excess capacity. As Mr. Delgado says, the Army is beginning to rationalize the industrial base for ammunition plants and we are taking a big step with these closures. The highest facility utilization was at Kansas and at Lone Star, which was 5 percent each.

CHAIRMAN PRINCIPI: Will these actions have any impact on our ongoing operations in Iraq and Afghanistan?

MS. BIERI: Sir, the Joint Munitions Command in Rock Island, Illinois, is committed to evaluating all warfighter requirements, pulling forward and funding anything to ensure that there would be no interruption to any warfighter requirements.

CHAIRMAN PRINCIPI: So this is a 6-year phase-in,

so it doesn't have to be done overnight.

MS. BIERI: No, sir.

CHAIRMAN PRINCIPI: Thank you.

Any further questions? Commissioner Coyle.

COMMISSIONER COYLE: Thank you, Mr. Chairman.

Could you, could the staff please review the issues with respect to Rock Island?

MR. VAN SAUN: Thank you for the question, Commissioner Coyle. Let me introduce the lead analyst, Valerie Mills, for that item.

MS. MILLS: The main issue with Rock Island was the joint manufacturing center reported on three separate occasions certified data for the capacity of depot maintenance operation. So the community was concerned that that information was placed in the wrong category. But the last data that the Commission received was November 2004 and that is the information that was used to come up with the realignment for depot maintenance functions from out of Rock Island. So that was the main concern there.

COMMISSIONER COYLE: When the Department of Defense provided information on three different occasions, was the data it provided very different, very contradictory from one time to the next?

MS. MILLS: Yes, the numbers were lowered each time.

COMMISSIONER COYLE: Do you have any concern that the data we've received now, the most recent set of data, is not the correct data?

MS. MILLS: We are concerned that the numbers may be incorrect, but we feel that upon implementation, when Rock Island has the opportunity to state exactly their depot maintenance mission, that that will be worked out at that point, because Rock Island joint manufacturing center is mainly the manufacturing center and they do 80 percent manufacturing work.

MR. VAN SAUN: Yes, sir, Commissioner Coyle. Just I might add that the key point here is that as the item is written only the maintenance function is what is moving. It's not explicit beyond that. Through implementation, we're confident that they will only move those folks involved in the maintenance function.

COMMISSIONER COYLE: Thank you.

CHAIRMAN PRINCIPI: Secretary Skinner.

COMMISSIONER SKINNER: It's my understanding that the disconnect at Rock Island is the fact that they do mainly non-depot maintenance, but they do some, and they would claim they do very little depot maintenance.

MS. MILLS: That's correct.

COMMISSIONER SKINNER: So the number of people that are involved here may be, that they say are involved

in depot maintenance, they're not all full-time working depot maintenance, and so the numbers actually that they're going to have to work out is how many of these people on a full-time equivalent basis, how many full-time equivalent basis people are working on depot maintenance, and those people would either be moved out or that head count would be chopped off, but the rest would stay there; is that right?

MS. MILLS: Yes, sir, that's correct.

COMMISSIONER SKINNER: So do you have any percent? I mean, I think it was -- do you remember the number it was, Valerie?

MS. MILLS: That they had as far as temporary people?

COMMISSIONER SKINNER: Well, no. As far as how many people that they have -- the last submission. There were three submissions.

MS. MILLS: 181 people.

COMMISSIONER SKINNER: Do you have any idea how many of the 181 on a full-time equivalent do depot maintenance?

MS. MILLS: No, sir. But I do know that they have 79 people that are temporary that do depot maintenance.

COMMISSIONER SKINNER: Okay, thank you.

CHAIRMAN PRINCIPI: Admiral Gehman.

COMMISSIONER GEHMAN: Again on Rock Island.

Because we've grouped all of these low-capacity ammunition plants together, but Rock Island jumps out because in the first round of certified data it appears never to pay back. It appears to lose. It's one of these deals where we're going to spend \$27 million to save \$16 million. But then you say the data changed, over a period of time the data changed.

Did we ever -- and I don't know what the latest numbers are. Do we ever come out ahead on this deal?

MS. MILLS: Sir, the numbers that you have are the last numbers that were processed.

COMMISSIONER GEHMAN: So Mr. Van Saun suggested that in execution you have assumed that the Department won't do something which is not in their best interest, but we can't quite sort it out from here. Is that what the bottom line is?

MR. VAN SAUN: Yes, sir, that's correct.

CHAIRMAN PRINCIPI: I want to go back to Lone Star. Is Lone Star a GOCO ammunition depot? I heard someone say that this is contractor operated. It's all contractor operated, the same contractor that would be at some of these other Army ammunition plants?

MR. VAN SAUN: Yes, sir, that's correct, that is

correct.

CHAIRMAN PRINCIPI: So the employees, these contractor employees, would move around from plants, I would assume?

MR. VAN SAUN: Yes, sir. Let me correct that. It's a couple of different contractors, so that's not an automatic assumption.

CHAIRMAN PRINCIPI: Are there any further questions? Commissioner Coyle.

COMMISSIONER COYLE: Thank you, Mr. Chairman.

I just want to follow up on Admiral Gehman's question. With the latest changes that you've gotten from the Department of Defense, does the Rock Island proposal save the taxpayers any money?

MR. VAN SAUN: Karl, would you like to take that?

MR. GINGRICH: Yes, sir. Thank you for the question. According to the latest COBRA run, the official DOD, the one-time cost will be just under \$27 million. The 20-year net present value will be \$13.7 million savings.

COMMISSIONER COYLE: Savings?

MR. GINGRICH: Savings, yes, sir.

COMMISSIONER COYLE: Is there -- I don't know how to ask this question properly. Is this particular proposal, section 153 proposal, is it different from the other ammunition plants and depots that are mentioned here?

Is it different in that regard? Is it the only one that stands out as not saving money?

MR. GINGRICH: In a general sense, most of the depots save quite a bit of money, a significant amount of money. This one is small, but it's also a very small percentage of personnel being realigned from Rock Island.

COMMISSIONER COYLE: From the staff's point of view, is there any reason why we should not strip this particular recommendation, section 153 recommendation, out of this grouping, either to deal with it later or, for that matter, in a subsequent vote today? Or do you see benefits to the U.S. military from the proposed realignment that override the fact that it doesn't save any money?

MS. MILLS: Sir, Commissioner, this is part of the overall realignment for the depot maintenance. The depot maintenance functions that are to realign out of Rock Island will be going to two of the facilities that have higher military value. So overall this is a good recommendation, and if Rock Island is indeed doing any depot maintenance in those particular commodity areas then they would go to the centers that do that job very well.

COMMISSIONER COYLE: Thank you.

CHAIRMAN PRINCIPI: Any further questions?

(No response.)

CHAIRMAN PRINCIPI: Are there any amendments to

this motion?

(No response.)

CHAIRMAN PRINCIPI: Hearing no motion to amend, we will vote on approval of the Secretary's recommendations in the industrial Joint Cross Service Group, number 5, 6, 7, 9, 11, 13, 16, and 26, and find that they are consistent with the Final Selection Criteria and Force Structure Plan. Is there a second?

COMMISSIONER NEWTON: Second.

CHAIRMAN PRINCIPI: Are there any recusals?

(No response.)

CHAIRMAN PRINCIPI: Hearing none, all in favor indicate by raising their right hand.

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed.

(No response.)

CHAIRMAN PRINCIPI: Counsel.

MS. SARKAR: Mr. Chairman, the vote is unanimous. The motion passes.

CHAIRMAN PRINCIPI: Thank you.

Mr. Van Saun.

MR. VAN SAUN: Thank you, Mr. Chairman.

The next group of recommendations that we will bring to the floor for a vote are for the intelligence group. This grouping includes: chapter 7, section 167 of

the bill for the Joint Cross Service recommendation, intelligence, number 3, realign Defense Intelligence Agency; chapter 7, section 168 of the bill, for the Joint Cross Service recommendation, intelligence number 4, realign National Geospatial Intelligence Agency activities.

Mr. Chairman, we are standing by for any questions.

CHAIRMAN PRINCIPI: Thank you.

I note that the relocation and consolidation of the various components of National Geospatial Intelligence Agency has a price tag of about a billion dollars; is that correct?

MR. DELANEY: Yes, sir.

CHAIRMAN PRINCIPI: What is it based on? That seems significantly high to me.

MR. DELANEY: Mr. Chairman, that's based on, principally on the MILCON to do the building at Fort Belvoir.

CHAIRMAN PRINCIPI: Is there adequate space at Fort Belvoir to accommodate this large MILCON project?

MR. DELANEY: I'm sorry, sir; could you ask again, please?

CHAIRMAN PRINCIPI: Is there adequate space on Fort Belvoir, where I believe this agency will be relocating to? Is there adequate space on Fort Belvoir to

accommodate this MILCON project?

MR. DELANEY: Yes, sir, there is.

CHAIRMAN PRINCIPI: Are there any questions, any discussion?

COMMISSIONER NEWTON: Mr. Chairman, not only I recognize the large amount of money that it costs, that one-time cost. But this also, they generate a savings, if I have the right one in mind here.

MR. DELANEY: Yes, sir.

COMMISSIONER NEWTON: Why don't you tell us what that savings really is? Give us the background, will you, please?

MR. DELANEY: The COBRA analysis is a one-time cost of \$1.1 billion, with an annual recurrent savings of \$127.7 million.

MR. GINGRICH: Mr. Commissioner, the 20-year net present value is a savings of \$535 million just for the NGIA recommendation.

COMMISSIONER NEWTON: Right. And Mr. Chairman and Commissioners, I just took a brief on this earlier, maybe it was even -- yes, earlier this week, I guess it was. All of these funds -- some of these funds come from other areas that they are doing the building with. So it's not all coming out of BRAC funds. They demonstrated to us this truly is the right thing to do.

CHAIRMAN PRINCIPI: Is there anything further?

(No response.)

CHAIRMAN PRINCIPI: Hearing no motion to amend, we'll vote to approve the Secretary's recommendations in the intelligence Joint Cross Service Group, recommendations 3 and 4, and find that they are consistent with the Final Selection Criteria and the Force Structure Plan. Is there a second?

COMMISSIONER NEWTON: Second.

CHAIRMAN PRINCIPI: All in favor?

(A show of hands.)

CHAIRMAN PRINCIPI: Oh, yes, we have, I'm sorry, one recusal.

All opposed?

(No response.)

CHAIRMAN PRINCIPI: Count?

MS. SARKAR: Mr. Chairman, the vote are eight yeas, one recusal. The motion passes.

CHAIRMAN PRINCIPI: Mr. Van Saun.

MR. VAN SAUN: Thank you, Mr. Chairman. The next group of recommendations that we will bring to the floor for a vote are for the supply and storage group. The grouping includes: chapter 9, section 175 of the bill, for the Joint Cross Service recommendation, supply and storage number 5, commodity management privatization; chapter 9,

section 177 of the bill, for the Joint Cross Service recommendation, supply and storage number 13, supply and storage distribution management reconfiguration.

Mr. Chairman, we are standing by for any questions.

CHAIRMAN PRINCIPI: Thank you.

Are there any questions or any discussion?

(No response.)

CHAIRMAN PRINCIPI: Are there any amendments to the recommendations?

(No response.)

CHAIRMAN PRINCIPI: Hearing no motion to amend, we will vote to approve the Secretary's recommendations on supply and storage, Joint Cross Service Group number 5 and number 13, and find that they are consistent with the Final Selection Criteria and Force Structure Plan. Is there a second?

COMMISSIONER GEHMAN: Second.

CHAIRMAN PRINCIPI: Are there any recusals?

(No response.)

CHAIRMAN PRINCIPI: All in favor indicate by raising their hand.

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(No response.)

MS. SARKAR: Mr. Chairman, the vote was unanimous. There were no recusals or nays. The motion passes.

CHAIRMAN PRINCIPI: Thank you.

Mr. Van Saun, does that conclude all of the --

MR. VAN SAUN: No, sir. We have one more group.

CHAIRMAN PRINCIPI: Okay, I'm sorry.

MR. VAN SAUN: Mr. Chairman, the last group of recommendations that we'll bring to the floor for you are the technical group: chapter 6, section 180 of the bill, for the Joint Cross Service recommendation, technical number 7, consolidate ground vehicle development and acquisition; chapter 10, section 183 of the bill, for the Joint Cross Service recommendation, technical number 13, technical number 13, consolidate sea vehicle development and acquisition; chapter 10, section 185 of the bill for the Joint Cross Service recommendation, technical number 18, create an Air Integrated Weapons and Armaments Research, Development, Acquisition, Test and Evaluation; chapter 10, section 189 of the bill for the Joint Cross Service recommendation, technical number 26, establish centers for rotary wing air platform development, acquisition, test and evaluation.

Mr. Chairman, we are standing by for any questions.

CHAIRMAN PRINCIPI: Thank you.

Are there any questions or discussion on these four technical recommendations?

(No response.)

CHAIRMAN PRINCIPI: Are there any amendments?
Commissioner Coyle?

COMMISSIONER COYLE: Yes. Sorry, Mr. Chairman.

Mr. Van Saun, could you go over the issues slides that you have on 183 and 185.

(Slide.)

MR. VAN SAUN: I'd like to introduce Les Farrington, sir, and he will go over those with you.

MR. FARRINGTON: 183, relocate sea vehicle development and acquisition to Naval Surface Warfare Center, Carterock Division, Bethesda, Maryland, the program management and directorate of sea vehicles development and acquisition, the Naval Sea Systems Command, Washington, D.C. In our discussions with the community and issues we've identified, we've found that the Navy is rated high on tasks related to acquisition and development of sea vehicles and that the collocation can be accomplished with no outlay of MILCON dollars by utilizing existing infrastructure. We support the acceptance of that recommendation. To us it looks like a good consolidation.

What was the other one, please?

COMMISSIONER COYLE: 185.

(Slide.)

MR. FARRINGTON: 185 relocates weapons and armaments in-service engineering RDAT and E to Eglin Air Force Base, Florida. Another part of that deals with Fort Belvoir, Virginia, and relocates the Defense Threat Reduction Agency, National Command Region, conventional research, to Eglin Air Force Base, Florida.

This is an attempt to consolidate and create a center of excellence at Eglin from beginning to end in terms of R and D, sustainment, testing, a total full-spectrum center at Eglin.

Commission staff identified the issue of the location of performance of in-service engineering of munitions. Staff supports DOD's desire to create a full-spectrum life cycle capability at Eglin, to include in-service engineering support of fielded items. Also, the fact that Eglin is rated substantially higher than Hill on all RDAT and E categories makes Eglin the most preferred location to accomplish the in-service engineering function.

Further, Commission staff supports the movement of DTRA, Defense Threat Reduction Agency, research to Eglin as well as the elimination of the need -- as well as elimination of the need to lease space. We support that recommendation.

CHAIRMAN PRINCIPI: Is there anything further?

(No response.)

CHAIRMAN PRINCIPI: Hearing no motion to amend, we will vote to approve the Secretary's recommendations on technical Joint Cross Service Group numbers 7, 13, 18, 26, and find that they are consistent with the Final Selection Criteria and Force Structure Plan. Is there a second?

COMMISSIONER NEWTON: Second.

CHAIRMAN PRINCIPI: Are there any recusals?

(No response.)

CHAIRMAN PRINCIPI: All in favor, indicate by raising your hand.

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(No response.)

MS. SARKAR: Mr. Chairman, the vote is unanimous. The motion is approved.

CHAIRMAN PRINCIPI: Thank you.

That completes the grouping of the Joint Cross Service Group?

MR. VAN SAUN: Yes, Mr. Chairman. That completes the grouping and we're ready to proceed at your --

CHAIRMAN PRINCIPI: I suggest we take a 30-minute recess, give the Commissioners an opportunity to understand the amendments that may be coming forward with regard to

some of these other recommendations, and we'll be able to proceed in a more orderly and informed fashion. So the Commission will stand in recess until 3:20 p.m.

(Recess from 2:52 p.m. to 3:22 p.m.)

CHAIRMAN PRINCIPI: The Commission will come to order.

Mr. Cook.

MR. COOK: Thank you, Mr. Chairman. We'll continue on with the Joint Cross Service Group as it relates to chapters 6 and 9. Mr. Van Saun.

MR. VAN SAUN: Thank you, Mr. Cook.

Chairman and Commissioners, we'll now proceed to look at chapter 6 items. The first item that we'd like to consider is item 150. It's to realign Naval Weapons Station Seal Beach. Let's go to the slide.

(Slide.)

slide.

(Slide.)

The recommendation relocates depot maintenance activities from Seal Beach to Pennsylvania, Alabama, and Georgia. I'd like to introduce David Epstein as the senior analyst to discuss this item.

MR. EPSTEIN: Thank you, Dave.

Chairman Principi, Commissioners: The justification for this recommendation is to work towards

elimination of the depot maintenance function from Naval Weapons Station Seal Beach and follows the general strategy of minimizing the number of sites performing depot maintenance. This recommendation eliminates nearly six acres of depot maintenance production space, with annual facility sustainment and recapitalization savings of about \$1.1 million.

This recommendation increases inter-servicing, but decreases depot maintenance costs across DOD by consolidation and elimination of duplicate structures in which depot maintenance is performed. This supports transformation of the depot maintenance operations by increasing utilization of existing capacity while maintaining capability to support future force structure.

There are four recommendations on the chart that you saw. The only recommendation with which the staff takes issue is one that affects fewer than five people. It appeared on the recommendations due to a miscategorization of some intermediate level work which was coded as depot maintenance.

Containers generally come to Seal Beach with a missile in them. The missile work is and will be done at Seal Beach. The recommendation would cause the empty containers to be shipped cross-country to Letterkenny, where they would be repainted, bolts tightened, and dents

removed. The containers would then be shipped back to Seal Beach. It costs about \$800 to \$1,000 to ship each container round trip to Pennsylvania. If the container is still at Letterkenny when the missile is ready, the missile might have to await the return of the correct size of container, as there are about a dozen different container shapes and sizes.

We have no reason to think that there's any substantial difference between the costs of doing this work at Letterkenny or at Seal Beach other than shipping costs. If you look at the four recommendations in toto, we're talking about one-time costs of \$4 million, payback within a year, a \$17.6 million 20-year net present value savings. This would affect a total of about 60 people.

Staff agrees that, given the low technical level of the work involved and the possible ramifications of having an overhauled missile without an appropriate container, it doesn't make sense to ship the containers cross-country. This total work involves only about 6,000 man-hours, 4 work years. Overturning the recommendation, that is this one sub-recommendation, costs about \$11,000 extra in civilian salary locality pay, but avoids paying about \$400,000 a year in shipping costs and avoids the cost of moving the two civilians to Letterkenny. Thus the recommendation would have an NPV of about \$5 million more

than the original recommendation. However, that savings would likely be offset by what appears to be an overstatement in the savings that might come about from reducing warehouse space.

Thank you very much.

CHAIRMAN PRINCIPI: We have before us industrial Joint Cross Service Group recommendation for Naval Weapons Station Seal Beach, California, appearing at chapter 6, section 150 of the bill. Are there any questions or any discussion on this recommendation?

COMMISSIONER GEHMAN: Mr. Chairman.

CHAIRMAN PRINCIPI: Admiral Gehman.

COMMISSIONER GEHMAN: Mr. Chairman, for my colleagues, I'm going to offer an amendment which is essentially a technical correction to this recommendation. The last item in the realignment -- the recommendation's a good one. The functions that they list here should be realigned. We don't have any problem with that.

The last of the four functions that they say to realign was an attempt to get at the part of the tactical missile work that they do and will continue to do at Seal Beach, which hundreds of people do, and attempt to get at the material-handling section of that group, essentially redoing the containers that the missiles travel in. What they wrote in the recommendation is to relocate the depot

maintenance of tactical missiles and that's not what was intended here.

Therefore I will propose an amendment which is essentially a technical correction to this, to delete that section when they were really only trying to get at a dozen or so people, not hundreds and hundreds of people. The correction actually saves money and will not do any harm to the overall recommendation.

CHAIRMAN PRINCIPI: Will you offer your amendment, then?

COMMISSIONER GEHMAN: I am ready, yes, sir.

CHAIRMAN PRINCIPI: Please.

COMMISSIONER GEHMAN: Very well. I move that the Commission find that when the Secretary of Defense made Navy recommendation number 9, Naval Weapons Station Seal Beach, California, he substantially deviated from the Final Selection Criteria 1 and 5 and the Force Structure Plan; that the Commission strike the language, quote, "relocate the depot maintenance of other components to Anniston Army Depot, Louisiana, and relocate the depot maintenance of tactical missiles to Letterkenny Army Depot, Pennsylvania," and replace it with the language, quote, "and relocate the depot maintenance of other components to Anniston Army Depot, Alabama," period, unquote; and that the Commission find that this change and the recommendation as amended are

consistent with the Final Selection Criteria and the Force Structure Plan.

Thank you, Mr. Chairman.

CHAIRMAN PRINCIPI: Is there a second?

COMMISSIONER TURNER: Second.

CHAIRMAN PRINCIPI: Is there any further discussion on this amendment?

(No response.)

CHAIRMAN PRINCIPI: Hearing none, I move -- well, I ask, are there any recusals? Excuse me.

COMMISSIONER COYLE: Yes, Mr. Chairman. I recuse on this item.

CHAIRMAN PRINCIPI: There being no further discussion, all in favor please indicate by raising their hand.

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(No response.)

MS. SARKAR: Mr. Chairman, the votes are eight yeas, no nays, one recusal. The motion passes.

CHAIRMAN PRINCIPI: Thank you.

Are there any further amendments?

(No response.)

CHAIRMAN PRINCIPI: Hearing no further motion to amend, we will vote on the approval of the Secretary's

recommendation as amended and find that it is consistent with the Final Selection Criteria and the Force Structure Plan. Is there a second?

COMMISSIONER NEWTON: Second.

CHAIRMAN PRINCIPI: All in favor?

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(No response.)

MS. SARKAR: Mr. Chairman, the vote is unanimous.

The motion passes.

CHAIRMAN PRINCIPI: Thank you.

Mr. Van Saun.

MR. VAN SAUN: Thank you, Mr. Chairman.

The next recommendation for your consideration appears in chapter 6, section 154 of the bill. Slide.

(Slide.)

Close Newport Chemical Depot, Indiana. It also aligns tenants to an as of yet undetermined location. I'd like to introduce George Delgado and Liz again to discuss this item. George.

MR. DELGADO: Thank you, Mr. Van Saun.

Mr. Chairman and Commissioners, the Department of Defense justifies the closure of the chemical depot by stating that no additional workload is slated to go to the depot and projects its mission completion by the second

quarter of 2008. The Department of Defense expects this closure to require a one-time cost of \$7.1 million and generate a 20-year net present value savings of \$436.2 million, with an immediate payback. According to the Department, this closure affects 296 personnel positions.

(Slide.)

This slide -- thank you. This slide summarizes the key issues that were developed during analysis of this recommendation and are grouped by their associated selection criteria. Our review revealed information that updated mission completion and closure dates for the Newport Chemical Depot. New information projects completion of the chemical demilitarization mission in the third quarter of fiscal year 2007 and the first quarter of fiscal year 2012, with closure up to 3 years after mission completion. Dates beyond 2011 exceed the BRAC implementation period.

We made two adjustments to the cost scenarios presented by DOD in support of this recommendation. The first adjustment reduced questionable recapitalization savings from the closure of the chemical depot. GAO questioned the application of recapitalization savings for chemical depots that will close once the chemical demilitarization mission concludes and have no future missions.

The second adjustment modifies personnel numbers by eliminating 208 military positions that were there at the depot temporarily to provide site protection and by decreasing civilian employment by 62 positions to reflect staffing levels as of July 31, 2005.

The results of these adjustments are a decrease of \$2.3 million in one-time costs, maintains the immediate payback period, and a decrease in the 20-year net present value savings to \$132.6 million savings.

In conclusion, Mr. Chairman and Commissioners, we found that the only problem with the closure of the chemical depot is going to be the time in which they will finish the mission.

This concludes my statement and I am ready to answer any questions.

CHAIRMAN PRINCIPI: Thank you.

Are there any questions for staff, any discussion on this recommendation? Commissioner Coyle.

COMMISSIONER COYLE: Thank you, Mr. Chairman. When the time comes and you call for it, I will have a motion for a modifying amendment on this, on this proposal.

But before we get into that, Mr. Delgado, could you explain why the chemical demilitarization may take longer than projected by the Army and what some of the obligations of the Newport Chemical Depot are under the

Chemical Weapons Treaty?

MR. DELGADO: Yes, sir. The time frame has been extended because the process is very complex and has to be very carefully taken, done. Also, the time frame has been extended because it took some time to build these facilities and to test them out, to prove them out. The Newport Chemical Depot is dealing with VX agents and that's one of the reasons why you have to be very, very careful, and it will take as long as it takes.

COMMISSIONER COYLE: Thank you.

CHAIRMAN PRINCIPI: Congressman Hansen.

COMMISSIONER HANSEN: What type of chemicals do they have there and what technology are they using? I assume they're using baseline technology on that. Is that wrong?

MR. DELGADO: Yes, sir, that is my belief. And the chemical that they have at Newport is VX in large containers, containers of 200 tons.

COMMISSIONER HANSEN: I would submit, in answer to Commissioner Coyle's question of why it takes long, what you've got to realize, every one of those that is going, it just rattles and some environmental community files a lawsuit against it. We've got one judge out in the West, all he does is handle these cases. And so then they have to go through that nonsense by the time they get it done.

MR. DELGADO: Yes, sir, there are very, very stringent environmental requirements on the operations of these plants.

CHAIRMAN PRINCIPI: Commissioner Coyle, do you want to offer your amendment at this time?

COMMISSIONER COYLE: Thank you, Mr. Chairman. As the staff have explained, this is difficult and delicate work and it can take longer than the DOD has projected. And not only this depot, but others we're going to come to shortly also have obligations under the Chemical Weapons Treaty which have to be met.

Accordingly, I will have the following motion. I move that the Commission find that when the Secretary of Defense made industrial Joint Cross Service recommendation 8, Newport Chemical Depot Indiana, he substantially deviated from Final Selection Criteria 1 and 4 and the Force Structure Plan, that the Commission strike the language "close" and insert in its place the language "on completion of the chemical demilitarization mission in accordance with treaty obligations, close"; and that the Commission find this change and the recommendations as amended are consistent with the Final Selection Criteria and Force Structure Plan.

CHAIRMAN PRINCIPI: Is there a second?

COMMISSIONER TURNER: Second.

CHAIRMAN PRINCIPI: Is there any further discussion on the amendment?

(No response.)

CHAIRMAN PRINCIPI: Are there any recusals?

(No response.)

CHAIRMAN PRINCIPI: All in favor of the motion, please indicate by raising their hand.

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(No response.)

MS. SARKAR: Mr. Chairman, the vote is unanimous. The motion carries.

CHAIRMAN PRINCIPI: Are there any further amendments?

(No response.)

CHAIRMAN PRINCIPI: Hearing no further motion to amend, we will vote to approve the Secretary's recommendation as amended and find that it is consistent with the Final Selection Criteria and the Force Structure Plan. Is there a second?

COMMISSIONER NEWTON: Second.

CHAIRMAN PRINCIPI: All in favor indicate by raising their hand.

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(No response.)

MS. SARKAR: Once again, Mr. Chairman, the vote is unanimous. The motion carries.

CHAIRMAN PRINCIPI: Mr. Van Saun.

MR. VAN SAUN: Thank you, Mr. Chairman.

The next item for consideration appears in chapter 6, section 156 of the bill, to realign the Lima Tank Plant. This recommendation realigns the Lima Tank Plant by reducing its manufacturing footprint. I introduce George Delgado again to discuss this item.

(Slide.)

MR. DELGADO: Thank you, Mr. Van Saun.

Mr. Chairman and Commissioners, the Department of Defense justifies the realignment of the Lima Tank Plant by asserting that capacity and capability for armored combat vehicles exists at three sites with little redundancy among the sites. No missions relocate through this recommendation and it requires maintaining capabilities for the Army Future Combat System, the Marine Corps Expeditionary Force Vehicle, and the Army M-1 Abrams recapitalization programs.

The DOD states that establishing this capability elsewhere would hinder the Department's ability to meet the Army and Marine Corps future production schedules. This recommendation reduces the manufacturing footprint and

allows DOD to remove excess from the industrial base and generate efficiencies within the manufacturing and maintenance of combat vehicles. The DOD cost analysis shows one-time costs of \$200,000, a 20-year net present value savings of \$22.26 million, and an immediate payback period. The recommendation does not change employment levels at the Lima Tank Plant.

Next slide.

(Slide.)

This summarizes the key issues that we found in analyzing this recommendation. The community asserted that increased workload has significantly increased plant utilization since the data collection effort in 2003. Community members noted that a reduced manufacturing footprint would require termination or relocation of all Abrams-related workload or all Stryker and Expeditionary Fighting Vehicle workload.

Staff analysis found that Abrams tank, Stryker, and Expeditionary Fighting Vehicle workload has in fact increased. Additionally, prototype work on the Future Combat System has started at the Lima Tank Plant. Plant manufacturing space utilization has absorbed most of the 27 percent excess space calculated by DOD and is now 95 percent. Future workload projections sustain this level of utilization. Existing excess space, the largest contiguous

space, consisting of 11,000 square feet, typically involves common or shared manufacturing support spaces between the production lines, making reconfiguration very difficult.

In conclusion, Mr. Chairman and Commissioners, we found that for this -- we found that there was deviation in criteria 1 and 3 for this recommendation.

CHAIRMAN PRINCIPI: Thank you.

Is there any discussion or questions? Secretary Skinner.

COMMISSIONER SKINNER: How did they get the conclusion that they could do all this for \$200,000?

MR. DELGADO: Sir, I can't tell you.

COMMISSIONER SKINNER: I mean, you just described a massive restructuring of the facility. When you initially see something like that, you assume that it's capacity and machines that they don't need, that they're going to scrap, and somebody will come in and scrap them, they'll put a wall up and they'll not heat it. But that's not what's involved here.

Given their workload for the foreseeable future, they're going to have to take all the equipment that does it, move it to another side of the plant so they can close off that capacity, and then re-set up the entire plant; is that --

MR. DELGADO: Sir, they would have to remove lots

of tools and equipment that are probably obsolete, may not be used in future lines from that location, to be able to get the extra space.

May I remind you that one of the findings that we have had is that the industrial Cross Services Group people in some instances did not visit some of these installations.

COMMISSIONER SKINNER: Well, it's pretty obvious they didn't visit this one. So I have a motion when the questions are through.

CHAIRMAN PRINCIPI: Admiral Gehman.

COMMISSIONER GEHMAN: Thank you, Mr. Chairman.

Would you help me with this recommendation a little bit just in the matter of process. This recommendation reads "realign the Lima Tank Plant, Ohio," and then it goes on to say "retain the portion to support the manufacturing of armored combat vehicles, to include the Army's Future Combat System, the Marine Corps Expeditionary Vehicle, and the M-1 tank." But it never says what's being realigned. There are no people being realigned. It never ever says what we're doing here.

Could you -- it's a very unusual recommendation and it never describes either a function or a purpose or a person that's being moved, changed, eliminated, or anything else. Could you fill in that blank in my mind for me?

MR. DELGADO: Yes, sir. The intent of the recommendation is to reduce the amount of manufacturing space. So in essence it reduces the footprint, with I believe the intent of eventually placing it out for usage by the community through lease agreements.

COMMISSIONER GEHMAN: Is this government-owned property?

MR. DELGADO: Yes, sir.

COMMISSIONER GEHMAN: So what they want to do is they want to shrink down to a smaller footprint and then excess the plant square footage?

MR. DELGADO: That's correct.

COMMISSIONER GEHMAN: And they claim a savings by doing that?

MR. DELGADO: Yes, sir.

COMMISSIONER GEHMAN: Thank you very much. It's a mystery to me. Thank you.

MR. GINGRICH: Commissioner Gehman, in the COBRA report the costs are associated with mothballing part of the Lima Tank Plant. When they mothball it, you incur some up-front costs and then you gain some savings in your sustainment and recap and BOS rates because you're actually reducing the infrastructure that you are upkeeping, if you will.

COMMISSIONER SKINNER: I have a motion. I have a

motion, a motion to strike. I move that the Commission find that the Secretary of Defense made industrial Joint Cross Service Group recommendation 10, Lima Tank Plant, Ohio --when he made it he substantially deviated from financial selection criteria 1 and 3 and the Force Structure Plan; and the Commission strikes the recommendation; and the Commission finds this change is consistent with the Final Selection Criteria and Force Structure Plan.

CHAIRMAN PRINCIPI: Is there a second?

COMMISSIONER GEHMAN: Second.

CHAIRMAN PRINCIPI: Are there any recusals?

(No response.)

CHAIRMAN PRINCIPI: All in favor of the motion to strike, please indicate by raising your hand.

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(No response.)

MS. SARKAR: Mr. Chairman, the vote is unanimous. The motion carries.

COMMISSIONER SKINNER: I'm sure the people in Lima will rest tonight. They know we're not dumping stuff like this.

CHAIRMAN PRINCIPI: Thank you.

Mr. Van Saun.

MR. VAN SAUN: Thank you, Mr. Chairman.

The next recommendation for your consideration appears in chapter 6, section 158 of the bill, concerning Hawthorne Army Depot Nevada.

COMMISSIONER BILBRAY: "Ne-VADD-da."

MR. VAN SAUN: Thank you, sir. It was a momentary slip. "Ne-VADD-da."

This recommendation closes Hawthorne Army Depot, Nevada, and moves munitions storage and demilitarization functions to Tooele Army Depot, Utah. It also moves tenants to an as yet undetermined location.

Again, analyst George Delgado will brief you on the details.

(Slide.)

MR. DELGADO: Thank you, Mr. Van Saun.

Mr. Chairman and Commissioners, the Department of Defense justifies the closure of Hawthorne Army Depot by stating that it will reduce redundancy and remove excess capacity for storage and demilitarization from the industrial base. Additionally, the action will allow creation of centers of excellence and deployment networks to support readiness. In its justification, the Department identified infrastructure problems that limit the depot's ability to offload munitions.

The Department of Defense expects this closure to

require one-time costs of \$180.3 million and generate a 20-year net present value savings of \$777.7 million with an immediate payback. According to the Department, closure affects 139 personnel positions, 20 of whom are tenants that will relocate to an as of yet undetermined location.

Next slide.

(Slide.)

This slide summarizes the key issues that were developed during analysis of this recommendation and they are grouped by their associated selection criteria. Mr. Chairman and Commissioners, the staff found sufficient discrepancies in the data to call into question the decision to close Hawthorne Army Depot. In the next few slides I will summarize the most salient ones.

Our review revealed that unused munitions demilitarization capabilities of about 30,000 tons per year and about 44 percent unused storage capabilities at Hawthorne Army Depot may be needed as significant quantities of munitions are expected to start returning in the near future from Korea, Europe, and Southwest Asia. For example, munitions in Korea total 507,000 short tons. Final quantities of returnings have not been established, but not all will return.

Added to our current stockpiles, these munitions will require demilitarization and-or storage for obsolete

and useable items. Past diversions from the conventional munitions demilitarization account have resulted in increasing stockpiles of obsolete munitions that have increasingly filled available storage space.

The Department of Defense plans to introduce a wedge for demilitarization funds of about \$541 million for fiscal years 2006 through 2011 to reduce its current backlog of approximately 390,000 short tons. The degree of success of the wedge during higher priority wartime needs will consequently have an effect on conventional munitions demilitarization and storage problems. Returning overseas munitions will add to these problems.

The staff found no problems in infrastructure that limit loading and offloading of munitions at Hawthorne. The depot has three container loading-offloading pads and six docks with multiple rail and truck access. Our queries regarding this issue identified one instance in 20 years in which weather-related damage to rail occurred that only required a short period to repair. The depot prides itself in not having missed its delivery schedule during this time period.

(Slide.)

The next two bullets show statistics on shipments to and from the depot, some of the current ones.

(Slide.)

That's a backup. Sorry about that.

(Slide.)

The staff found a significant list of services provided by the depot that may have been underconsidered in the decision to close the depot. The depot performs a variety of services, including range scrap processing for the Navy and Corps of Engineers, testing and loading of explosive charges, ammunition testing, ammunition restoration, testing for the next generation of robotic security systems, and has signed an agreement with the Defense Logistics Agency to store the military's entire stockpile of elemental mercury.

Furthermore, the depot offers joint training opportunities in 71,287 acres of high altitude desert terrain like Iraq and Afghanistan. The types of training opportunities include high-angle sniper and other firing ranges, high-altitude patrol, and desert convoy operations. Over 1500 military personnel have trained between January and April of 2005.

The Department of Defense underestimated the economic impact of closing Hawthorne by erroneously using the Reno-Sparks metropolitan area as its baseline location. Hawthorne is located approximately 130 miles from the Reno-Sparks metropolitan area and does not draw its personnel from that location. The depot draws its personnel from the

Mineral County, Nevada, region of influence. Recalculation of economic impact in the appropriate region of influence and with correct personnel figures yielded a 37 percent negative impact to the county, the largest impact on this BRAC round.

The staff found that environmental cleanup costs may reach as high as \$708 million if the depot closes. Current estimated restoration costs are \$380.24 million. In addition, an estimate of between \$29.2 million and \$324.8 million would be required for cleanup of 16 operational ranges if they are closed. Cleanup costs will fluctuate depending on the future use standard selected for closure of the depot.

Mr. Chairman and Commissioners, we found that for the Hawthorne Army Depot recommendation there were deviations from final criteria 1, 2, 3, 6 and 8. This concludes my statement.

CHAIRMAN PRINCIPI: Thank you. There's a significant savings associated with closing this depot, of close to \$800 million net present value, which I certainly don't want to take lightly here. Is there excess capacity at the receiving location to absorb this workload? I also want to -- let's assume that the Department is not going to bring back these munitions and leave them in theater, which I believe there's been some testimony to the fact that a

lot of these munitions are not coming back, they'll stay in Iraq, Afghanistan, and other locations. If they don't, if they don't come back, is there excess capacity at the receiving location to absorb this workload and to store the current ammunition and to demilitarize the existing stockpile?

MR. DELGADO: Our review, Mr. Chairman, shows that there would not be.

CHAIRMAN PRINCIPI: There would not be?

MR. DELGADO: There would not be. Tooele Army Depot in Utah does not have sufficient storage capacity. They have sufficient demilitarization capacity, but not storage.

CHAIRMAN PRINCIPI: Well, how did they arrive at this -- how did they arrive at this recommendation?

MR. DELGADO: Part of the reason that they arrived at this is there is an expectation that there will be that wedge of \$541 million that will help to reduce the stockpile of obsolete ammunition by around 21 percent. The question becomes will that money be available, will they be able to do this during these time frames?

In addition, with the closure of Deseret, which we will talk about in a bit, there are 909 igloos that would transfer to Tooele. But it's still not sufficient. Hawthorne has somewhere around 2,400 to 2,500 storage,

munitions storage buildings. It is now filled to about 56 percent.

CHAIRMAN PRINCIPI: Thank you.

Further discussion? Admiral Gehman.

COMMISSIONER GEHMAN: Thank you, Mr. Chairman.

How did the Hawthorne Army Depot rank in military value for storage and distribution of conventional munitions?

MR. DELGADO: Sir, for demilitarization they were number one. For storage they were number two in military value.

CHAIRMAN PRINCIPI: And yet they still came forward with this recommendation, notwithstanding those military values?

MR. DELGADO: That is correct, sir.

CHAIRMAN PRINCIPI: Commissioner Coyle.

COMMISSIONER COYLE: Thank you, Mr. Chairman.

As Mr. Delgado has pointed out, this is a site with high military value for its mission. The cost savings have been overstated. But he also pointed out that there is an important amount of training going on at that site.

Did Hawthorne get any credit for this training activity in the DOD analysis?

MR. DELGADO: Sir, our review shows that they received very little credit. Quite a bit of the training

mission was started in 2004 at Hawthorne. The data was collected in 2003.

COMMISSIONER GEHMAN: Thank you.

I went to Hawthorne and it was a quite enlightening trip, and I just wanted to mention for my fellow Commissioners. One of the issues that we struggle with with some of these closures is, well, couldn't the property, if one of these recommendations were upheld by the Commission, couldn't the property be converted to economic use? Right alongside the town of Hawthorne is an area where the Navy used to be. I think they call it Babbitt; is that correct? Am I remembering that?

MR. DELGADO: I believe so, sir.

COMMISSIONER GEHMAN: Which the Navy left 10 or 12 years ago, and you would think, well, if there was potential for economic development in that region that something would have happened there. As I visited, what I saw was the streets are still there, the curbs are still there, but nothing has happened. It is totally bare and flat, and the community has not had either the resources nor the interest to develop this property at all.

CHAIRMAN PRINCIPI: I would certainly concur with you, Commissioner Coyle, having visited Hawthorne. I would suggest that economic redevelopment would almost be impossible.

COMMISSIONER COYLE: Mr. Chairman, I have a motion to strike at the appropriate time.

CHAIRMAN PRINCIPI: Please read your motion.

COMMISSIONER COYLE: Mr. Chairman, I move that the Commission find that when the Secretary of Defense made industrial Joint Cross Service Group recommendation 12, Hawthorne Army Depot Nevada, he substantially deviated from Final Selection Criteria 1, 2, 3, 6, 8, and the Force Structure Plan; that the Commission strike the recommendation; and that the Commission find this change is consistent with the Final Selection Criteria and Force Structure Plan.

CHAIRMAN PRINCIPI: Is there a second?

COMMISSIONER HILL: Second.

CHAIRMAN PRINCIPI: Are there any recusals?

COMMISSIONER BILBRAY: One.

CHAIRMAN PRINCIPI: One recusal.

All those in favor of the motion to strike, please indicate by raising your hand.

(A show of hands.)

COMMISSIONER HANSEN: Mr. Chairman, I recuse.

CHAIRMAN PRINCIPI: Two recusals.

All those opposed?

(No response.)

MS. SARKAR: Mr. Chairman, the vote is seven

yeas, no nays, and two recusals. The motion passes.

CHAIRMAN PRINCIPI: Thank you.

COMMISSIONER BILBRAY: I understand, Mr. Chairman, that means Hawthorne remains open, right?

MR. VAN SAUN: Yes, sir.

Thank you, Mr. Chairman. The next recommendation for your consideration appears in chapter 6, section 160 of the bill, Umatilla Chemical Depot, Oregon. Umatilla is an identical situation to the Newport Chemical Plant that we've just discussed. The recommendation closes Umatilla Chemical Depot in Oregon.

George.

(Slide.)

MR. DELGADO: Thank you. I believe your favorite analyst is back again. You'll probably get tired of looking at him, but I can promise you there will only be maybe one or two more.

I think the best thing to do with this one is to try to summarize it as opposed to go through the whole script. It is a very similar situation as the Newport Chemical Depot, the same issue: conclusion of the demil mission. The information as far as the COBRA is concerned is the one-time cost is \$15.5 million and it generates a 20-year net present value savings of \$681.1 million, with an immediate payback. According to the Department, this

closure affects 512 personnel positions.

The issues slide is the same as we had with Newport: closure upon completion, adjustments to the COBRA data for recapitalization, and also a reduction of the personnel for military personnel that were provided for protecting the site after 9-11.

CHAIRMAN PRINCIPI: Are there any questions, discussion?

(No response.)

CHAIRMAN PRINCIPI: Mr. Coyle, do you have an amendment?

COMMISSIONER COYLE: I do, Mr. Chairman. I move that the Commission find that when the Secretary of Defense made industrial Joint Cross Service recommendation 14, Umatilla Chemical Depot, Oregon, he substantially deviated from Final Selection Criteria 1, 4, and the Force Structure Plan; that the Commission strike the language "close" and insert in its place the language "on completion of the chemical demilitarization mission in accordance with treaty obligations, close"; and that the Commission find this change and the recommendations as amended are consistent with the Final Selection Criteria and Force Structure Plan.

CHAIRMAN PRINCIPI: Is there a second?

COMMISSIONER BILBRAY: Second. Mr. Chairman, I want to mention that both Commissioner Coyle and I went

there. This was one of those places where everybody wants it to close. There is no opposition. The question is can it close in the time, the 6-year time limit. That's why the motion has been made.

CHAIRMAN PRINCIPI: All those in favor of the motion, please indicate by raising your hand.

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(No response.)

MS. SARKAR: Mr. Chairman, the vote is unanimous. The motion passes.

CHAIRMAN PRINCIPI: Are there any further motions to amend this recommendation?

(No response.)

CHAIRMAN PRINCIPI: Hearing no further motion to amend, we will vote to approve the Secretary's recommendation as amended and find that it is consistent with the Final Selection Criteria and the Force Structure Plan. Is there a second?

COMMISSIONER GEHMAN: Second.

CHAIRMAN PRINCIPI: All in favor?

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(No response.)

MS. SARKAR: The vote is unanimous, Mr. Chairman.

The motion passes.

CHAIRMAN PRINCIPI: Thank you.

Mr. Van Saun.

MR. VAN SAUN: Thank you, Mr. Chairman. The next recommendation for your consideration is found in chapter 6, section 161. This recommendation covers the proposed disestablishment of the depot maintenance capabilities of the Cryptological Systems Group at Lackland Air Force Base, Texas, and the relocation of the capability to Tobyhanna Army Depot, Pennsylvania.

This action has a direct impact on two other DOD recommendations being reviewed. The following slide better illustrates the interaction of these.

(Slide.)

This recommendation relocates depot functions from Lackland, San Antonio, Texas, to Tobyhanna, Pennsylvania, which in turn precipitates two other recommendations, which we deal with when we get to those, and those are recommendations 176 and 179 and we'll discuss those tomorrow. The storage and distribution functions of the Cryptological Systems Group remains at Lackland.

I introduce the senior analyst Tom Pantelides to discuss this.

(Slide.)

MR. PANTELIDES: Mr. Chairman and Commissioners,

recommendation 161 was justified on the basis that consolidation and elimination of the duplicate overhead structures achieves synergy and savings. The COBRA data for this move, movement of function, has an estimated one-time cost of \$10.2 million, a 3-year payback, and a 20-year net present value savings of \$28 million, and affects 76 civilian positions.

Next slide.

(Slide.)

This slide summarizes the key issues that were developed during our analysis. This recommendation -- these recommendations are grouped by their associated selection criteria. Because DOD evaluated military value of individual elements of the Cryptologic Systems Group, the collective military value of the group was not captured. This issue has been a concern for a number of customers of the group.

We also found the cost estimates used in this recommendation do not represent fairly the costs associated with the breakup of the Cryptologic Systems Group at Lackland. Additionally, we found potential costs outweigh savings with no payback of investment.

Staff assessment reveals there was deviations from criteria 1, 4, 5 in this recommendation.

Mr. Chairman, this concludes my prepared

presentation.

CHAIRMAN PRINCIPI: Are there any discussions and discussion? Admiral Gehman.

COMMISSIONER GEHMAN: Thank you, Mr. Chairman.

As the brief indicated, this recommendation breaks up a one-stop shopping center for non-aviation crypto, not only depot maintenance repair, distribution and stockage of parts, into three separate recommendations. It's very hard to find the payback here because the other two recommendations that we're not dealing with here, 176 and 179, have this recommendation buried in enormous recommendations of roles of 15 or 20 other organizations. So it's nearly impossible to break out their actual data.

However, our analysts -- I've looked at what our analysts have done and as best we can tell there is no payback here. They're taking a perfectly fine depot level function that's working fine the way it is. The customers are happy. We can't find that there's any payback, and therefore I'm going to propose a motion to strike this when you're ready for the motion.

COMMISSIONER HILL: Mr. Chairman, I visited Lackland and looked into this. Admiral Gehman understates. This is a one of a kind organization that, if we took the little piece parts of it, we would break that up and we would have no cryptological system, and the people that

they service would not get the service, period. It needs to be taken and stricken.

CHAIRMAN PRINCIPI: Thank you.

Admiral Gehman, do you wish to offer your motion at this time?

COMMISSIONER GEHMAN: Thank you. Thank you, Mr. Chairman. Mr. Chairman, I move that the Commission find that when the Secretary of Defense made industrial Joint Cross Service Group recommendation 15, Lackland Air Force Base, Texas, that he substantially deviated from the Final Selection Criteria 1, 4, and 5 and the Force Structure Plan; and that the Commission strike the recommendation and that the Commission find this change is consistent with the Final Selection Criteria and the Force Structure Plan.

CHAIRMAN PRINCIPI: Is there a second?

COMMISSIONER NEWTON: Second.

CHAIRMAN PRINCIPI: Any further discussion?

(No response.)

CHAIRMAN PRINCIPI: Are there any recusals on this motion?

(No response.)

CHAIRMAN PRINCIPI: All those in favor of the motion to strike?

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(No response.)

MS. SARKAR: Mr. Chairman, the vote is unanimous.
The motion carries.

CHAIRMAN PRINCIPI: We don't need a second vote.

Mr. Van Saun.

MR. VAN SAUN: Thank you, Mr. Chairman. The next recommendation for your consideration appears in chapter 6 at 163 of the bill, Deseret Chemical Depot, Utah. This recommendation closes Deseret Chemical Depot and transfers the storage igloos and magazines to Tooele Army Depot in Utah.

This is similar to the previous two chemical depot items we've already discussed, but it does have a little different twist, and we'll let George give you a rundown on this particular depot.

MR. DELGADO: Thank you, Mr. Van Saun.

Mr. Chairman, Commissioners, I will summarize this one also. The same situation as far as completing the chemical demilit mission. The COBRA information is a one-time cost of \$4.37 million, generates a 20-year net present value savings of \$356.4 million, with an immediate payback. The closure affects 208 personnel positions.

In similar fashion, we had adjustments to COBRA data for recapitalization costs and personnel numbers, again reductions of military personnel that have been

provided for protection for 9-11.

The different twist that Mr. Van Saun referred to is that we had communication from the community, which expressed an interest in trying to convert the chemical demilitarization plant to a conventional ammunition demilitarization mission once its chemical demil mission was completed. At this point the information that we have from the Army, of course, indicates that the plant was not designed to handle that and that it would cost a significant amount of money to do so.

I know, Commissioner Hansen, I believe you do disagree with that.

CHAIRMAN PRINCIPI: Thank you.

Are there any questions, discussion?

Commissioner Coyle.

COMMISSIONER COYLE: Thank you, Mr. Chairman.

As Mr. Delgado explained, the community has put forward an intriguing proposal here, which looks quite credible. We did not have the time to pursue what the community proposed and so, in addition to the modifying motion which I will make in a minute, I'm also going to include a requirement for the completion of a study to evaluate Deseret Chemical Depot as a site for conventional weapons demilitarization.

Mr. Chairman, I move that the Commission find

that when the Secretary of Defense made industrial Joint Cross Service Group recommendation 17, Deseret Chemical Depot, Utah, he substantially deviated from Final Selection Criteria 1 and 4 and the Force Structure Plan; that the Commission strike the language "close" and insert in its place the language "on completion of the chemical demilitarization mission in accordance with treaty obligations, and if after completion of a comprehensive study to evaluate Deseret Chemical Depot, Utah, as a site for conventional weapons demilitarization, it is shown that such a use is not feasible, close"; and that the Commission find this change and the recommendation as amended are consistent with the Final Selection Criteria and Force Structure Plan.

CHAIRMAN PRINCIPI: Is there a second?

COMMISSIONER BILBRAY: Second.

CHAIRMAN PRINCIPI: Is there any further discussion on this? Admiral Gehman.

COMMISSIONER GEHMAN: Mr. Delgado, did we not just vote and decide that the Army has a great excess of conventional ammunition demil capability?

MR. DELGADO: Yes, sir, to a certain extent you have.

COMMISSIONER GEHMAN: Thank you very much.

CHAIRMAN PRINCIPI: Is there any further

discussion?

(No response.)

CHAIRMAN PRINCIPI: Are there any recusals?

(One raised hand.)

CHAIRMAN PRINCIPI: Hearing no further discussion, we'll vote on this motion. Those in favor please indicate by raising your hand.

(A show of hands.)

CHAIRMAN PRINCIPI: Those opposed?

(One raised hand.)

MS. SARKAR: Excuse me for the delay, Mr. Chairman. The vote is seven yeas, one nay, and one abstention. The vote carries. The motion is approved.

CHAIRMAN PRINCIPI: Thank you.

MR. VAN SAUN: Thank you, Mr. Chairman. The next item we'd like to consider today is found in chapter 6, section 165. This recommendation covers the Navy business reengineering proposal to streamline the way Navy air maintenance is accomplished. The proposal transforms and blends some depot and intermediate level maintenance in order to position depot level maintenance closer to fleet concentrations.

The recommendation can be summarized into three types of reorganizations. The first type of reorganization combines existing depots with collocated non-deployable

intermediate maintenance activities and designates these activities as the six fleet readiness centers, or FRC's. Secondly, the recommendation combines collocated non-deployable intermediate maintenance activities and augments the majority with depot personnel and designates these 16 activities as fleet readiness center sites in support of the fleet readiness centers. Thirdly, the recommendation closes six other intermediate maintenance activities and transfers associated workload to fleet readiness centers and FRC sites.

The next two slides graphically portray the proposed reorganizations.

(Slide.)

Although this and the next slide contains a number of moving elements, it illustrates the proposed reorganization of the fleet readiness centers, color coded with associated FRC sites. The assumption used in this proposal is that workload transferred to consolidated sites will result in a reduction of 697 civilian equivalent positions at the East Coast depot locations, as indicated by the red arrows in this slide.

(Slide.)

This slide illustrates the proposed reduction of 490 civilian equivalent positions at the three West Coast depot locations.

Tom Pentelides is back and he will give you the detailed, more detailed information on this item.

MR. PANTELIDES: Mr. Chairman, Commissioners:

This recommendation was justified on the basis that consolidation and reorganization is expected to reduce maintenance repair time, reduce supply inventory, and reduce the number of items sent to depots for repair. The recommendation also positions maintenance activities closer to fleet concentrations and eliminates a total of 520,000 square feet of maintenance production space.

COBRA data for this recommendation estimates a one-time cost of \$298.1 million, an immediate payback, a 20-year net present savings of \$4.7 billion, and affects 1,657 civilian and military positions.

(Slide.)

This slide summarizes the key issues that were developed during our analysis. This recommendation -- these recommendations are grouped with associated selection criteria. We found the relocation of the ALQ-99 workload from Crane to Whidbey Island suboptimizes the mission value, capacity, and cross-service capabilities. We also found the costs associated with the closure and movement of the Naval Support Activity Crane to Whidbey Island is not cost effective because it requires duplication of facilities, with a net present value cost of \$163.9

million. Additionally, the ALQ-99 supports the EA-6B aircraft that is being moved out of the inventory in about 10 to 15 years.

We also found the cost saving estimates of this recommendation do not represent fairly savings that will be obtained. We found errors in the estimation of construction costs and the saving projections as a result of personnel eliminations.

Additionally, as GAO, we question the estimated net annual recurring savings because the savings were for overhead efficiencies that have not been validated.

Based on our analysis, we estimate the net present value savings of this recommendation should be reduced by about \$1 billion. Staff assessment reveals there was deviation from final criteria 3, 4 -- I'm sorry -- 1, 3, 4.

Mr. Chairman, this concludes my presentation.

MR. VAN SAUN: Mr. Chairman, I would like to add one point, that this is the number one saving item on the DOD list. Even though we question whether the savings were calculated exactly right, it is still the number one savings on the list.

CHAIRMAN PRINCIPI: How many people are involved in the Crane move to Whidbey Island and how does it suboptimize the remaining missions at Crane? How did that

impact on the cost savings?

MR. PANTELIDES: There's a couple of elements to that question. The cost savings actually favor -- because in eliminating the Crane move you initially avoid having to construct a new facility at Whidbey.

The first part of your question I believe mentioned the synergy of the facility at Crane, and by moving that capability to Whidbey you break up the synergy at Crane that has been identified as the center of excellence for EW.

COMMISSIONER SKINNER: Mr. Chairman, I visited Crane Naval Support Activity. It's really a jewel in southern Indiana, and we discussed at length the ALQ-99 electronic warfare depot maintenance situation. We really are going to replicate -- we would replicate it would be the entire system that they use now. It's very complex and, as was pointed out, the ALQ-99, while still an active and valuable asset of the Navy, will gradually phase out as the aircraft that it currently is deployed on phases out.

So I think this is -- while the overall goal here of consolidation as part of the Navy and Secretary Rumsfeld's transformation, I think this one is probably one that they didn't visit, and if they had they probably would not have included it. So at the appropriate time I have an amendment to remove that.

CHAIRMAN PRINCIPI: Do you have a motion,
Secretary Skinner?

COMMISSIONER SKINNER: I do. I move that the
Commission find that when the Secretary of Defense made
industrial Joint Cross Service Group recommendation 19,
fleet readiness centers, he substantially deviated from the
Final Selection Criteria 1, 3, 4, and 5, and the Force
Structure Plan; that the Commission strike paragraph N of
chapter 6 of section 165 of the bill; and that the
Commission find that this change is consistent with the
Final Selection Criteria and Force Structure Plan.

N of chapter 6, section 165 of the bill, that
we're striking, reads: "By relocating the depot
maintenance workload and capacity for ALQ-99 electronic
warfare to Fleet Readiness Center Northwest, Naval Air
Station Whidbey Island, Washington." With this motion, it
will strike the realignment of Crane and will leave that at
Crane, but the rest of the fleet readiness recommendation
would go forward.

I so move.

CHAIRMAN PRINCIPI: Is there a second?

COMMISSIONER NEWTON: Second.

CHAIRMAN PRINCIPI: Is there any further
discussion?

(No response.)

CHAIRMAN PRINCIPI: Are there any further amendments?

(No response.)

CHAIRMAN PRINCIPI: Hearing none, we will vote on the motion by Secretary Skinner. Are there any recusals on this?

(A show of hands.)

CHAIRMAN PRINCIPI: Two recusals.

All those in favor of the motion?

(A show of hands.)

CHAIRMAN PRINCIPI: All those opposed?

(No response.)

MS. SARKAR: Mr. Chairman, there are seven ayes, no nays, and two abstentions due to recusals. The vote carries. The motion is approved.

CHAIRMAN PRINCIPI: Are there any other motions to amend?

(No response.)

CHAIRMAN PRINCIPI: Hearing no further motions to amend, we vote to approve the Secretary's recommendation and find that it's consistent with the Final Selection Criteria and the Force Structure Plan. Is there a second?

COMMISSIONER NEWTON: Second.

CHAIRMAN PRINCIPI: All in favor?

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(No response.)

CHAIRMAN PRINCIPI: I'd like to go back for a moment to the industrial Joint Cross Service Group recommendation 17, the Deseret Chemical Depot Utah. We voted on the amendment. I want to ensure that we have a vote on the recommendation as amended.

Hearing no further motion to amend, we vote to approve the Secretary's recommendation as amended and find that it is consistent with the Final Selection Criteria and the Force Structure Plan. Is there a second?

COMMISSIONER NEWTON: Second.

CHAIRMAN PRINCIPI: All in favor?

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(One hand raised.)

CHAIRMAN PRINCIPI: Thank you.

Counsel?

MS. SARKAR: Mr. Chairman, I believe I'm reporting out on two votes. One is the motion to approve the fleet readiness matter as amended. The vote was seven yeas, zero nays, and two recusals. Therefore the vote carries.

CHAIRMAN PRINCIPI: Thank you.

We had one nay.

MS. SARKAR: I'm sorry. I'll correct the vote,
I'm sorry, Mr. Chairman.

CHAIRMAN PRINCIPI: Thank you.

MR. VAN SAUN: Thank you, Mr. Chairman. That
completes chapter 6 of the industrial Cross Service Group.
I'd like to move to one small chapter for one more item to
finish this out for today. That item is in chapter 9 from
the supply and storage cross-service group, 176 of the
bill, depot level reparable procurement management
consolidation.

(Slide.)

This recommendation proposes the consolidation of
DLR procurement and the management of consumable items into
one DOD agency, Defense Logistics Agency, DLA. There are
11 specific realignments and you see that on this slide and
the next slide.

(Slide.)

We lost the slide. I will lead the realignments.
Realign Lackland Air Force Base, Texas; realign Soldier
Systems Center, Natick, Massachusetts; realign Detroit
Arsenal, Michigan; realign Rock Island Arsenal, Illinois;
realign Fort Huachuca, Arizona; realign Naval Support
Activity Mechanicsburg, Pennsylvania; realign Marine Corps
Base, Albany, Georgia; realign Naval Support Activity,
Pennsylvania; Tinker Air Force Base, Oklahoma; Hill Air

Force Base, Utah; and Robins Air Force Base, Georgia;
realign Redstone Arsenal, Alabama; realign Wright Patterson
Air Force Base, Ohio; realign Fort Belvoir, Virginia.

Next slide.

(Slide.)

This proposal moves select inventory control
point functions to DLA. A number of the inventory control
functions will remain by the services to maintain the
appropriate critical mass to perform requirements and
engineering.

I'd like to introduce Valerie Mills again to
further discuss this item.

MS. MILLS: Thank you, Dave.

The Department of Defense justified this
recommendation on the basis of assigning the responsibility
for consumable and depot level reparable item management
across the Department of Defense to a single DOD agency.
COBRA represents a one-time cost of \$127 million to
implement this recommendation. The net present value of
this recommendation through 2025 is \$1,889.6 million.

This recommendation eliminates approximately 130
positions.

Slide.

(Slide.)

This slide summarizes the key issues developed

during analysis of this recommendation and are grouped by their associated selection criteria. Rock Island issues. The installation was concerned that Detroit Arsenal's military value was lower and the number of positions to transfer from Rock Island was incorrect. The Commission staff found there were discrepancies in the number of positions identified and the costs associated. A rerun of COBRA reduced the total recommendation net present value by 3 percent.

Lackland issues. Lackland issues involving the Cryptology Systems Group were previously discussed under section 161.

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

CHAIRMAN PRINCIPI: Thank you.

Any discussion, any questions for staff?

Secretary Skinner:

COMMISSIONER SKINNER: Yes. Ms. Mills, you visited Rock Island and I think you also visited Detroit Arsenal. At least I did, and I think you've been there.

MS. MILLS: Yes, sir.

COMMISSIONER SKINNER: As you know, there's other recommendations to move from Rock Island to the Detroit Arsenal. The buildable space issue, maybe you can explain

that. It's my understanding that in the other recommendation that we'll probably get to tomorrow it deals with moving the surface, the vehicle combat -- not the combat vehicles, but the motor vehicles.

What is the exact situation as is currently proposed and will be proposed tomorrow as it deals with the Detroit Arsenal and its capacity, because that was an issue when we visited Rock Island together?

MS. MILLS: Yes, sir. What you have just explained affects this recommendation right here. That was also one of the concerns, was did Detroit have enough buildable space to accommodate the additional people moving from Rock Island to Detroit. We visited Detroit and we were -- it was confirmed by the installation that they do have the required space to accommodate the 1100 people that would be moving in from Rock Island.

As a result, we did rerun COBRA. There are additional military costs associated with those additional 300 people moving.

COMMISSIONER SKINNER: Well, it's my understanding that when we say they have space, they have land inside a perimeter that they're going to have to build a new building.

MS. MILLS: That's correct, sir.

COMMISSIONER SKINNER: One or more buildings.

MS. MILLS: Yes, sir.

COMMISSIONER SKINNER: And this is tied indirectly. Without that new building, they don't have enough space for this.

MS. MILLS: That's correct.

COMMISSIONER SKINNER: With this new building and the tank efforts that are moving there, they will have additional space to build a new building. But all I'm saying is that if they don't build a new building and we don't approve the one tomorrow, then there won't be any space to move in there and that's not on the agenda. So that's one of these things that kind of ties in, because it almost has to be conditional disapproval on this aspect of it -- Rock Island has to be conditional on approval of the one tomorrow that will allow them to build that new building. Is that correct or am I misunderstanding it?

MS. MILLS: The one that you're referring to is this particular recommendation right here. This is the recommendation that has Rock Island to move originally 740 people to Detroit. This is the recommendation here.

COMMISSIONER SKINNER: And this is now -- and we also thought there was maybe 900 instead of 700. There was some kind of a disconnect on people.

MS. MILLS: That's correct, sir. There are an additional 300 people that are moving. The entire TACOM

Rock Island organization is moving, or proposed.

COMMISSIONER SKINNER: Would you -- with the new numbers that you've put in there for the cost of the new building, which was about twice, as I recall, what they initially had in there, how does that come out from a payback viewpoint?

MS. MILLS: Karl, would you like to answer that?

MR. GINGRICH: Commissioner Skinner, military construction costs are about 45, just under \$46 million at the new revised military construction, and it does affect the net present value, but insignificantly. Payback with the new scenario, new MILCON, is \$1.8 billion savings over 20 years, still a large saving.

COMMISSIONER SKINNER: Okay, good. I just want to make sure that we got that new cost structure, which was twice. What you're saying is, given its personnel savings, it really doesn't affect the payback in the long run.

MR. GINGRICH: Commissioner Skinner, that's a correct statement.

COMMISSIONER SKINNER: Okay.

CHAIRMAN PRINCIPI: General Hill.

COMMISSIONER HILL: Sir, I have a motion based upon the cryptological unit that I'd like to submit. I move that the Commission find that when the Secretary of Defense made supply and storage Joint Cross Service

recommendation 7, depot level reparable procurement and management consolidation, he substantially deviated from Final Selection Criteria 1, 3, 4, and 5, and the Force Structure Plan; that the Commission -- I read the wrong thing, excuse me -- that the Commission strike paragraph A, chapter 9, section 176 of the bill; and that the Commission find this change and the recommendation as amended are consistent with the Final Selection Criteria and Force Structure Plan.

CHAIRMAN PRINCIPI: Is there a second?

COMMISSIONER NEWTON: Second.

CHAIRMAN PRINCIPI: Secretary Skinner?

COMMISSIONER SKINNER: I just have a question. Could you explain the economics of the removal of paragraph A, similar to what you did? Maybe General Hill's going to address that. But I didn't see in your presentation a lot of discussion about this. I did see a lot about Rock Island. I may have missed it.

MS. MILLS: What happened when we removed Lackland from out of this recommendation, it affected the net present value overall by 3 percent, I think it was, either 3 or 1 percent. It was a really small percent that was affected from this recommendation.

COMMISSIONER SKINNER: And the basis for that?

MS. MILLS: Was because that was the cryptology

section that was --

COMMISSIONER HILL: The basis of that is that this unit needs to stay together.

MS. MILLS: Yes.

COMMISSIONER HILL: It makes no sense to do any of us anywhere but within that cryptological unit.

COMMISSIONER SKINNER: Now I understand. I got that now. Thank you.

CHAIRMAN PRINCIPI: Is there any further discussion?

(No response.)

CHAIRMAN PRINCIPI: Are there any recusals on this motion?

(A show of hands.)

CHAIRMAN PRINCIPI: There are two recusals.

All in favor of the Motion 176-3a, so indicate.

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(No response.)

MS. SARKAR: Thank you, Mr. Chairman. The vote is seven nays, zero nays, two abstentions. The motion carries. It's adopted.

With your indulgence, Mr. Chairman, I'd like to report back on two previous votes for the sake of clarity of the record, if that would be all right. The previous

vote to accept Motion 163 as amended was adopted -- that concerns Deseret -- at 7-1-1, meaning 7 yeas, 1 nay, and 1 abstention. With regard to previous Motion 165 as amended, it has been adopted by a vote of 7 yeas, zero nays, and 2 abstentions.

Thank you, Mr. Chairman.

CHAIRMAN PRINCIPI: Thank you for the clarification.

On this recommendation, are there any further motions to amend?

(No response.)

CHAIRMAN PRINCIPI: Hearing none, we vote to -- we are voting to approve the Secretary's recommendation as amended and find that it is consistent with the Final Selection Criteria and the Force Structure Plan. Is there a second?

COMMISSIONER NEWTON: Second.

CHAIRMAN PRINCIPI: All in favor?

(A show of hands.)

CHAIRMAN PRINCIPI: All opposed?

(No response.)

MS. SARKAR: Mr. Chairman, the vote is seven yeas, zero nays, and two abstentions. It carries. Thank you.

CHAIRMAN PRINCIPI: Thank you.

Are there any further recommendations to come before the Commission?

MR. VAN SAUN: Mr. Chairman, just as a quick summary, we completed today Joint Cross Service Group chapter 6 for industrial chapter 7 for intel, chapter 9 for supply and storage. Tomorrow morning we'll address chapter 4, education and training; chapter 5, support activities; chapter 8, medical; and chapter 10, technical.

CHAIRMAN PRINCIPI: Thank you very much. My thanks to the entire Joint Cross Service Team for their presentation and their hard work.

Before we recess for the day, I want to alert all interested communities that we may take up the Air Force recommendations as early as tomorrow afternoon, Thursday. We had previously announced Friday as the Air Force start date and on Thursday morning, as Mr. Van Saun indicated, we will begin and hope to complete our deliberations on the Joint Cross Service Group recommendations.

Are there any other matters Commissioners wish to bring before the Commission today?

(No response.)

CHAIRMAN PRINCIPI: We'll stand in recess until 8:00 a.m. tomorrow.

(Whereupon, at 4:38 p.m., the Commission was recessed, to reconvene at 8:00 a.m. on Thursday, August 25,

2005.)

UCRFE

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION (BRAC)

FINAL DELIBERATIONS

Friday, August 26, 2005

7:00 p.m.

Evening Session

Hyatt Regency Crystal City
2799 Jefferson Davis Highway
Arlington, Virginia 22202

COMMISSIONERS:

The Honorable Anthony J. Principi, Chairman

The Honorable James H. Bilbray

The Honorable Philip E. Coyle III

Admiral Harold W. Gehman, Jr., USN (Ret.)

The Honorable James V. Hansen

General James T. Hill, USA (Ret.)

General Lloyd W. Newton, USAF (Ret.)

The Honorable Samuel K. Skinner

Brigadier General Sue Ellen Turner, USAF (Ret.)

CHAIRMAN:

THE HONORABLE ANTHONY J. PRINCIPI

EVENING SESSION

Chairman Principi: The commission hearing will come to order. Fellow Commissioners, we're going to build on what we started earlier today. In some instances, we will revisit actions already taken doing so is consistent with our rules.

I want to ensure that we have properly recorded the intentions of the commission with regard to the Air National Guard and Air Force Reserve installations. And units that are before us for closure or realignment. You saw earlier the distribution of aircraft in the Guard and Reserves, you have those charts in front of you. We will now deal with the motions that if approved will produce the results reflected on those charts.

These are installations, units and issues that we have discussed individually with the staff many times. In many cases Commissioners and staff have visited the installations. Each of us has a binder with five Tabs behind which are motions.

Tab 1, Reserve and Air National Guard, KC-135 aircraft, Tab 2, Reserve and Air National Guard A-10 aircraft, Tab 3, Air National Guard F-15 aircraft, Tab 4, Reserve and Air National Guard F-16 aircraft, Tab 5,

Reserve and Air National Guard C-130 aircraft. We will discuss each motion as necessary. We're not in a hurry if a vote is required for an individual motion we will discuss and vote on it. At the end of each group however we will vote on all of them together.

At Tab 1, there are eight motions which implement the lay down the staff has recommended for KC-135 aircraft. They are before us for consideration and voting. Each motion has a separate number which I will note when identify it. So let's turn to Tab 1, and to motion 108-4(a). Portland International Air Guard station, Oregon Air Force 41. Are there any questions or discussion for staff on this motion?

[No response].

General Newton: Mr. Chairman, can we just have the staff share with us on this particular motion what aircraft are moving in, what aircraft are moving out very quickly. Mr. McGregor if you would share that with us.

Mr. McGregor: Yes sir. Within one of the portions of the motion there are Air Force Reserve tankers, that will be distributed. There are also the F-15s, which initially were listed in here as will be discussed during the F-15 portion. The major portion as it relates to tankers is those primary authorized aircraft, will be distributed essentially at the discussion of the Secretary of the Air

Force, in accordance with the BRAC recommended language.

General Newton: Thank you.

Chairman Principi: Are there any additional questions or comments?

[No response].

Chairman Principi: Number 82. Motion 82-4(A). Beale Air Force Base California. And Selfridge National Guard Base, Michigan, Air Force 10.

Number 83, March Air Reserve Base, California, Air Force 11. Motion Number 83-4(a).

Staff if you have any comments to make please say so, if there's anything that's unclear, or that you feel that the commission needs to know please do so.

Mr. McGregor: Yes sir, one thing I would like to establish with the tanker recommendations as we will follow with many of the other recommendations. When you look at the aircraft that are being distributed away from a Base. The Commission tried diligently to get out of the tail number management business that is, we did not want to direct an aircraft from Portland or Beale to another Base. We wanted to give that discretion to the Secretary of Defense in order to meet the Commission's intent.

Therefore when you go through many of these recommendations, what you're going to see is we in accordance with the plan approved by the Commissioners will

strip all or a portion of the aircraft away, and they essentially go into what we just call the bucket, and then throughout the rest of these motions, as was briefed with Grand Forks this morning we established a primary aircraft authorization and strength. We don't tell the DoD from where to where to put the aircraft, but when taken in the aggregate these tanker motions will account for all of the realignments out and the end strengths, the final end strengths of tanker units that were referenced in the BRAC for some form of action.

Chairman Principi: Very well. I believe that that is the absolute right approach to take. Okay. We will proceed with motion 116-4(a), Fairchild Air Force 51, and these are all displayed on the charts in front of us, correct? These charts.

General Newton: All of these that we're listing for existence? Fairchild Air Force Base wasn't listed in the chart and the answer to that is yes, it is.

Mr. McGregor: Yes sir, and you'll see with some of these there are active Reserve, or Guard components at the same Base. So in that particular instance, it deals with an Air National Guard KC-135 Unit, on an active duty Air Force Base, Fairchild.

Mr. Bilbray: Mr. Chairman, on Fairchild it's noted the state of Washington has no Air Guard planes at all.

One of I think two states, now Washington and Connecticut that have no Air Guard flying missions.

Mr. Small: It's a case of do they possess aircraft. There's a little difference Washington and Connecticut. The Guard at Fairchild will associate with the 92nd Air Refueling Wing. It's a full strength Air Force Air Refueling Wing. The gentlemen in the Guard there will be at full strength, they will be flying, they will be working, and this unit in previous programs for the new tanker had been tagged up to be the Air Guard's lead, new tanker unit. There are a lot of reasons for it. I think it would be useful if someone we expressed that that position ought to be continued since this unit has been extremely cooperative, even though they are losing their airplanes.

The other item I would like to note in the motion before you is that there are two small combat COM squadrons that are essentially dependent on this unit. We tweaked the words to cause them to move on the Fairchild Air Force Base, what we've deleted when we were doing the edit, was into -- the words into available facilities. In this particular case the available facility was a 1942 warehouse. And so I took out the word available facility to force the issue on the facility site.

Chairman Principi: Thank you.

Mr. Bilbray: For staff again Mr. Chairman, in doing this I understand that you worked constantly on finding planes. There was no immediate planes, or any, even a small amount, two, three, four units that could be provided for Fairchild, for the Washington National Guard?

Mr. McGregor: Sir, what we did when we helped assess the Force Structure bed down as facilitated by the Commissions decisions is we started with the end strength that was provided by the Air Force, or the DoD's BRAC. In the case of the Guard 135s, the Air Force's recommendations left a 172 KC-135s we used that as our starting position. As we looked through the installations and facilities that we assessed, we essentially looked at what size unit, trying to optimize the PAA to keep the Active Guard and Reserve proportion the same and have a reasonable balance geographically.

When we utilize the notion of a finite pool of aircraft of 172 for the Guard specifically, if Fairchild were to continue to have aircraft looking at the list in front of you, or on the screen in all likelihood somebody else there would not. And the decision to which Bases to populate was made through the coordination of the Commissioners.

Mr. Bilbray: Somewhere I think there's an amendment out there that I have that I would bring up at the end of

this. I was looking for it on Fairchild. I think I found it here.

Mr. Chairman, when would I offer this amendment, now? Or at the end of the KC-135 discussion.

Chairman Principi: Do you have a written amendment?

Mr. Bilbray: Yes, I think it's in here.

Chairman Principi: Well why don't we finish through all of this section and then at the end you can offer a motion.

Mr. Bilbray: Thank you.

General Newton: Mr. Chairman, I would like to comment on this particular one, because the question was asked, why not a small population of airplanes here. As we follow the criteria of determining where the Secretary may have deviated from that criteria that was the large part about what that drove us in these decisions and proposals by the staff.

The other thing I would say, is there were times when we were using some judgment and that judgment then came into play when we started looking at Homeland Security, and Homeland Defense. As well as what other assets were located in that particular region of the country.

So we've tried to consider the total National Security and our Homeland Security and Homeland Defense when we were considering the criteria and evaluating the Secretary's

recommendation against that criteria.

Chairman Principi: Thank you.

Admiral Gehman: In support of the master plan that the staff is proposing to us which I think makes very, very good sense. I would offer to my colleague the following rational. There are one or two other states that do not have any manned flying mission, nor do they have a Reserve, or Active Wing that they can associate with. If we could create eight additional airplanes, the staff were to follow the guidance we gave them, the other states would get them before Washington would.

So trying to squeeze and airplane out here, or an airplane out there wouldn't fix your problem, because the priorities would be to put them in states which have no manned aircraft. And I don't know if that helps or not, but the staff has followed the guidance. And I support it. Thanks for the opportunity.

Chairman Principi: Thank you Admiral. Number 78, Birmingham International Airport, Air Guard Station, Air Force Number 5. 97, Key Field, Air Guard Station, Mississippi, Air Force 28. Number 101, Niagara Falls, Air Reserve Station, New York, Air Force 33. Number 87, Robins Air Force Base, Georgia, Air Force 16. Congressman Bilbray, would you offer your amendment at this time.

Mr. Bilbray: Yes Mr. Chairman, I think it is Motion

16-4(a). Is that the one I requested. I'm trying to read it, it has so many technical things in it. If staff could be sure this is the one I wanted.

Chairman Principi: Your amendment is to 16-4(a)?

Mr. Bilbray: That's correct. I move the Commission find that when the Secretary of Defense made Air Force recommendation 116, Fairchild Air Force Base Washington, he substantially deviated from the final selection criteria 1 and 3, and the Force Structure Plan. The Commission strike detects that the entire recommendation and insert in it's place realign Fairchild Air Force Base, Washington. Distribute the 141 Air Refueling Wings K-135 R/T aircraft to meet the primary aircraft authorizations PAA. Requirements established by the Base Closure and Realignment Commission of the Secretary of Defense as amended by the Defense Base Closure and Realignment Commission. Establish 8 PAA KC-135 R/T aircraft at the 185th Air Refueling Sioux Gateway Airport Air Guard Station Iowa, the 185 Air Refueling Wing, KC-135 B aircraft would be transferred to the aerospace maintenance and regeneration center. A mark at the Davis and Monthan Air Force Base Arizona for appropriate disposal, as economically unservable. Establish 8 PAA KC-135 R/T aircraft at the 161 Air Refueling Wing in Phoenix Guy Harbor International Airport, Guard Station Arizona. If

the state of Washington decides to change the organization composition the association of the Air Refueling Wing to integrate the unit into the future total force, they would establish the 141 Air Refueling Wing as an associate flying wing of the 92nd Air Refueling Wing, Fairchild Air Force Base Washington, with the 92nd, Air Refueling Wings Expeditionary Combat Support ECS elements remaining in place. Provide opportunity for the 141 Air refueling Wing personnel to operate the future tanker replacement aircraft, as determined by the Secretary of Defense. That the 256 Combat Communications Squadron, and the 242 Combat Communication Squadron which are Air National Guard geographically separated unit at Four Lakes and Spokane are relocated to Fairchild Air Force Base, all other personnel are allotted to the 141 Air Refueling Wing, will remain in place and assume a mission relevant to the security interest of the state of Washington and consistent with the integration of the units into future total force, including but not limited to air mobility, C4ISR, engineering, flight training, or unmanned aerial vehicles. Where appropriate unit personnel would be retained in skills relevant to the emerging mission.

This recommendation does not effect, or change the authorized end strength of the Washington Air National Guard. The distribution of aircraft currently assigned to

the 141st Air Refueling Wing is based upon resource constrained determination by the Department of Defense. That the aircraft will better support National Security requirements and other locations, and not conditioned upon the agreement of the state. The Commission finds this change and recommendation as amended are consistent with the final selection criteria in force.

My question to the staff, is does it do what I want it to do?

Mr. McGregor: Yes sir.

Mr. Bilbray: This was given to me by outside counsel.

Mr. McGregor: Yes sir.

Chairman Principi: Is there a second?

Admiral Gehman: Second.

Chairman Principi: Are there any recusals?

[No response].

Chairman Principi: All in favor of the motion?

[A show of three hands].

Chairman Principi: No not yet, we're voting on Congressman Bilbray's amendment.

Mr. Bilbray: I appreciate that support Admiral.

[Laughter].

Chairman Principi: This is the same as motion 116-4(a) that is being considered by everyone, it's in your book. We're on the amendment by the Congressman. 116-4(a)

all in favor?

[A show of two hands].

Chairman Principi: All opposed?

[A show of seven hands].

Ms. Sarkar: Mr. Chairman, the vote is seven in favor - I'm sorry, excuse me, two in favor, seven against. No recusals, the motion is rejected.

Mr. Bilbray: I liked your first count better.

[Laughter].

Chairman Principi: Do I hear a motion on the staff recommendation for KC-135 aircraft, as discussed and contained in your binders? With the exception of 116, Fairchild Air Force Base Washington, which we voted upon. Admiral Gehman?

Admiral Gehman: I will make that motion. What we are voting on here is a group of individual recommendations which establish two Air National Guard, 135 flying squadrons, more than what the Secretary of Defense had in his plan. We are essentially putting two back that he recommended closed and the rest are in accordance with the plan. I think this is a good plan, it follows the guidance that we gave to the staff, and I move that all of the sections that the chairman has read off conform with the guidance and the criteria and that we accept them.

Mr. Hill: Second.

Chairman Principi: All in favor?

[A show of eight hands]

Chairman Principi: All opposed?

[No response].

Ms. Sarkar: Beg your pardon Mr. Chairman, I couldn't read Commissioner Hansen's vote.

Chairman Principi: I'm sorry.

Ms. Sarkar: I beg your pardon Mr. Chairman, I couldn't read Congressman Hansen's vote.

Mr. Hansen: I abstain.

Ms. Sarkar: Thank you for your indulgence Mr. Chairman, the vote is eight in favor, none opposed, one abstention. The motion is approved.

Chairman Principi: Thank you. We will now proceed to the sixth motion which implement the laydown the staff has recommended for A-10 aircraft. If there are specific amendments to any of these six recommendations as you noted with Congressman Bilbray's amendment, they are very lengthy difficult to understand, we can dispense with the reading of the amendment subject to any objection to have it read in its entirety. It will be recorded as if it is read and the mover of the amendment can describe the amendment in common lay language so we understand precisely what is being done. Every amendment is contained in the binder. But again anyone who objects to a dispensing of the reading

of the amendment we will read the entire amendment.

Mr. Bilbray: Mr. Chairman, I was wondering when we do the A-10 basis on the Willow Grove Pennsylvania that's a very contentious position. I would like to see if we could have a separate vote on that particular item, before we vote on all the items.

Chairman Principi: Well we certainly will. Let me go through these six. And at the very end we can take up the separate vote on that and separate amendments. We will begin with number 85, Bradley International Airport Air Guard Station, Connecticut, Air Force 14. Number 81, Fort Smith, Air Guard Station, Arkansas, Air Force 8. Number 88, Boise Air Terminal, Air Guard Station, Idaho, Air Force 17. 91, NAS New Orleans, Air Force 22. Number 68, Naval Station Willow Grove, Pennsylvania, Navy 21. 95, WK-Kellogg, Airport Air Guard Station, Michigan, Air Force 27. Congressman Bilbray, do you have an amendment, on number 68, or do you just want to vote on that separately?

Mr. Bilbray: I just want to vote on it separately?

Chairman Principi: We will now take up a motion on number 68, Naval Air Station Willow Grove Pennsylvania. Is there any discussion on this motion?

Mr. Bilbray: Just a point Mr. Chairman, this is the one subject to the lawsuit that's going on in the Federal District Court in that area of Pennsylvania. And I think

everybody should be aware of that.

Chairman Principi: Is there any further discussion?
Admiral Gehman.

Admiral Gehman: Mr. Chairman, what the motion that - before the Commission that we're going to vote on proposes to do, is to take all of the Air Guard and Reserve airplanes on this Willow Grove Air Station and sweep them into this bucket to be redistributed some other time by - in accordance with the plane. It also establishes at Willow Grove Joint Reserve Base, an enclave - correct me, and I'm trying to - it establishes an enclave, and that enclave will have Army Guard, and a new Army Reserve Center which we approved, which we have already approved in another motion, Mr. Hanna, is that correct?

Mr. Hanna: Yes sir, that's correct.

Admiral Gehman: Thank you, thank you very much. And if that's clear to my Commissioners.

Mr. Hanna: As a point of clarification sir, the motion does not disestablish the A-10 organization, it removes the aircraft, and makes them available for other uses by the Governor, as the Governor sees fit.

Mr. Bilbray: I have one other question. Why under the A-10 Bases, A and G does it say closure after it. It's going to be an enclave, but if I could be clear it is not closure. I mean this is wrong?

Mr. Hanna: No sir, it closes - it's somewhat convoluted in that it is a Naval Air Station administered by the Navy, it's also a Joint Reserve Base on which our marine aviation assets Air Force Reserve organization lift asset, the aircraft have been transferred because of their age, and the Air National Guard the 111th Fighter Wing, A-10 organization, the motion closes the Naval Air Station, moves the Naval Reserve aviation assets to the Joint Base established at Maguire, Fort Dix, and Lakehurst, the Marine Aviation reserve moves likewise. The Marine Aviation organization located in Johnstown Pennsylvania, falls in on the other two organizations at the Joint Base in New Jersey.

The Air Force Reserve Wing had its aircraft taken away, that is moved. The A-10s that belong to the 111th are moved and put into this group of airplanes to be redistributed as appropriate. But the organization stays in existence with its end strength maintained for definition of future missions. Also the enclave, for the Army Reserve to fall in, and consolidate several off posts locations onto the formal ground - the grounds of Naval Air Station, Willow Grove.

Mr. Bilbray: Thank you very much.

Chairman Principi: Thank you.

General Newton: Mr. Chairman, I just want to be sure

that we have it very clear here, and we've used a couple of terms that may confuse folks when we speak about these airplanes are in a bucket, what we've really done is exactly in this case, is exactly what the Secretary's recommendation said. We took the airplanes away, and we have reassigned them already to other locations. In that we took that total number of airplanes, which is 78 and we've reassigned them to locations, what we didn't do in our recommendation back to the Department is we didn't tell them where to take the airplanes from. But we are telling them what numbers to put where and that total number will come out to 78, so the Secretary doesn't just have a bucket of airplanes that are sitting out here, the Secretary, if the President and the Congress passes this, you will distribute these aircraft as we have indicated?

Mr. Hanna: That is a more accurate and complete description sir.

General Newton: Thank you.

Chairman Principi: Secretary Skinner?

Mr. Skinner: I wonder if when you read them, I'm going to read these motion numbers off, and just to make sure that we've got the right numbers at the top that we're voting on. Why don't we do that one first. And then maybe you could read them. I just want to make sure I've got them both, and it looks very well organized. And I want to

make sure that I've got the right motion in the book that we're voting on.

Chairman Principi: Motion 68-4(a).

Mr. Skinner: Thank you.

Chairman Principi: I make a motion to approve the recommendations for the A-10 aircraft. For - excuse me, for number 68 Naval Air Station, Willow Grove, Pennsylvania, and 21 as recommended by staff. Is there a second?

Mr. Bilbray: I second.

Chairman Principi: All in favor?

[A show of eight hands]

Chairman Principi: All opposed?

[A show of one hand].

Chairman Principi: I will now move -

Ms. Sarkar: Mr. Chairman, I would like to report the vote.

Chairman Principi: Yes please. I'm sorry.

Ms. Sarkar: The vote was eight in favor, one opposed, no abstentions, the motion is approved.

Chairman Principi: Thank you. Council, I will not move the approval of the staff recommendations for number 85, 81, 88, 91, 95, the remaining A-10 aircraft. Is there a second?

General Newton: Second.

Chairman Principi: Are there any recusals?

[No response]

Mr. Skinner: Mr. Chairman, I want to make sure we do this right again. I hate to be picky like a lawyer. We're on voting on 85-4(a)?

Chairman Principi: That's correct.

Mr. Skinner: 81-4(a).

Chairman Principi: That's correct.

Mr. Skinner: 88-4(a).

Chairman Principi: That's correct.

Mr. Skinner: 91-4(a).

Chairman Principi: Correct.

Mr. Skinner: We've already voted on 68-4(a).

Chairman Principi: That's correct.

Mr. Skinner: And we're voting on 95-4(a).

Chairman Principi: That is correct. Basically all of the motions in Tab 2, with the exception of Willow Grove.

Mr. Skinner: Thank you.

Chairman Principi: All in favor?

[A show of nine hands].

Chairman Principi: All opposed?

[No response].

Ms. Sarkar: Mr. Chairman, the vote is unanimous, the motion is approved.

Chairman Principi: Thank you. Commissioners, we have

before us three motions, which implement the laydown the staff has recommended for F-15 aircraft. These are contained in Tab 3, 94, Otis Airport, Air Guard Base, Maine, Air Force 25. Number 108, Portland International Airport, Air Guard Station, Oregon, Air Force, 41. Number 98, Great Falls International Airport, Air Guard Station, Montana, Air Force 30. Are there any questions?

Mr. Cirillo: I believe there's one more.

Chairman Principi: Okay. Let me add to this grouping, and additional motion. Number 89, Mountain Home Air Force Base, Nellis Air Force Base, and Elmendorf Air Force Base, that is contained as - what's the motion number on that? Excuse me. 89-4(a), 89-4(a).

Mr. Bilbray: Mr. Chairman, how do we want to handle it on 89, these are planes that effect Nellis Air Force Base, Nevada. And I have to recuse myself from that.

Chairman Principi: Can we record your vote as a recusal for Nellis Air Force Base.

Ms. Sarkar: Mr. Chairman, one option you may want to consider, is to vote on Motion number 89-4(a) separately.

Mr. Bilbray: That's fine with me.

Chairman Principi: So we should vote on Nellis Air Force Base separately?

Ms. Sarkar: It's at your option, Mr. Chairman.

Chairman Principi: Okay. We'll do it that way, all

right. I will move the approval of the staff recommendation. Number 94, 98, 108, and 89, with the exception of Nellis Air Force Base. Again, 94, 108, 98, and 89 with the exception of Nellis Air Force Base.

Mr. Bilbray: Mr. Chairman, I think what the Council is advising is that Section 89, just be voted on separately because they're all kind of intertwined. And that we vote on 94, 108 and 98.

Chairman Principi: Very well, Congressman Bilbray, we'll do that. So I would move the approval of the staff recommendations for number 94, 98, and 108. Is there a second?

Admiral Gehman: Second.

Chairman Principi: Are there any recusals?

General Newton: Mr. Chairman, when you get to the discussion I would like to make a comment please.

Chairman Principi: Certainly. All in favor?

Ms. Sarkar: Pardon me, Mr. Chairman was there a second?

Admiral Gehman: Yes, I seconded.

Chairman Principi: Is there any discussion?

General Newton: Thank you Mr. Chairman. Mr. Chairman, I wanted to say a comment on number 108-4, which is Portland International. Portland International Airport, Air Guard Station in Oregon. If you will notice that the

Department and the Secretary recommend that those aircraft be removed. The study by the staff, and the Commissioners who visited the North West and our regional hearings that we had in that area, clearly pointed out to us that the community was concerned about National Security, Homeland Security, and Homeland Defense. And after studying that, we saw where the staff recommended that criteria number 1, had been deviated from and therefore they recommended that we place aircraft back out at Portland Air Force Base, or Portland International Airport. And that's why you will note that we went from 0 to 15.

Chairman Principi: Thank you.

General Newton: I would also like to note Mr. Chairman that Barnes in Massachusetts also has F-15s. If you remember there were quite a bit of discussion about the North East and that the recommendations from the Secretary left the North East void of the capability to respond to a possible threat in that area. Air threats, in that area. And these aircraft and this location provided that opportunity. And so it was a staff recommendation that placing these airplanes at Barnes, and transitioning them to F-15s vice the Secretary's recommendation would be a better fit. And as a result that's why that proposal is there.

Chairman Principi: Admiral Gehman?

Admiral Gehman: Since General Newton's on a roll here, let me just continue with Great Falls, Montana. Which the DRD recommendation had removing the F-16s and enclaving Great Falls. When we get to F-16s you will find that we recommend taking the F-16s out of Great Falls, but this recommendation puts F-15s in Great Falls. Essentially for the same reason General Newton just talked about.

Chairman Principi: Indeed.

Mr. Small: Mr. Chairman.

Chairman Principi: This is Ken Small.

Mr. Small: Just as an observation sir, you have already considered and voted on Motion 108-4. That was one of the first group, first line that appeared under the tanker distribution.

Chairman Principi: We will vote it again, thank you Mr. Small. Okay. I will move the approval of the staff recommendations for Motions 94-4(a), 108-4(a), and 98-4(a). Do I hear a second?

Admiral Gehman: Second.

Chairman Principi: All in favor?

[A show of nine hands].

Chairman Principi: All opposed?

[No response].

Ms. Sarkar: Mr. Chairman, the vote is unanimous, therefore the motion is approved. Thank you.

Chairman Principi: I will now move the approval of Motion 89-4(a), Mountain Home Air Force Base, Nellis Air Force Base, and Elmendorf Air Force Base. Is there a second?

Mr. Coyle: Second.

Chairman Principi: Are there any recusals?

[A show of one hand].

Chairman Principi: All in favor?

[A show of eight hands].

Chairman Principi: All opposed?

[No response].

Ms. Sarkar: Mr. Chairman, the vote is eight in favor, none opposed, one abstention, the motion is approved. Thank you.

Chairman Principi: Okay. We will take a very short 10 minute break to update the balance of the Tabs, and motions in the Commissioner's binders and we will proceed as soon as we complete that. I think this process is going along very well. My compliments to the staff, and to counsel for truly organizing this in a manner that is easy to understand and allows us to truly see what we're voting on, so we will recess for 10 minutes.

[Recess]

Chairman Principi: The hearing will come to order. We have before us 13 motions which implement the laydown

the staff has recommended for F-16 aircraft. Number 113, Hill Air Force Base, Utah AF47. Number 107, Springfield, Beckly Municipal Airport, Air Guard Station, Ohio, Air Force 40. 89, Mountain Home Air Force Base, Idaho, Air Force 18. Number 115, Richmond International Airport, Air Guard Station, Virginia.

Mr. Small: Mr. Chairman, I would just like to note this is the organization that's aligning itself with the F-22s at Langley.

Chairman Principi: Thank you, that's good to know. Number 98, Great Falls International Airport, Air Guard Station, Montana, Air Force 30.

Mr. Small: This was a redistribution to put the F-15s in Montana, it's an excellent place for them, sir.

Chairman Principi: Number 94, Otis Air National Guard Base, Air Force 25. Number 95, WK Kellogg Airport Air Guard Station, Michigan, Air Force 27.

Mr. Skinner: Mr. Chairman, that's not an F-16 Base, do we need something there?

Mr. Small: Gentlemen, and General Turner, you have voted on Kellogg previously when you considered the A-10s. I'm sorry sir.

Mr. Skinner: Go ahead. I think it's completed, action's been taken on it.

Mr. Small: Yes sir, to my understanding, I've

reviewed the motion and I think it contained the language that you preferred this afternoon.

Mr. Skinner: Well we'll vote on it in a few minutes.

Chairman Principi: We will withdraw number 95, number 111, Ellington Field Air Guard Station, Texas, Air Guard Station - yes Congressman Hansen?

Mr. Hansen: I wonder if it would be permissible to suspend with the Ellington Field. I have an amendment that is being prepared that should be done just momentarily.

Chairman Principi: We will certainly table that one.

Mr. Cirillo: I'm sorry Mr. Chairman, on 95, I think you don't want to withdraw that. We're going through this again. It is the motion, if you're comfortable with that motion, it is the motion that you offered this morning.

Mr. Skinner: Well, that's fine then. I thought we had already rolled it on 95-4 when we A-10s a couple of minutes ago.

Chairman Principi: All right. We'll vote on it again. 81, Fort Smith Municipal Airport Air Guard Station, Arkansas, Air Force 8.

Mr. Small: This is a conversion from F-16s to A-10 in a excellent location right next to Fort Chaffee, and the ranges at Fort Chaffee.

Chairman Principi: Excellent. Number 90, Capital Airport Air Guard Station, Illinois, Air Force 20. Number

115, Richmond, Air Guard Station, Virginia, Air Force 50.
Number 105 Hector International Airport, Air Guard Station,
North Dakota. Number 38, Number 96, Duluth International
Airport, Air Guard Station, Minnesota, Air Force 28. Are
there any questions.

Mr. Skinner: I would ask we also just vote separately
on 90-4(a) please?

Chairman Principi: Is that the Kellogg?

Mr. Skinner: No that's Capital Air Guard Station. If
you just vote on all the others, then we'll vote on that
separately, if that's all right.

Chairman Principi: Which number was that, Secretary?

Mr. Skinner: 90-4(a).

Chairman Principi: 90-4(a). Okay. I move the
approval -

General Hill: Mr. Chairman, excuse me, can we have a
discussion. Excuse me, you tabled, we're going to discuss
separately, all right.

Chairman Principi: I move the approval of motion 113-
2, Hill Air Force Base, 107-4(a) Springfield Beckley. 89-
4(a) Mountain Home. 115-4(a) Richmond International. 98-
4(a) Great Falls. 94-4(a) Otis. Kellogg we're going to
vote on separately correct?

Mr. Skinner: Kellogg can be included. 95-4(a) can be

included. We're just voting separately on 94-4(a).

Chairman Principi: 95-4(a), 81-4(a) Fort Smith. 90-4(a) - no we're setting this one aside. We're voting on Capital separately. I'm going to table 90-4(a). 105-4(a) Hector. 96-4(a) Duluth. Is there a second.

Mr. Coyle: Second.

Chairman Principi: Are there any recusals?

[A show of one hand].

Chairman Principi: All in favor?

[A show of eight hands].

Chairman Principi: All opposed?

[No response].

Ms. Sarkar: Thank you Mr. Chairman, the vote is eight in favor, none opposed, one recusal. The motion is approved.

Chairman Principi: I now move motion 111-4(a) Ellington Air Guard Station, Texas.

Mr. Hansen: Mr. Chairman, I have an amendment. And I would move that we dispense with the reading of this entire thing and I'll just say where it plugs in, if that's all right with your permission?

Chairman Principi: Yes sir.

Mr. Hansen: Mr. Chairman, this is Ellington Air Guard Station in Texas, and just before the third dot going down on the left side, we insert the words establish 15 primary

aircraft authorization PAA F-16 aircraft at the 147th Fighter Wing, Air National Guard at Ellington Air Guard Station, Texas and if I could speak to the motion briefly.

Let me say this, I was the member who visited that area, and boy my thoughts went back to 9-11 at the time. After we did a post mortem in Congress we kept saying, why wasn't somebody there and available to do something when rogue aircraft were coming that way. We finally the young man who flew an F-16 toward Pennsylvania, and as I recall it was unarmed. But quite a mess, and as you go down there and you get into the Houston area, I was amazed to find that's the fourth largest city in America and also the industry there is petrochemicals. I mean we flew over in a helicopter, and that was just all there was. And as I was talking to the Secretary of State and the Mayor, and a few other folks there it would seem to me that if there's one place that I could put my finger on and say what's the number place that if a rogue aircraft came in and you had trouble it would really cause a huge amount of trouble it would have to be Houston, Texas. Boy that could just bring America to its knees almost. And those folks down there, they all brought that up and they pointed to those F-16s, and they - admittedly their old ones, their Block 25, they're not the new Block 50s or anything but their capable and their pilots are absolutely awesome.

These are guys who've won a red hat every time they fly, they're older pilots, most of them are airline pilots but they're very capable. Most of them have seen military action. And I really think that it would be kind of foolish for us at this point to leave Houston and that part of America down there in the Gulf to leave it without some type of protection. And so Mr. Chairman, I respectfully offer this amendment hoping we can help out in this area, that I think is very critical to the defense of this country.

Chairman Principi: Thank you. Any further discussion on this amendment.

General Hill: Yes, Mr. Chairman, I appreciate the area and the Houston ship channel and the Corpus Christi channel and all the petrochemicals in that region. As we look at the distribution of aircraft under this BRAC round and trying to place them in the right places, this particular case we put aircraft into Kelly Field, 18 F-16s that can respond. The other thing that I would like to say very clearly, is as we have placed aircraft throughout the United States in regional - in different regions all of those aircraft in the air sovereignty role are controlled by, and assigned by the North COM Commander. They sit in different alert stages throughout the United States, in a very classified plan, and at different times and in

different places under different conditions in order to meet the threat that Congressman Hansen is talking about today.

When we first began discussing the entire issue of this air sovereignty thing, my first question was, had the North COM Commander blessed this plan. And the answer was yes. And that is what we need to do. We need to continue to support the Combatant Commander charged with the air defense of the United States, Homeland and that is the North COM Commander.

Chairman Principi: Thank you. Is there any further discussion?

General Newton: Yes Mr. Chairman, I would like to make one point. I certainly want to align myself with Commissioner Hill, and the next point I want to make is if we look at the criteria and the military value numbers that you see on the chart before you. The other location which Commissioner Hill mentioned Kelly Field, is ranked in military value higher than Ellington, and so that was one of the factors as well that we used. This was not a matter of casually taking a look at this. The staff studied this very, very thoroughly and we talked to a lot of people and as Commissioner Hill mentioned, we talked to North COM Commander, and we talked to the services as well. So I would support this. The aircraft remaining where they are,

and thank you.

Mr. Hill: I would just like to reiterate one more time, in no way am I dismissing the concerns of the community of Houston or any other community around the country. I'm simply saying we can't have air frames in every local, and we simply have got to develop a consensus plan and that is done by the North COM Commander.

Chairman Principi: Thank you. Is there anything further?

[No response].

Chairman Principi: I move - no we have a motion. We are voting on the motion, the amendment I apologize. The amendment by Congressman Hansen. Is there a second.

I second? All in favor?

[A show of two hands].

Chairman Principi: All opposed?

[A show of seven hands].

Chairman Principi: Okay. I now move - I'm sorry.

Ms. Sarkar: Mr. Chairman, may have Commissioner Turner's vote one more time?

General Turner: Against.

Chairman Principi: Counsel I keep forgetting. You can just interrupt me, don't worry about it, just shout it out.

Ms. Sarkar: Thank you for your indulgence Mr.

Chairman.

Chairman Principi: Thank you very much for your patience with me.

Ms. Sarkar: The vote Mr. Chairman, is two for, and seven against, there were no abstentions. Therefore the motion is rejected.

Chairman Principi: You're going to have patience for another hour or two. I now move the Motion 111-4(a) Ellington Air Guard Station, is there a second?

Mr. Coyle: Second.

Chairman Principi: All in favor?

[A show of nine hands].

Chairman Principi: All opposed?

[No response].

Ms. Sarkar: Mr. Chairman, the vote was unanimous, the motion is approved.

Chairman Principi: Okay. I now move to motion 81-4(a) Fort Smythe, is there a second?

Mr. Skinner: I think the one left is 90-4(a) Mr. Chairman.

Chairman Principi: I now move to motion 90-4(a), Capital Air Guard Station, is there a second.

Admiral Gehman: I second.

Mr. Skinner: I have a question Mr. Chairman, for Counsel to explain this a little bit more, this motion

realigns aircraft at the Capital Air Guard Station in Springfield Illinois, and the Homan Indiana Air Guard Station in Indiana assigns them to the 142nd Fighter Wing, in Fort Wayne International Air Guard Station in Indiana. As you look at the rankings and those aren't the only criteria you put into play on military value. The Capital Airport ranks higher than Homan, and Homan ranks higher than Fort Wayne. The Secretary made his recommendations. He anticipated there would be 24 aircraft in Fort Wayne, and Fort Wayne was able to handle that. It's now down to 15 aircraft, I would ask - but having said that, I'm advised by Counsel and I want to make sure this is correct, that if I were to make a motion to amend and replace the Capital Airport, I mean replace the Capital Airport in place of the Fort Wayne that it would be out of order because the Capital Airport and the Homan Airport are designated for realignment, but the Fort Wayne Airport is not - has not been by the Secretary, designated for realignment. So therefore we could not substitute those two in that particular - is that correct, Mr. Hague.

Mr. Hague: That is correct, you've asked and answered your own question correctly.

Mr. Skinner: That's because you gave me good legal advice before I came up here. But I want to make it clear, so that everybody understands that while military value is

close, the highest ranking in this case would have been Capital or Homan, but the recommendation by the Secretary was presented to us, we cannot and do not have authority under the BRAC statute to take away or diminish the number of aircraft at Fort Wayne. So my motion would be out of order if I made it, so I won't make it. Thank you.

Chairman Principi: Is there a second?

Mr. Skinner: There's no motion, because it's going to be stricken anyway. Rather than going through the formality of making the motion and having it seconded and then having Counsel declare it out of order, why don't I just not make the motion.

Chairman Principi: I'll just call for a vote. Are you recused on this?

Mr. Skinner: No. But I think you can tell how I'm going to vote.

Mr. Bilbray: This is a vote on the motion of approval, is that correct?

Chairman Principi: Yes. 90-4(a). All in favor?

[A show of eight hands]

Chairman Principi: All opposed?

[A show of one hand]

Ms. Sarkar: Mr. Chairman, the vote is eight in favor, one opposed, no recusals, therefore the motion is approved.

Chairman Principi: Thank you. There are 14 motions at Tab 5, which implement the laydown the staff has recommended for C-130 aircraft. We have them up on the board now. 106 Mansfield Lahm Municipal Airport Air Guard Station, Ohio, AF 39. 117, General Mitchell International Airport, Air Reserve Station, Wisconsin AF-52. 101, Niagara Falls, Air Reserve Station, New York, AF-33. I ask that that be voted on separately, as I have an amendment. 68, NAS Willow Grove, ARB Pennsylvania, and N-21. General Mitchell, Air Reserve Station, Wisconsin, AF-52. 86, Newcastle County Airport, Air Guard Station, Delaware, AF-15. 92, Andrews Air Force Base, Maryland, AF-23. 88, Boise Air Terminal, Air Guard Station, Idaho, AF-17.

Mr. Small: Sir, could I make a comment at this place on the Boise Guard, the C-130 said Boise there's been a discussion that has rattled around informal and basically not accurate that the 130s said Boise we're for fire fighting, or should be therefore fire fighting. I think it's reasonably important that the Air Guard does provide that service. They have four units specially trained and do have airplanes. There is a kit that provides the fire bombing or water bombing capability, those kits are not in Boise they're distributed by another agency, the Guard just provides the ability to deliver. I just wanted to make that comment, there is no direct connect to fire fighting

and the Boise Air National Guard C-130s, the connection you hear, is that the Forest Service runs the interagency fire center in Boise for the Western Region.

Chairman Principi: 92, Andrews Air Force Base, AF-23. Number 88, Boise Air Terminal, Air Guard Station, Idaho, AF-17. Mansfield Lahm, Municipal Airport, Air Guard Station, AF-39. 93, Martin State, Air Guard Station, Maryland, AF-24. Number 99, Reno Tahoe International Airport, Air Guard Station, Nevada, AF-31. 110, Nashville International Airport, Air Guard Station, Tennessee, AF-44. We've done Kulis.

Mr. Small: We have done Kulis.

Chairman Principi: We'll vote it again.

Mr. Small: I'm sorry, that's no problem.

Chairman Principi: 80, Kulis, Air Guard Station, Alaska. AF-7. 102, Schenectady County Airport, Air Guard Station, AF-34. Number 103 -

Mr. Small: Excuse me sir, could I just put a point of information here, that Schenectady C-130s has a combination of ski birds, and what they call wheel birds. These are the aircraft that service Antarctica, and the Arctic and Greenland. That's a combination of National Science Foundation airplanes and Air National Guard planes. The crews are Air National Guard.

Chairman Principi: Thank you. Pope, we did Pope.

Should we do it again.

Mr. Small: I don't think it's necessary sir.

Chairman Principi: All right. Those are the motions.

Mr. Bilbray: Mr. Chairman, on the item on the Reno, Tahoe, Section 99, Air Force 31, I would request a separate vote on that, as I have to recuse myself from voting on that issue.

Chairman Principi: Thank you. I would like to offer an amendment to this motion. To motion 101, an amendment on 101-4(a) realign Niagara Falls, Air Reserve Station and I will dispense with the reading of my amendment, and explain what it accomplishes. I recognize that there are not sufficient aircraft to assign to the Air National Guard, in Niagara Falls. However, I would like your consideration to create an enclave at - for the 107 Air Refueling Wing.

Mr. Flinn: Mr. Principi, if I might interrupt for a second. We've addressed this issue with the KC-135 and we struck the original recommendation so that the C-130s there remain in place. The personnel remain in place, and we inserted the language that the aircraft of the 107th, the personnel of the 107th Air National Guard, would associate with the 914th, Air Wing there to form an Air National Guard Reserve Associate Unit. That was the intent.

Chairman Principi: So the people of the 107th remain

in place?

Mr. Flinn: That is correct, yes sir.

Chairman Principi: I think this is very important and I'll state why. I was never affiliated with the 107th, but I know it well apart from its great history from World War II, it's been called up in every war that this nation has fought. There again called up, they were very instrumental, the men and women were instrumental in 9-11 down in New York City. It's believe it or not the second largest employer in the western part of New York. And maybe the largest employer if another company goes under, which New York dreads, but from an economic impact. But also more importantly from a military value. I believe they're very important and certainly in command and control. But if this is taken care of in what we have done, then I'm satisfied and I will withdraw my amendment.

Mr. Flinn: Yes sir, that was the intent. And I agree with your assessment. We found several deviations in the original recommendation.

General Newton: Will you get closer to the mike. I'm not getting all of what you're saying. Just answer one question for me and I think you can clear it up for me very clearly. Back on the language on the 135, for Niagara Falls, did we leave it in an enclave status?

Mr. Flinn: We struck the entire recommendation sir,

so that the C-130s remain in place. And we inserted the language to address the movement of KC-135s and the men and women, personnel of the 107 Air Refueling Wing, will stay in Niagara Falls and associate with the 914th Reserve, Airlift Wing to form an Air Reserve National Guard Unit and we also stipulated that they would receive the necessary training to support the 914th Air Wing.

Chairman Principi: I'm very satisfied and I withdraw my amendment. Thank you very much.

Admiral Gehman: Mr. Chairman, may I?

Chairman Principi: Yes, you may sir.

Admiral Gehman: If we refer to the chart there in front of us, we run our fingers down on the left hand side to Niagara Falls New York, and we see that the Department of Defense recommended going to zero, and the plan we're voting has 8 C-130s at Niagara Falls. And that's what I'm looking at, that's what we're voting on, and that happened in accordance with the guidance and the policy direction we gave to the staff, without any amendments on your part, or anything else. So the system worked. The other, by the way there are three other cases, where using our system we have put C-130s, squadrons in places that the Secretary of Defense recommended taking C-130s out of and enclaving them. So in the aggregate we have established more flying units than the Secretary's recommendation, but we still

could not get a flying unit in every state of the nation. But we went much further in that direction than the DoD's recommendation. Niagara Falls just happened to be one of them.

Chairman Principi: I am very grateful. Thank you Admiral, thank you Mr. Flinn.

Mr. Skinner: Can I make an observation, I want to make sure that anybody watching understands our goal is to look at all states, to not have Air National Guard Units. Almost all states have Guard Units, but all of them don't have Air National Guard Units. And what we've tried to do here is to make sure to the degree possible, every state that had an Air Guard Unit, continued to have some kind of Air Guard Unit, and we were pretty successful, not completely, but pretty successful. But there are some states that don't have an Air Guard Unit now, and won't have one when this is done. But they've not had a history of having Air Guard Units in recent history.

Chairman Principi: All right. I'm prepared.

General Newton: Mr. Chairman, I would like to add some comments to Secretary Skinner as well. We followed the criteria to ensure that we could follow the strict procedure that the Secretary deviate from the criteria and that is through that process that we found those deviations as the staff evaluate that and as a result then, we were

able to move airplanes around to fill their requirement which we saw at various of these locations. And as it turns out, it allowed us then, because again, if you notice several times I've gone back to Homeland Security and Homeland Defense, because that played the biggest role. The requirement and responsibilities that many of our states have, and along with the Department of Defense as well as other agencies. So we really used the criteria that drove us then to have the results which you see in front of you. Thank you.

Mr. Flinn: May I expand on that?

Chairman Principi: Yes.

Mr. Flinn: I just want to by way of summary, the total of C-130 recommendations, BRAC recommendations addressed, involved 21 different installations and approximately 156 aircraft. And it also - the C-130 E, and C-130 J issues that played into this, so it was a very complicated situation.

Chairman Principi: Thank you, very much.

Mr. Bilbray: Mr. Chairman, Section 99, is going to be voted on separately, is that correct? That's the Reno, Tahoe airport, because I must recuse myself?

Chairman Principi: Yes, we'll vote on that one separately.

Mr. Skinner: And Mr. Chairman, we did Willow Grove

earlier separately, maybe we ought to do that separately again.

Chairman Principi: We've already voted on that. We already did 68. What I will do now is I will call for a vote on Number 99, that is motion. What's the motion number?

Mr. Bilbray: To approve?

Chairman Principi: To approve, correct. Which one Admiral?

Admiral Gehman: 99.

Chairman Principi: 99, Reno Tahoe International Airport, AF-31 is there a second?

Mr. Coyle: Second.

Chairman Principi: All in favor?

[A show of eight hands].

Chairman Principi: All opposed?

[No response].

Chairman Principi: I believe we have one recusal.

Ms. Sarkar: That is correct Mr. Chairman, the vote is eight in favor, none opposed, one recusal. The motion is approved.

Chairman Principi: I will now, move the approval of the following motions. 106-4(a) Mansfield Lahm, 117-4(a) General Mitchell, 68-4(a) no. I pulled 68-4(a) we voted on that.

Mr. Bilbray: No we did not. We didn't vote on that.

Chairman Principi: 101, where's 101.

Mr. Flinn: We voted on 101, with the KC-135, you've already voted on?

Chairman Principi: I apologize. 101-4(a) Niagara Falls. Let me see where I am, 117-4(a) General Mitchell. 86-4(a) Newcastle. 92-4(a) Andrews. 88-4(a) Boise. 106-4(a) Mansfield Lahm. 93-4(a) Martin State. 110-4(a) Nashville. 102-4(a) Schenectady. Is there a second?

Mr. Coyle: Second.

Chairman Principi: All in favor?

[A show of nine hands].

Chairman Principi: All opposed?

[No response].

Ms. Sarkar: Mr. Chairman, the vote is unanimous, the motion is approved. Thank you.

Chairman Principi: Thank you. We have completed the actions on the Air National Guard and the Air Force Reserve. The motions that were passed tonight will be posted on our website as soon as possible, tomorrow if we can. We will stand in recess for 10 minutes.

[Recess]

Chairman Principi: The Commission will come to order, we have several amendments, issues that we want to resolve this meeting. We'll first take up motion 5-4(c) a motion

to amend Army recommendation 11 Fort Monmouth New Jersey,
Commissioner Coyle?

Mr. Coyle: Thank you Mr. Chairman. This is a clarifying amendment, to make clear how the certifications that we called for in our votes the other day would actually be accomplished and indicates that those certifications would be provided to the Congressional Committees of Jurisdiction for their review. That basically the change. Any discussion Mr. Chairman?

Mr. Bilbray: I second the motion Mr. Chairman.

Chairman Principi: Is there any discussion?

[No response].

Chairman Principi: Hearing none. All in favor? I'm sorry. Mr. Coyle, could you please very briefly describe the nature of your amendment?

Mr. Coyle: Yes. The purpose of this amendment is to make it clear how the language that we included in an amendment to this action, Army recommendation 11, Chapter 1, Section 5 of the Bill that we voted on the other day, the purpose of this amendment is to make it clear how that would be accomplished. And it explains that it will be to the Congressional Committees of Jurisdiction that this certification will go, the original language as we provided it explain to whom the certification would go.

General Newton: Some how Mr. Chairman I'm missing -

Mr. Dynsk: Mr. Chairman, I believe the first one we want to talk about is 4-C that has to do with breaking out the people at Fort Belvoir, who are going to Aberdeen, the second amendment that follows is a perfecting amendment is what Mr. Coyle just said.

Mr. Coyle: I beg your pardon Mr. Chairman, I got them in reverse order. The first one indeed is to make it clear that the project manager for night vision will stay with the night vision lab, and that the project manager for other chief or ISR activities would go to Aberdeen. These changes fall below the BRAC threshold as far as the number of people involved. But the Army felt that it would be helpful if we would clarify that these moves are not constrained in any way by the language we adopted the other day on Fort Monmouth.

Mr. Skinner: And that's motion 5-4(c).

Mr. Coyle: Yes 5-4(c). I'm sorry I got them out of order.

Chairman Principi: Hearing no further discussion, all in favor of the amendment by Mr. Coyle, please indicate.

[A show of eight hands].

Chairman Principi: All opposed?

[No response].

Admiral Gehman: And one recusal.

Chairman Principi: And one recusal.

Ms. Sarkar: Mr. Chairman, the vote is eight in favor, none opposed, one abstention. The motion is approved. Thank you.

Chairman Principi: Thank you. I now offer an motion number 193-4(a)(v)(1) regarding Oceana Virginia. I apologize I thought we were completed.

Mr. Skinner: We've approved an amendment to recommendation 11, that is contained in motion 5-4(c), Mr. Coyle I think has another motion which is to make regarding Fort Monmouth and maybe we could continue on with the Fort Monmouth motions and that 5-4(d).

Mr. Coyle: That is correct. Thank you Commissioner Skinner. As I was starting to say a few minutes ago. This second clarifying amendment with respect to Fort Monmouth makes it clear how the certifications that we called for in our actions the other day would be carried out. We were silent about that in the vote that we took the other day and to make it clear how those certifications would be carried out. We have a motion here that makes it clear that the Secretary would certify, to the President and provide copies of such certification to the Congressional Committees of jurisdiction, just to make it clear how those actions would be concluded.

Mr. Bilbray: I'd like to second that motion.

Mr. Skinner: I would like some discussion on that

motion. This one really gets to a consistency, we've directed the Secretary to do a number of things and I don't think we have asked the Secretary to certify anything, any actions. And I question whether this is a precedent that we want to go forward. I think we can assume that the Secretary will comply in good faith and I think having him certify to Congressional committees on something like this, and also to the President, goes a little far. And I would not support that.

And it's not that I don't understand where Mr. Coyle is coming from, I just think it would be inconsistent with the BRAC statute as it relates to the Secretary of Defense only.

I'm hoping to hear from others that have a lot of experience as to what they think, that is just my initial inclination. This is the first time I've seen this motion. I'm open to be educated.

Mr. Coyle: I might just add a further comment. The Commission has voted on a number of different - voted on and passed a number of different motions, where we've required actions by the Secretary of Defense or a service Secretary where we have made it clear how those actions would be concluded. We have not done that in this particular instance. And so this language is not intended to constrain the Secretary of Defense in any way, simply to

make it clear how it is brought to conclusion.

Mr. Skinner: Well maybe I'm just troubled by the word certification. So maybe if we said, will advise. I just - - I guess I'm a little trouble by certification. Maybe shall report to the Congress, and to the President and the Congress, something like that I probably could live with. But the certification language is what disturbs me.

Mr. Bilbray: If the gentlemen would yield. I would ask a question of Commissioner Coyle, does the present language we have there already require certification? It doesn't tell anybody where to certify that information, is that correct?

Mr. Coyle: Mr. Dinsick, can you clarify that point?

Mr. Dinsick: We believe it does not say certify.

Mr. Coyle: What does it say?

Mr. Hood: The current amendment says the Secretary cannot move anything from Fort Monmouth until certain conditions have been met. But it does not tell him that he has to certify that to anyone before he can do it.

Mr. Coyle: I don't know whether it changes anything to say report, or certify. I think the effect would be the same Commissioner Skinner. But I'm flexible about the wording. I'm certainly no lawyer.

Chairman Principi: Would you feel comfortable with the word report?

Mr. Skinner: I would like to hear what other Commissioners have to say, really this is the first time we've dealt with that. And I think what Mr. Coyle is trying to do is to make sure that the activities that have been requested, that if they have in fact been requested and he decides to make the move, that they be done. I guess I'm a little - that almost says that he wouldn't do it, and he would operate in bad faith, and I'm not ready to assume that that says that he wouldn't move them unless he did that. And I know Congress loves to do that, but I give the Secretary the benefit of the doubt that he won't operate in bad faith. This kind of assumes that he will and we ought to make sure that he doesn't and I guess that's why I'm troubled with it.

Mr. Bilbray: My question is, if you say he shall report, who does he report to if he doesn't report to somebody, who would you envision he report this to?

Mr. Skinner: All of this reporting is relatively new in this amendment, I have no problem with the first one, but the second one, I just wonder because then where does it stop. Did he report on this, did he report on that. We probably could go back and find 150 things we've asked the Secretary to do, is he going to report and certify on each. I think that's a little bit beyond the BRAC. But maybe to satisfy everybody that the Secretary doesn't operate in bad

faith, maybe somebody could come up with a better suggestion.

Chairman Principi: Well I would like to speak to this, I understand your concern about the word certify. Certainly as the Secretary and I think probably the same for you Mr. Secretary, I was asked to report to Congress on various issues more than I wanted to on various matters, provide a report on this issue or provide a report on that issue. I think if we can modify this language to say the Secretary of Defense shall submit a report to the President and copies of such report to the Oversight committees, that the direction of the BRAC have been fulfilled. I think that that would be - well -

Mr. Skinner: Well why don't we do a report to the Oversight Committees of the Congress. Shall submit a report to the Oversight Committees of the Congress.

Chairman Principi: Mr. Coyle would that be acceptable to you if we had the Secretary submit a report to the Oversight Committees?

Mr. Coyle: Yes Mr. Chairman, it would be and if you'd like I could read the full amended as suggested.

Chairman Principi: If you would please.

Mr. Coyle: Mr. Chairman, I move that the Commission find that when the Secretary of Defense made Army recommendation 11 Fort Monmouth New Jersey, he

substantially deviated from final selection criteria, 1, 2, 3, 4, 5, and 7. And the Force Structure Plan that the Commission add to the recommendation language, quote " The Secretary of Defense, shall submit a report to the President and provide copies of such report to Congressional Committees of Jurisdiction that movement of the organizations functions, or activities from Fort Monmouth, to Aberdeen proving ground will accomplished without disruption of their support to the global war on terrorism or other critical contingency operations. And that safeguards exist to ensure that necessary, redundant capabilities are put in place to mitigate potential degradation of such support. And to ensure maximum retention of critical work force." And that the Commission find this change and the recommendation as amended are consistent with the final selection criteria, and Force Structure Plan.

Chairman Principi: Mr. Coyle, I think what was asked is that the Secretary of Defense would submit the report to the Oversight committees of jurisdiction or Congressional Committees of Jurisdiction, however you wish to say it, and not to the President. Obviously most reports would go through the Office of Management and Budget. In any event, would that be acceptable?

Mr. Coyle: Of course. And perhaps I misunderstood

how many places the word certify was to be changed.

Mr. Skinner: All.

Chairman Principi: It shall read the Secretary of Defense shall submit a report to the Congressional Committees of Jurisdiction.

Mr. Coyle: Thank you Mr. Chairman.

Chairman Principi: Secretary Skinner is that acceptable?

Mr. Skinner: I will second the motion with that amendment.

Chairman Principi: We have a second. Are there any recusals.

General Hill: Mr. Chairman just as a matter of record. I didn't like this yesterday but I went along with it. And I don't like it today, but I'll go along with it because it is in fact what the Secretary would do anyway to ensure that he worked with the Congressional Oversight Committees to get the action completed in the first place. But it does in fact in my mind impugn the Secretary and is unnecessary.

Chairman Principi: Thank you. All in favor of motion 5-4D, as amended.

[A show of eight hands].

Chairman Principi: All opposed.

[No response].

Chairman Principi: One recusal.

Ms. Sarkar: Thank you Mr. Chairman, the vote tally is eight in favor, none opposed, and one abstention, therefore the motion is approved. Thank you.

Chairman Principi: I now offer an amendment to motion 193-4(a)(b)(1). Regarding additional recommendation three Naval Air Station Oceania. In paragraph A will be the wording: It shall be deemed that the actions prescribed to be taken by the Commonwealth of Virginia, and the Cities of Virginia Beach, and Chesapeake respectively, by the end of March 2006 have not been taken in their entirety, unless the comptroller general of the government accountability office certifies in writing to the President and Oversight Committees of Congress, by June 1, 2006.

And in paragraph 11, will be the words at the end of that paragraph: It shall be deemed that the actions prescribed to be taken by the state of Florida and the City of Jacksonville respectively by the end of 31 December 2006 have not been taken in their entirety unless the Comptroller General of the Government Accountability Officer, certifies in writing to the President and Oversight Committees of Congress, by June 1, 2007.

Is there a second.

General Newton: Second.

Chairman Principi: All in favor?

[A show of seven hands].

Chairman Principi: All opposed?

[No response].

Ms. Sarkar: Mr. Chairman, the vote is seven for the amendment, none opposed, and two abstentions. Therefore the motion is approved.

Chairman Principi: Thank you. General Hill?

General Hill: Yes Mr. Chairman, as a matter of specificity when we did this motion and it's the six dot, the paragraph starts: Enact, state and local legislation in order to establish a program to condemn and purchase all the property. That sentence is more correctly read, purchase all the non conforming property located within in all the accident potential Zone 1. We're asking way to much of them if they purchase all the property. It should be in fact, all the non conforming property, in fairness.

Mr. Skinner: So we're going to amend by adding the word non conforming?

General Hill: That is correct. Just add non conforming.

Mr. Skinner: I second the motion.

Chairman Principi: All favor?

Mr. Bilbray: Mr. Chairman, we're not supposed to discuss when we recuse, but non conforming as to what?

General Newton: Why don't you go ahead, Bill.

Mr. Fetzer: Mr. Chairman, in the ACUS manual and also the JLUS, the terms are incompatible use rather than non-conforming. So I think in order to make it clear to those who have to sort out what that means I would say incompatible use, rather than non-conforming.

Chairman Principi: General Hill?

General Hill: Terrific.

Chairman Principi: All right, so we have incompatible uses, is there a second.

General Newton: Second.

Chairman Principi: All in favor?

[A show of six hands].

Chairman Principi: All opposed?

[A show of one hand].

Ms. Sarkar: Mr. Chairman, the vote is six in favor, one opposed. Two recusals.

Mr. Bilbray: I think we need seven votes for that if I recall.

Chairman Principi: Change please.

Ms. Sarkar: The amended vote. The amended vote Mr. Chairman, is seven in favor, none opposed, and two abstentions. The motion is approved.

Chairman Principi: Very good. I have one further motion. I failed to include it when we were approving the Air Guard recommendations. It was not in the book. We

covered it. It's motion 115-4(a). Richmond Air Guard Station, and Des Moines International Air Guard Station.

Mr. Skinner: Second.

Chairman Principi: All in favor.

[A show of nine hands].

Chairman Principi: All opposed.

[No response].

Ms. Sarkar: Mr. Chairman, the vote is unanimous the motion is passed.

Chairman Principi: Okay. I have a small additional motion. A motion to amend Navy recommendations 76 Navy Reserve Centers DoN-37. I move that the words Bangor Maine contained in Navy recommendations 76, Navy Reserve Centers, DoN-137 appearing at Chapter Two, Section 76 of the Bill be deleted. That the Commission find this change is consistent with the final selection criteria and Force Structure Plan. I assume this is something that has been agreed upon? Can you explain?

Mr. Hanna: Yes sir, If I may. When we closed the Reserve Centers, that particular one was supposed to move to Brunswick Naval Air Station. Brunswick we later closed. Naval Air Station Brunswick. So we're leaving it open.

Chairman Principi: Thank you. Is there a second.

General Newton: Second.

Chairman Principi: All in favor.

[A show of nine hands].

Chairman Principi: All opposed.

[No response].

Ms. Sarkar: Mr. Chairman, if I may report out the vote. The vote was unanimous. The motion is approved. And for further clarification, did you have a second to this motion.

Mr. Coyle: I seconded.

Mr. Cirillo: The title of the paragraph is, Naval Reserve Centers.

Ms. Sarkar: Thank you Mr. Cirillo. Do you have suffix, 76-something you're introducing this amendment as?

Chairman Principi: Say again?

Ms. Sarkar: Mr. Chairman, are you introducing this amendment simply as amendment number 76, or have you assigned a number to it, 76 - something.

General Hill: 76-3 is what we just voted one.

Ms. Sarkar: Thank you very much.

Chairman Principi: I ask the approval of the Commissioners to authorize all eminently capable staff, and they are truly eminently capable to make corrections of a technical nature to the record of our proceedings. To make changes to conform. To substantive issues and resolve conflicts. These are all of a technical nature, and to conform the substantive issues and resolve conflicts.

Admiral Gehman: I second that.

Chairman Principi: All in favor?

[A show of nine hands].

Chairman Principi: All opposed.

[No response].

Ms. Sarkar: Mr. Chairman, the vote is unanimous your motion is passed.

Chairman Principi: That really completes -

Mr. Cirillo: There's one more Mr. Chairman, I believe, with regard to section 186, which is tech 19.

Chairman Principi: What is the amendment? I thought create and integrated weapons an armament specialty site for armaments and ammunition.

Mr. Van Saun: For clarification, I can give you a quick run down for the motion. This creates and integrated weapon arm, and specialty site for guns and ammunition. It's a clarifying motion, you passed the amendment yesterday, the language that we passed was unclear of exactly the moves intended by the Commission and the staff. The amendment before you clarifies that language to make sure that the right pieces end up in the right places. It's three components that were removed from the DoD recommendation in that amendment. One component was the special operations gun folks. And in Crane Indiana, one component was a large gun over water piece at Dahlgren, and

the other component was the energetic specialized. The energetics need to stay, a large component stays in China Lake because they make big explosions there. A small part was goes to the part existing in Indian Head needs to stay in Indian Head, and the part of done of energetics in Picayune New Jersey, needs to stay in Picayune the rest of the motion was carried to create the integrated weapons and armament specialty site for guns and ammunition.

Chairman Principi: Is there a second?

General Newton: Second.

Chairman Principi: All in favor.

[A show of nine hands].

Chairman Principi: All opposed?

[No response].

Ms. Sarkar: Mr. Chairman, the vote was unanimous, the motion succeeds.

Chairman Principi: Are there are any further motions or amendments to come this evening?

Mr. Cirillo: That would be all that we have.

Chairman Principi: Are there any other motions?

[No response].

Chairman Principi: The Commission will stand in recess until 9:00 a.m. tomorrow morning. For those Commissioners who can be here we will close out the business of the Commission and offer closing statements and

we should be completed.

General Newton: Mr. Chairman I'd like to have just one comment, and I want to align myself with you and just really say thanks to the staff, this is probably the last opportunity we may have in public to say thanks to the entire staff, they've done an extraordinary job for all of us and for the nation. And certainly have kept us on track during this process and I just want to say thanks to them on behalf of all of colleagues.

[Applause].

Chairman Principi: Thank you General Newton, your thoughts are shared by everyone. I plan to go on at some length tomorrow to thank the staff. I would expect they will all be here tomorrow morning. I hope as many Commissioners as can be, but I know some need to return to their homes. Are there any other closing comments by any Commissioners?

Mr. Skinner: Yes Mr. Chairman, I will not be here tomorrow, so I just want to take this opportunity to thank you for your leadership. You have been called to duty again after four wonderful years of service, in the last four for our country, and you certainly lead the Commission and the membership as well as the staff, and I think all of us in this country owe you a round of applause as well. Thank you.

[Applause].

Chairman Principi: Thank you very much. Thank you.

I thank my fellow Commissioners. It's been an extraordinary privilege to serve with you on this Commission, it truly has been. Thank you all. Good night. Tomorrow morning, 9:00 a.m.

[Whereupon the meeting adjourned at 9:40 p.m.]

NEED

4 AUG

Regional Hearing – NAS Oceana, VA

Questions

For the State and Local witnesses:

Does the Joint Land Use Study (JLUS) ensure that a process can be initiated by the Navy and Local Governments to stop the encroachment by developers in the Accident Potential Zones (APZs) and designated high Day-Night Average Noise Level (DNL) areas depicted on the Navy's 1999 Air Installations Compatible Use Zones (AICUZ) pamphlet?

How do the state and local governments plan to stop the encroachment by developers and landowners who use "by right" or "prior use" arguments to thwart the Navy and City planners from preventing residential and other incompatible land use in the APZs and high DNL areas?

Please outline the specific measures that the cities of Virginia Beach and Chesapeake, VA plan to take to limit or reverse the encroachment of NAS Oceana and Fentress Field.

What does the city or state government plan to do about the new homes presently approved for construction now in the Oceana area APZs?

Please outline the specific measures that the State of Virginia plans to take to limit or even reverse the encroachment at NAS Oceana and Fentress Field.

Is the Governor's Office prepared to work with the General Assembly to put state pass-through funding to the cities that would tie Virginia Beach and Chesapeake to long term compliance and implementation of the JLUS provisions and recommendations?

For DoD Officials:

Why is it operationally and economically important to the Navy to have all the Strike Fighter assets located in the same place?

Since the Navy decided to stand up two F-18 Super Hornet Squadrons at Marine Corps Air Station Cherry Point, NC to alleviate noise issues at Oceana, would you consider relocating additional squadrons at Cherry Point to reduce the noise levels even more? What are the operational and economic advantages or disadvantages to such a decision?

What is the status of the present litigation regarding the Navy's plan to construct a new outlying field in Washington County, North Carolina?

What are the risks associated with the Washington County plaintiffs' success in winning a permanent injunction that would stop the Navy from building the new OLF? Would additional squadrons of F-18 Super Hornets need to be relocated to Marine Corps Air Station Cherry Point to alleviate the noise issues at Oceana?

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If the Washington County, NC Outlying Field becomes a reality in the future, could that site become a potential new Navy Master Jet Base if Oceana and the City of Virginia Beach are unable to stop the encroachment?

Are there any other lawsuits pending or filed against the Navy regarding operations at NAS Oceana or Fentress Field?

We understand that because of noise abatement and safety reasons, new aviators must comply with local course rules at NAS Oceana and Fentress Field, flying different altitudes and landing patterns than they would when flying around the aircraft carrier. Does that introduce a negative aspect to their initial skills training? How do the instructors compensate for the differences in land based training and the actual carrier landings?

Have there been any Naval Aviation mishaps attributed to negative training introduced by Field Carrier Landing Practice at Fentress Field in recent years?

It appears that Cecil Field does not suffer from as much land encroachment around their main air field and outlying field boundaries. When the Navy developed the F-18 Super Hornet Final Environmental Impact Statement, was Cecil Field considered as a potential home basing site for the east coast Super Hornets?

Understanding that the Department of Defense made a decision in the 1993 BRAC round to close NAS Cecil Field, what is your opinion of the potential operational benefits of reopening Cecil Field?

What are the operational disadvantages of establishing Cecil Field as the east coast Master Jet Base?

What are the economic considerations regarding relocating the Master Jet Base from Oceana to Cecil?

The land around Naval Air Station Kingsville, Texas has thousands of acres of un-encroached areas. What are the operational and economic considerations regarding moving the Master Jet Base from Oceana to Kingsville, Texas? Is it feasible from an operational and economic standpoint to move the F/A-18 Fleet Replacement Squadron to NAS Kingsville to relieve the noise and encroachment issues surrounding NAS Oceana?

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Regional Hearing – NAS Oceana, VA

Questions

For DoD Officials:

If DoD or Navy officials testify that to open Cecil Field would be too expensive, ask the following questions?

1. Does the Navy know what the State of Florida will offer regarding land and facilities re-acquisition or the costs of relocating present commercial and industrial activities?
2. Does the Navy have an accurate estimate of the hangar, ramp and administrative and support space (by square feet) that would be needed to host all the Navy's east coast strike fighter assets and supporting aircraft, personnel and equipment?
3. Does the Navy have an accurate estimate of what facilities improvements have been made in and around Cecil?

If DoD or Navy officials testify that the airspace around Cecil Field is encroached by commercial activity, ask the following questions?

1. Is that view of encroachment shared by the FAA in the Jacksonville Area?
2. Please compare the airfield departure restrictions between Oceana and Cecil for jet departures from Cecil to the Whiskey offshore training areas?
 - a) What are the restrictions or course rules that Oceana aviators must use to depart from Oceana to limit noise levels?
 - b) What were the restrictions or course rules in place at Cecil Field in the late 90s?

2005 BRAC COMMISSION REGIONAL HEARINGS

THURSDAY, AUGUST 4, 2005

1:01 PM

216 HART SENATE OFFICE BUILDING

WASHINGTON, D.C.

STATES TESTIFYING:

VIRGINIA

(OCEANA NAVAL AIR STATION)

COMMISSIONERS:

ANTHONY PRINCIPI, CHAIRMAN

ADMIRAL HAROLD GEHMAN, USN (RET.)

SAMUEL SKINNER

PRESIDING COMMISSIONER:

ANTHONY PRINCIPI

MR. PRINCIPI: Good afternoon. I'm Anthony Principi, and I'm pleased to be joined by my fellow commissioners, Admiral Harold Gehman and Secretary Sam Skinner, for today's session.

I believe Senator Warner has an opening statement or introduction of our first witness. Senator Warner?

SENATOR JOHN WARNER (R-VA): Thank you, Mr. Chairman. I apologize for being a few minutes late. But in point of history, I'm the acting pro tempore of the Senate today, and as such I'm signing all legislation. And the plane is loading up this afternoon, headed to Texas, and I just signed the multi-billion dollar highway bill. Now, I think that's justification for a minute or two delay.

MR. PRINCIPI: Yes, sir.

SEN. WARNER: Mr. Chairman and members of the commission, I'd like to make a few opening comments. My first comments are as a United States senator, and my second framework of comments are wearing the hat, proudly and humbly, as Virginia's senator.

For three years of my 27 years on this committee, I have been working to get the BRAC legislation enacted and trying to preserve it at the request of the president, who stood steadfast as those of us that had to defend the BRAC process when there have been challenges legislatively to this process.

It is essential for this country that this process be completed, and completed in a way that it fulfills the goals of the legislation, which are goals that are in the best interest of our security interests of this country. And I commend you for undertaking this operation. I wish you well.

But I just recall a few nights ago -- well, go back a week ago. The defense bill was on the floor. We simply could not move that bill, primarily because of the deep concern -- and I'm not faulting any of my colleagues; they have justification, they have their own reasons -- the BRAC process.

There are several amendments on file, and there are likely to be more when this bill is brought up again at the conclusion of this recess. It has affected nominations pending in many ways. But I'm steadfastly going to move ahead legislatively with our bill, and hopefully there will not be any legislative changes to this law such that you can complete your work and make your report to the president.

But along the way, there has been for me, I would say, a somewhat disturbing situation, and that is information, just in the form of allegations -- I have no way of proving the credibility or lack of credibility -- but they came to my attention, and therefore I turn to the specific provision in the act, which is a provision that's been in the previous law whereupon any senator can call upon the chairman of the Readiness Committee of the Armed Services Committee, in this instance Senator Ensign, to address issues that a senator feels, or others, that should be addressed as to the manner in which this process has been conducted.

And the commission is well aware of my letter. I'll put it into the record today. And I think there's been some initial examination by the commission with regard to these allegations and the receipt of ex parte information in the way of telephone calls and other communications, which raises the question of whether or not they laid a foundation for the decision or decisions as you go forward.

Now, in no way do I challenge the right -- because I participated and led the effort to write this statute -- the commission has a right to add bases and installations. And that's an important

one. But I say to you rhetorically, does not the community have the right to have the full body of factual evidence so that we can rebut it or otherwise examine it that led to the decision to add a base or an installation?

And that issue is before Senator Ensign and his committee, and I hope it's resolved in a manner that in no way will impede the progress to go forward. But the citizens of the several states, as they address this distinguished commission, have the right to know what were the facts.

And the law is specific. This is to be a process that's transparent, open to the public. The statute says that information has to be certified. I think that's the word that's used in the record. And the question is, do we have before us today, those of us who would defend Virginia's position on this very important base, all the facts? And that, I say, Mr. Chairman, respectfully, is an open question.

Let me just point out the following. After exhaustive research and analysis of alternatives, the United States Navy recommended -- that is, in the original round to the secretary of Defense -- that Naval Air Station Oceana be retained as the East Coast Master Jet Base.

In preparing his recommendations that were submitted to the commission on May 13th, 2005, the secretary of Defense concurred in the Navy's position. And after an exhaustive review of the certified data used by the Navy for the requirement of Section 2903, I personally cannot find anything that would call into question that decision originally made.

Any suggestion -- and this is a phrase once used by the deputy secretary, acting former secretary of the Navy, Gordon England, any suggestion of a "clean sheet" as he referred to it to solve Oceana's problems should also apply to the overwhelming majority of other military bases in this country which face a range of encroachment issues.

As we all heard from Navy representatives during the site visit to Oceana earlier this week, no viable options exist in their judgment to replace Oceana.

And with continued community support, none will be needed. I received a letter from the Department of Defense, which I will ask to put in the record, yesterday. It states in its conclusion, quote: "The Department's position has been and remains that NAS Oceana is the most suitable option as the Navy East Coast Master Jet Base, in support of East Coast fleet carrier operations, and we have a plan to ensure its viability into the future assuming community support."

This is a very interesting thing, which is the foundation for my concerns as I stated earlier. General Hill, a member of the commission, in a forthright manner, stated on July 19th at the hearing, and later he repeated that at our site visit Monday -- I heard him, and others heard him -- that Admiral Clark, quote, "wanted to close Oceana," end quote.

Now the actual Clark phrase is as follows. Here it is, at the July 19th hearing, the record, and I'm reading from your record, Admiral Clark, whom I have had a tremendous amount of respect for, in fact, he is an E.F. Hutton person for me, when Admiral Clark talks, I listen, he said that he wanted to close Oceana. He simply couldn't find any other alternative, end quote.

Now that's in the record, and I would hope at some point the commission will show us the extent to which that was amplified, if it is true, by allegations of other conversations between various Department of Defense people and members of your commission staff and/or commissioners.

Now we have no way of reviewing how that all took place and what's behind it, and absent the supporting data, how do we explain to the people of Virginia, how do we, the distinguished governor of Virginia, Senator Allen, and others, come before you today and give us our best presentation?

I really feel that we've got one hand tied behind our back, and it concerns me.

So Mr. Chairman and members of the commission, I understand the desire of the commission to want to help the Navy. I believe that's a phrase that the commission has used from time to time. I also believe that you want the best military advice that's available.

Therefore, based on the commission's practice that a senior senator for a state on the agenda, I have asked the new chief of naval operations, Admiral Mullen, to testify today regarding the department's decision to retain Naval Air Station Oceana as the Navy's East Coast Master Jet Base.

I have not, to protect I think the importance of the Admiral's testimony, I have not collaborated with it. I do not know exactly what he will say. But at this time I'd like to yield the podium to the distinguished chief of naval operations.

He will be followed by the governor of Virginia, Senator Allen, and then to the extent I feel necessary, I may seek to make closing remarks.

I'd also like to ask that a statement on behalf of the organization called CAGN who have been very active in speaking for some people in the community against the continuation of this base, that statement be a part of the record.

And the mayor of Virginia Beach, Mayor Oberndorf, has a statement. The Congresswoman Drake has a statement. Delegate Suit has a statement, Delegate Cosgrove and Senator Stolle.

I ask that all of their statements be made a part of the record.

MR. PRINCIPI: Without objection.

SEN. WARNER: And unless you have questions for me at this point, I ask that the chief of naval operations be given the opportunity to testify.

MR. PRINCIPI: Thank you, Senator Warner. I very much appreciate your comments and your concerns. I want to assure you that this commission is committed to being open and transparent, and have taken unprecedented steps, and I would venture to guess, much more so than any previous commission, to ensure the public is aware of our deliberations, our meetings.

We have been subjected to the most intense lobbying effort by members of Congress and governors, and on many occasions we have, at their request, have contacted officials of the Defense Department to ask their opinions on certain issues, coming directly from members of Congress to make those calls.

We will go back and review all of our meetings, our telephone conversations, and ensure that everything that may have bearing on our deliberations is made part of the public record. Because I believe, as I know my fellow commissioners believe, that integrity is critical to the success of an effort that you have championed in the interest of our national security.

But I want to assure you, and I want to state for the record, that this commission has taken unprecedented steps to ensure that the public, members of Congress, state and local officials, have had access to this commission so that we have the benefit of their perspectives on the very, very important, critical decisions that we have to make.

I want to thank you very, very much, Senator.

SEN. WARNER: I thank you. But I judge from your statement you corroborate that there has been factual information that has come to the attention of the commission in various manners. You're going as you say in the future to make it a part of the record, so it confirms my concern today as to whether or not we, and perhaps the CNO who is trying to defend the position, are being able to do it I guess without the full knowledge of maybe all the facts, but led to the perfect right you have under the statute to add an installation.

I thank the chairman.

MR. PRINCIPI: I thank you very much, Senator.

We are honored that Governor Warner, Senator Warner, Senator Allen are with us for this afternoon's hearing, and will follow Admiral Mike Mullen who will testify for the Navy.

I also want to welcome Congresswoman Drake and the many state and local officials who are with us today.

This hearing will be one of Admiral Mullen's first duties as the Navy's 29th chief of naval operations. And I congratulate you, Admiral, on your promotion, and I wish you well as you take on the con (?) in the face of seas roiled by the winds of war.

I can think of few callings more challenging, and I can think of few obligations more significant, than responsibility for the officers and sailors who bring our Navy to life.

On July 19th this commission voted to consider closure or realignment of eight installations not included in the Defense Department's recommendations. NAS Oceana is one of those installations.

Our concerns are evidenced by our questions at our first hearing in May. We took this action not because of any desire to close more bases than the secretary of Defense recommended, indeed not, but rather to meet our obligation to the American people, and most importantly, to the uniformed men and women defending our freedoms.

We must make the best possible closure or realignment decisions consistent with the military value criteria established by the Congress in the BRAC law.

Training and readiness are critical components of military value. On Monday, August 1st, commissioners visited NAS Oceana and met with representatives of fleet forces command, the base commanding officers, representatives of naval air force, and the air wing commander.

We also spoke with several FA-18 instructor pilots who described the effects of flight restrictions and noise abatement procedures with which they must comply.

We heard that operations at Oceana are not consistent with operations at sea. For example, we heard that the first time new pilots in the fleet replacement squadrons can fly the pattern that they would around a ship is when they fly to the carrier for the first time.

A consistent comment from the students is that they wished they could have practiced this sooner.

I cannot help but note the analogy of a lieutenant commander landing signal officer quoted in the September, 2004 article published by the Hampton Roads Virginian Pilot.

He compared practice at Oceana and Fentress before landing on a carrier to practicing basketball on a 10-foot hoop, and then suddenly reducing the hoop to eight feet. He said, the differences are drastic.

The commission's agenda may read OAS Oceana, but the issue is much more than a base. The question that the Navy, our nation, and our communities must answer is, how do we ensure that the naval aviators our nation orders into harm's way can train like they will when they have to fly and fight when they deploy to the carrier.

I want to be clear that I do not have a predetermined answer to this question. The commission's goal this afternoon is a thorough airing of the questions created by encroachment surrounding Oceana, and its impact on training and readiness, military value.

While we recognize the very recent steps taken by local government to control future encroachment, the past record of development creates a sense of uncertainty with respect to consistent enforcement as well as a sense of uncertainty with property owners who have development rights that predate the 2000 agreement with the Navy.

For example I learned this week that there are currently nearly 200 residential buildings approved for development in the accident potential zones around NAS Oceana.

In addressing these questions we must all, every one of us, remember that everyday we send young men and women to sea wearing wings of gold. They accept an obligation to place their lives on the line for us, and we have a reciprocal obligation to them to ensure that they get the best training possible, not unnecessarily limited by artificial or unrealistic constraints.

The commission is committed to keeping our deliberations and decisions devoid of politics, and ensuring that the people and communities affected by the BRAC proposals have through our site visits and public hearings a chance to provide us with the right input on the substance of the proposals and the methodology and assumptions behind them.

I want to take this opportunity to thank the thousands of involved citizens who have already contacted the commission. This week alone we have received nearly 2,000 comments from Virginians concerning Naval Air Station Oceana. I want them to know that their inputs are appreciated and taken into consideration in our review process.

Senator Warner, Senator Allen, Governor Warner, Admiral Mullen, again, I welcome you to this hearing and I look forward to your testimony.

I now request our witnesses to stand for the administration of the oath required by the BRAC statute. The oath will be administered by the commission's designated federal officer.

(Panelists sworn.)

SEN. WARNER: Mr. Chairman, for the record, I reaffirmed under the same oath the statements I made prior to take it.

MR. PRINCIPI: Thank you, Senator Warner.

Admiral Mullen.

ADM. MULLEN: Mr. Chairman, members of the commission, good afternoon.

It is both an honor and a privilege to be given this opportunity to appear before you, and I am very grateful for your time.

I am also grateful for the critical work you are doing on behalf of the nation, and fully appreciate and support your review of BRAC recommendations from the Department of Defense as a means to strengthen national security and generate the best possible outcomes from the current process.

I'm glad to have this chance to contribute to the dialogue.

I want to express my enduring gratitude to the people of Virginia, their political leadership and especially the good citizens of Hampton Roads, who have been and remain true friends of the United States military.

It is a great service this area provides to our nation's security. I have myself been stationed in the Hampton Roads area for almost 25 percent of my career. It's a very special place to me and to my family.

As you know, I was invited to testify specifically about the military value of Naval Air Station Oceana in Virginia Beach. Let me say right up front that I fully support the DOD recommendation that emphasizes the need for an East Coast Master Jet Base.

That base, certainly for the foreseeable future, is NAS Oceana.

Oceana plays a central role in ensuring the effective training and readiness of East Coast naval air crews for the threat they face today and the ones they will face in the future.

In fact, in our ranking of bases in BRAC, Oceana ranked number five of 23 Department of the Navy air stations in military value, and also number five of 60 DOD air stations overall.

To be fair, and quite honest, we looked at alternatives, and we studied other options. None of them made much sense.

If the Navy were to leave NAS Oceana, a base valued at over \$1.4 billion, it would require our departure by 2011 in this process, which is simply unachievable.

Departure options include building a new base or split basing, which would be a split basing piece would disperse functions and assets at various locations, neither of which is effective or affordable, and violates the very principles upon which the Navy BRAC process was based, which included improving readiness, fostering jointness, eliminating excess capacity, saving taxpayer dollars, and improving the quality of life for our people and their families.

I've assumed my duties at a time when the recapitalization of our Navy is critical and a top priority. The funds necessary to leave Oceana and build an entirely new Master Jet Base somewhere else would compete directly with my ability to do that.

I simply do not have the resources to do so, within the legal constraints of the BRAC process, which would require me to depart Oceana by 2011, should it be closed.

We also looked at the possibility of using other Navy and defense air stations. What prompted us to do so was encroachment in Virginia Beach, which, though manageable, continues to impact our training.

Current training there is not ideal. Though I am comfortable that the critical skills our pilots need to safely fly and operate from the decks of aircraft carriers are currently supported by Oceana and Fentress, encroachment remains a problem and has grown worse over the last few years.

Dealing with encroachment is a dual responsibility shared by the community of Virginia Beach and the Navy. I am increasingly troubled over a trend in recent years by local government to turn a blind eye to Navy concerns in favor of housing developers.

I will say that the recent adoption by local communities along with the Navy of the 2005 Hampton Roads joint land use study recommendations is very encouraging. I believe this study marks a point of departure. It is about the future; not about the past.

If implemented by those governments, the study's recommendations would allow us all to work more closely together so as to prevent future incompatible growth.

I believe your review of this issue has provided a wake-up call, and I thank you for that. It's critical that the Navy continue to pursue development of the North Carolina outlying field as a means to mitigate encroachment issues and reduce the stress on Oceana and Fentress.

With the construction of the OLF in Washington County, North Carolina, and the abatement of incompatible encroachment, I see a robust future for Oceana as the Navy's premier East Coast Master Jet Base.

That said, I intend to, as a minimum, review long term options for relocation should circumstances warrant.

Bottom line, Mr. Chairman, is that after a thorough analysis and study, we simply did not find a viable alternative to NAS Oceana, and although we recognize the hurdles posed there by encroachment, we are committed to working together with local authorities to ensure the viability of a Master Jet Base in Hampton Roads.

We know how important it is to our training. We know how important it is to our preparation for war fighting. We know how important it is to be good neighbors, and we will continue to be.

Our sailors and their families -- and I include my own family on that list -- enjoy living in the wonderful communities of the great state of Virginia.

Mr. Chairman, I need now -- your Navy needs now -- Naval Air Station Oceana.

Again, thank you for the chance to be here, and I look forward to your questions.

MR. PRINCIPI: Thank you, Admiral Mullen.

I'll begin with a few questions. Can you tell me what the status is of the current litigation in Washington County, North Carolina, with regard to the Navy's plan to build an outlying field at that location?

ADM. MULLEN: I'm reasonably -- I'm cautiously optimistic if you will that the process that we're in, which I certainly support, will support the future building of that outlying base.

We're clearly waiting for a couple of judgments from the I think it's the 4th Circuit Court of Appeals, 4th Circuit judge, and we're also pursuing a parallel alternative within the law to continue to pursue that.

It has been a challenge in terms of moving through that, but as I said, I'm cautiously optimistic.

MR. PRINCIPI: If the plans are successful in getting a permanent injunction against the Navy going to Washington County, would you have to move Hornets to Cherry Point, additional Hornet squadrons to Cherry Point? What opinion would you have?

ADM. MULLEN: Well, we certainly -- we've looked at options, and in fact in the BRAC process, as a safety valve, we in fact kept options south of us in terms of -- in particular, Buford, in case the future was not going to be -- the predicted future for us did not come out that way.

MR. PRINCIPI: Thank you.

Secretary Skinner.

MR. SKINNER: Thank you, Mr. Chairman.

Admiral Mullen, thank you for your comments. To give you a little history, you've probably seen the transcript, but the process of discussing Oceana really began as we reviewed the

recommendations by the secretary in our first meeting. And I believe if we look at the transcript, you'll see that, as someone who was involved in transportation and has been involved -- who has had the opportunity to fly several times with, in the right seat, of airplanes doing the maneuvers that we talk about, and knowing the airspace around there, and having helped build a couple of brand new facilities, I was concerned as to whether or not we were missing an opportunity here to really look at any opportunity we could to make sure that the Navy flier and Marine Corps flier that use that facility or use any facility has the absolute best training possible as they go to the fleet.

Admiral Mullen indicated to us at that time that there were encroachment problems, and there are encroachment problems at a lot of airports. And while they clearly have to be considered in many cases, we have to override those considerations in the interests of national interest, and we've done that on a number of occasions, doing everything we can to mitigate it.

I live in Chicago, and O'Hare Field is an encroached airfield, the biggest in the nation. And we consciously do things to do that. But we continue to fly as the only available place, although there are plans in Illinois to build a new airport for that very reason, along with several others.

So that's how we got -- and then we asked very probing questions of Admiral Clark, who we all respect. And he indicated that the Navy did have an idea or a plan for a Master Jet Base, a new one -- at least they were beginning to think about maybe beyond the BRAC timetable, but clearly they had indicated to us that they believed that something -- they believed that something else should be at least considered in the long term. And I think it is those questions and those observations that began the process by this commission to make sure in this very unique opportunity that we were doing everything we could to facilitate the United States Navy and Marine Corps and naval pilots to get the absolute best training while at the same time protecting the

citizens around that area, not only from noise, but from safety issues. And that's how that process began. I just want to give you a history for that.

We also understood that on several occasions there were discussions with the Air Force about other fields that might be available, and those fields were not available, at least from the Air Force's viewpoint. The BRAC process obviously has the opportunity to make those fields available under the statute, if it was appropriate. And we began to say that if the analysis stopped at the Navy because the Air Force couldn't make the field available, but if the field was available, the Navy would use it. And we had the ability to begin that examination -- we should do so, facilitating all of that -- obviously not compromising the Air Force's mission, as well. And we began that process, at the same time opening the discussion for Moody and what other missions could be there.

So that's how the process began. So I don't want you to think that we have anything but absolute respect for what the work that's being done by the Navy in preparing the analysis, nor the fact of the work that is being done day in and day out by the people in Oceana, both civilian and military, in trying to deal with several problems that they have. But that's how that process began.

Have you had an opportunity -- and this goes to a question. Have you had an opportunity -- I'll ask you the same question that Admiral Clark was asked. Have you had a chance to -- putting aside the idea of a green field, which, by the way, was first suggested to us by Admiral Clark. Have you had a chance to look at all of the facilities on the East Coast and come to any kind of conclusion that if they were available, putting aside they may be with another branch, that they could alleviate the problems that -- the challenges -- they're not problems; they're challenges -- that face naval aviators at Oceana?

ADM. MULLEN: I think what is probably most representative of all of them in the process was Moody. And I have looked at analysis and recommendations with respect to Shaw, Seymour Johnson, Moody and those options considered in the BRAC process. And Moody, as I think you alluded to, certainly looked like it was the most viable, and it was a combination of, quite frankly, the investment required as well as the changes that needed to be made, which essentially concluded. And then, I mean, this was before I came back from Europe and took this job that this occurred. But I looked at that independently and essentially came to the same conclusion.

MR. SKINNER: I'm a little concerned on occasion that we talk about what it would cost to replace facility, and I recognize the strains and challenges you have as CNO on the budget, the capital budget for the United States Navy. But I've heard numbers thrown around of 1.5 to 2 billion (dollars). Have you ever quantified, or do you know if the Navy's ever quantified what it would cost to build a new field?

ADM. MULLEN: No, sir. I've seen in recent weeks numbers which have floated between 1 and 2 billion dollars. I used the \$1.4 billion of Oceana, and so I'm -- it's clearly somewhere in that ballpark. It is not inexpensive.

MR. SKINNER: Right. But I can't help but notice, because I now get all the publications -- as a member of the BRAC commission, one of the bonuses is to get every publication that is sent by everybody on what everything costs. It's increased my reading substantially, including on the way out here. But everything is costing money today. I mean the new destroyer; I hear numbers up to \$2 billion. A submarine is north of \$2 billion. I've got numbers all over the world what it costs us to build and equip and maintain a new aircraft carrier, which some people say is north of \$10 billion. The billion and a half dollars for a world-class -- \$2 billion for a world-class Master Jet Base on the East Coast, in the whole scale of things, does not seem to be abnormal. And so --

and I don't think I've heard anybody say it, but on occasion people say it would cost us a billion and a half. Well, frankly, as Senator Dirksen said, a billion here and billion there, pretty soon it's real money. But compared to what's being spent on other parts of the budget, it's not as real as it is on others. And I hope that doesn't -- whatever the planning and whatever the results here, I hope that doesn't get in the way.

And then one final question: Cecil Field -- as you know, the BRAC commission closed Cecil Field a number of years ago. That is -- I read in one of the articles that -- and I don't know that we have to bring in the aviators that were mentioned in this article to certify their data, because I think everybody agrees there's an encroachment problem. And the mission that's being flown by the aviators at Oceana on approaches and take-offs is not the same as it is in the fleet, when they do on a carrier, but we could clearly bring them to certify them if we had to. But they talk about -- and I notice in that one article, it was different at Cecil Field. A naval aviator said it was different at Cecil Field. Now that might have been Cecil Field when he was there, and Cecil Field might have as many encroachment problems today as Oceana, or more, because they have been closed, and I assume there have been some developments. But do you know if they've looked at Oceana at all -- I mean at Cecil Field at all?

ADM. MULLEN: There's been no detailed study of Cecil. Clearly it wasn't part of the process, and I know you know that. We made a conscious decision to close that in the '93 BRAC. I certainly have not had a chance to look at any data with respect to that.

First of all, let me -- can I respond to a couple of your points, commissioner?

MR. SKINNER: Sure. Thank you.

ADM. MULLEN: Secondly --

MR. SKINNER: Take as long as I did to answer -- ask the question at least.

ADM. MULLEN: No, I won't do that. You know, the billion here, billion there piece, back to sort of -- back to the priorities that I talked about when I come in when -- this is just when I happen to be in the position as a CNO -- the re-capitalization in the future Navy is really at the top of my list. And when I compare that versus the risk that we're taking in the training and readiness side of this, the balance is I come out in the re-capitalization piece. And there is risk, but I -- and I think you've heard this term before: We really think it's manageable. And it isn't perfect. It's not ideal. It's why the OLF is so important to us. But at the same time, we've been doing this at Oceana for 30 years. This isn't -- you know, the pattern that you described is one that's been out there a long time. And combined with the fact that we've been through a number of wars; we've been very successful in that regard -- all of us would like it to be perfect. It isn't. I don't think -- it clearly isn't now. But within the constraints, the overall constraints on the readiness and training side that face us all and the risk associated with that, we -- accept that risk at this point and the training challenge is manageable.

MR. SKINNER: I just would observe that the real concern is that, as the chairman said a minute ago, there's been a lot of encroachment, and it continues to grow. When we built -- and I participated and helped with the help of Senator Warner and others in the building of the new airport in Denver. When they built that new airport they built it wide, broad. They prevented encroachment for the foreseeable future. There's a lot of land being developed along the East Coast. And the alternative -- unfortunately, I'm a little concerned that if it is in the long-term plans, as some have indicated, it would be nice if we don't do something -- wherever it is -- Virginia, North Carolina, South Carolina, Florida -- if we don't do anything to capture the land now and prevent it from being further encroached, we will have the same situation. And by the way, the federal government has done a lot. I think the military has done a lot to try to convince the people

in that area of Oceana to do something. And unfortunately, the citizens -- and it's not uncommon -- have decided, you know, to build instead of to reserve. And that kind of has caused our interest because it's getting worse not better, and (inaudible) I think some plans have been in step.

So thank you very much for your testimony.

ADM. MULLEN: Thank you, sir.

MR. PRINCIPI: Thank you very much, Admiral -- Admiral Mullen.

Now I will call our second panel -- Governor Warner, Senator Warner and Senator Allen.

GOVERNOR MARK WARNER (D-VA): Thank you, Mr. Chairman. My name is Mark Warner, governor of the Commonwealth. I want to thank Admiral Mullen for his very productive testimony. We're joined as well by Congresswoman Drake, State Delegate Terrie Suit, Mayor Meyera Oberndorf, three members of Virginia Beach Council -- all of these local and state officials being from Virginia Beach, and I think represent the -- well north of 90 percent of the community in Virginia Beach that strongly supports Oceana.

I want to raise three points quickly, recognizing our time is short.

First, regarding state and local efforts to deal with encroachment: Going -- I think as Admiral Mullen said, we cannot simply look backward; we need to look forward. I think you heard -- and again I thank you all for coming down to Oceana earlier this week -- but I think you heard from the base commander as well as other naval officials on Monday of the remarkably different relationship since the joint land use study has been put in place. I think there is a new sense of cooperation between the community and the Navy.

I would add, I got some information at least handed to me here that one of the -- for example, one of these examples you cited, Mr. Chairman, of the 200 additional housing units put in the potential crash field. My understanding is that was a larger development where actually the city

bought down 205 housing units. Yes, there are some that remain, but I think, again, shows a renewed vigor from the city to be proactive in assuring that there is no additional encroachment.

Secondly, I would add that the state has taken steps, as well. The Commonwealth of Virginia passed legislation this year looking at the best anti-encroachment legislation around the country -- I think we picked it from Georgia -- to ensure that every military installation, the base commander has appropriate input on land use decisions prior to any land use decision being made.

And speaking on my part and I think speaking for Delegate Surr and others, the state is prepared to further codify the restrictions that are put in place that are coming out of the joint land use study. So we are ready at both the local level and the state level to move very, very aggressively. We've heard this shot across the bow by your actions.

I would add as well, and I think we have conveyed this to your staff and to the Navy as well: While we firmly support the Washington County OEF site, should that site be held up for any reason, the Commonwealth of Virginia has prepared two additional sites that we think meet the Navy's requirements and commitments.

Secondly, I'd like to touch briefly -- and I think Admiral Mullen has done it perhaps better than any of us can -- on the value of Oceana. You have -- I believe, Mr. Chairman, that you raised appropriate questions, but all of those questions were reviewed by the Navy in making the determination that Oceana remains the best location for the Master Jet Base on the East Coast.

I would add: It's also my understanding that the landing patterns, which we spent some time with yesterday, as you'll recall, that many of those landing patterns had been in effect since the late '70s. This is not some new action that has come about because of recent encroachment. Again, I could stand to be corrected, but that is my understanding.

I also think that one of the points that we do need to continue to raise is -- and this came clear, loud and clear, from the naval aviators who we spoke with -- the value of the unrestricted air space; the fact that within five minutes of taking off from Oceana these aviators can be in totally unrestricted air space to do their mock combat, wonderful access to the Dare County ranges. And that that type of unrestricted air space really cannot be duplicated virtually anywhere else on the East Coast.

Final point, and Commissioner Skinner raised this -- and my colleague from Florida, I guess, I've seen in the press has raised this issue -- little bit about Cecil Field. I think the most compelling arguments about Cecil Field were, again, made by the naval officials we saw on Monday, including the admiral who, as you recall, was in charge of closing down Cecil Field after the last BRAC process, where he pointed out that clearly Oceana was a better option. I believe one of the members asked specifically, is Cecil Field a viable option? And the unanimous answer of all the naval officials on Monday was absolutely not -- a good alternative. Compound that with whatever encroachment already takes place at Cecil and add to the fact that there is much less unrestricted air space because of the tremendous commercial air traffic in that area.

And again, we come back to the starting point of what the Navy has made its point: Oceana remains the best Master Jet Base on the East Coast. We from the Commonwealth and from local governments stand ready and committed to ensure that future encroachment is mitigated. We stand committed to make sure that the viability of this jet base is maintained for many, many years to come.

I would also simply add in a final point that the other issue that was raised at our testimony on Monday of the value of having the jet base adjacent to the carriers. The value to the military families' morale I think is a factor that also should be factored into your decision-making.

Mr. Chairman, I would be happy to answer any of your questions. Thank you very much.

MR. PRINCIPI: Thank you, Governor.

Senator Warner.

SENATOR JOHN WARNER (R-VA): In the interest of time and recognizing that we are to have another session in classified, I'm going to submit the balance of my remarks. I may make a remark at the end of my distinguished colleague, Senator Allen. But it was Admiral Bullard, Governor, that you and I heard very clearly state on Monday that he had recently studied all aspects of Cecil and that it was his professional judgment at that time. I would anticipate, given the CNO's testimony, that that study and level of information has not reached the CNO's desk, because he made the statement that he had not had an opportunity to look at it. But very definitely, below the chief, there are those that have made a close look at the Cecil situation.

So Mr. Chairman, I thank the chair and yield the floor to my good colleague.

MR. PRINCIPI: Thank you.

Senator Allen.

SEN. GEORGE ALLEN (R-VA): Thank you, Mr. Chairman, colleagues, Governor Warner.

Mr. Chairman, members of the commission, good afternoon. And it's good to spend a week with you all. (Laughter.)

I'm going to submit a statement for the record. And let me focus on some relevant, cogent facts that have been adduced in the scrutiny of Naval Air Station Oceana.

The testimony you've heard this week and today and through the weeks point out several key points. Oceana has high military value. It serves the Navy very well. The challenges concerning and regarding sustainment of operations, as far as encroachment, are manageable, that

moving the jets would be harmful to our military and would be costly to the taxpayers, and finally, that Oceana is the best option for Master Jet Base on the East Coast of the United States.

Now what are the salient factors for a jet base? What do you need? You need air space for training and flying. You need safe places to land. It is important operationally to be able to be near the fleet and, to the extent possible for synergy, have a jointness with other services.

Now one of the key and unique positive attributes of Oceana is its access to unrestricted, unfettered air space. You heard that at Oceana on Monday. Admiral Gehman touched upon the fact of the joint training, where you can have dissimilar planes, which is important so that the Navy pilots aren't flying against the same planes. Those coming out of Air Force base at Langley also use that air space, and so that is very helpful in having this air range, which is a unique opportunity to train against each other. And, I might add, should the commission realign or close Oceana, it would be very difficult, if not nearly impossible and very expensive, to duplicate this air space, which is unfettered, unimpeded by commercial aviation anywhere else.

As I understand it, vis-a-vis Cecil Field, it is my understanding that the lack of unrestricted air space was a substantial reason for the closing of Cecil over 10 years ago. Oceana clearly has high military value, ranking fifth out of 60 of all Department of Defense airfields on the East -- across the whole country. The closeness and proximity to the fleet provides a unique synergy that enhances military readiness and gives Oceana -- and this is from the chief of Naval operations, Admiral Willard -- significant advantage above other Master Jet Bases.

I know there are individuals who are concerned, understandably, about the encroachment issue and how that may hinder the training and readiness of our pilots. As was stated by the governor, though, the difference is in turns and altitudes and the approach routes that the pilots are

presently taking at Oceana and Fentress are exactly the same movements and utilization of movements that they used back in 1979.

And the bottom line is that they do not impede the mission. We heard from Admirals Willard, Turcotte and now the CNO, Admiral Mullen, that there will be more cooperation in the future. But, the bottom line is that the encroachment at Oceana is manageable and, I think, in the future there will be even more of a cooperative effort with the local government and Oceana.

There are some residents, no doubt about it, who don't like jet noise. But I do not -- let me say this to you all as the former governor and now U.S. senator, I know that the vast majority of people in Virginia Beach are in support of Oceana. Every time a jet flies over, they'll get interrupted by the remark, that's the sound of freedom. They have this bumper sticker, we saw on our helicopter on top of a barn. I want to submit on behalf of thousands who have contacted my office, petitions from people in Virginia Beach, who want to keep Oceana open and serving our country.

And I also want to submit to the record a statement in support from Congressman Bobby Scott as well.

Now, Mr. Chairman, a significant -- and members of the commission -- a significant realignment of Oceana would clearly have detrimental effects on our military. But it also would have affect on the taxpayers. It really doesn't make much sense to me to move some or all of Oceana's jets to some other place, temporarily, and then go through all that expense, whatever amount of hundreds of millions of dollars that is, to have them there just temporarily while a new, from the ground up, Master Jet Base is being built. It just doesn't make any sense. In fact, the Navy concluded that even with a \$500, excuse me, \$500 million investment in another existing

base, Naval Air Station Oceana would still continue to be the best option for the Master Jet Base on the East Coast.

In fact, and this is the most salient point in evidence. The Navy ran scenarios for every aviation base, taking into account all branches. Not just the Navy, but the Air Force, Marines, Army, whatever Department of Defense air bases on the East Coast. And none, not a one of them met all the needs of a Master Jet Base, nor could they provide the positive attributes that Oceana presently provides. And, in fact, that was corroborated, of course, just now by Admiral Mullen.

Furthermore, Admiral Willard testified that dividing a wing from a Master Jet Base could impact mission and would cost significant sums of money.

So, Mr. Chairman and members of the commission, I understand you have to scrutinize everything. And the main issue here is military value, military strength, and also saving the taxpayers money and saving the Department of Defense money so that they're using that money, whether it's for ships, armament, training, salaries, whatever the benefits may be.

But, I think when you closely analyze all the evidence, it will be clear beyond any reasonable doubt that Oceana has the best attributes for our Navy and our nation's defense. And is also the best fiscal option for the taxpayers of this country.

So, I respectfully request that you uphold the Department of Defense and the Navy's decision to keep Oceana serving our Naval aviation training and operations. And I thank you for your dedicated efforts and service to our country.

MR. PRINCIPI: Thank you very much, Senator Allen.

Secretary Skinner, do you have any questions?

MR. SKINNER: I would just -- thank you very much. I would want to make one comment. It's really not a question but a comment.

First of all, Senator Warner, there wouldn't be a BRAC if it weren't for you and we all know that. The nation should know that.

SEN. WARNER: I'm just part of a team. I thank the leadership.

MR. SKINNER: When it came time to step to the plate, when there were questions of whether these nominations would get through on time, you stepped to the plate. And this nation should, I know we appreciate it, and I hope the nation does as well.

I would only observe that thinking outside the box, and we've seen this on several occasions. The Defense Department captures this land and puts a lot of infrastructure into it. Then when it comes time, and this isn't just directed at Oceana, but it would apply to Oceana -- when it comes time to realign it or close it or restructure it, it's turned over, in many cases, to a community. It then turns over a developer. There's no compensation back to the Defense Department to make up for the money they're going to have to spend somewhere else to refurbish. And, I think in talking to the fellow commissioners you know, the time may come for, as we close these things, that the Defense Department has invested in this infrastructure ought to capitalize on the investment, the growth that happens.

Naval Air Station Glenview is a perfect example. We turned that over to the City of Glenview. You're smiling because you know it well. And it is now a thriving -- it's done great things for the community. It was a no-brainer, given where it was located. And yet, the Defense Department didn't capture any of the value that has risen there.

So, that that if the time ever were to come that the Navy were to decide to build a new Master Jet Base in Virginia that, for example, if you could figure a way to capture the value of that land around there and transfer that to the cost of a new facility, wherever it is, it could go a long way, given the value of some of these properties in areas like that to pay for that base.

But, other than that, we did have the opportunity to see ourselves down there at Oceana. They're obviously doing great work down there. And I don't want anyone to believe that this is the U.S. noise commission. It's the U.S. Defense Base Alignment and Closure commission. And our mission is to make sure that we understand the military value these facilities are providing. That there have been no mistakes in the process, which is a very complicated process. And if there are mistakes or options that weren't looked at, we should look at them. And that if they meet the criteria we go ahead. If they don't meet the criteria, we've at least gone through the exercise that happens right now about once every 10 years and is a unique opportunity.

So -- and I can also tell you that I know our commission. The information we will use to make a decision will be all certified data. And all the other information we see is nice, but we have the ability to factor that out and look and make the decision on certifiable data. And I want to make that representation to you, Senator Warner.

Thank you.

SEN. WARNER: Thank you, Mr. Skinner.

MR. PRINCIPI: Let me close this hearing.

(Cross talk)

SEN. WARNER: If I could just --

MR. PRINCIPI: I'm sorry. Senator Warner?

SEN. WARNER: If I could just reply to his comments, Mr. Chairman.

Indeed, we've been privileged to work with you in your official capacity as a secretary of a cabinet and officer serving this country well. You bring to the table a great deal of experience and background how government should work.

On your first point, I assure you that we have in drafting -- this is the fifth statute we've had on BRAC -- we've looked at how the government should deal with the excess property. And there are many, many factors that are brought to bear on that decision process. And it evokes some of the fiercest debate in both houses of the Congress as those provisions are drawn.

I bring to your attention -- there's a provision in some instances where the homeless get it, first choice, and things of that nature. I'm not suggesting they aren't deserving of everything that can be done to help them, but it's a complicated thing.

And when we looked at the statute this time, we, frankly, decided that we couldn't provide for exactly what you addressed. Mainly that if a base is closed, and if there has to be a substitute for it, the proceeds that would flow from the private sector, eventually, or community getting that base, could be applied to the Defense budget. But we can't do it.

I also thank you for very clearly pointing out that the process of your commission is predicated on a lot of conversations and a lot of information. And I just want to make certain that those of us in the states that are brought to bear or carry forward a message to support our communities in situations like the one before us, we need all the facts at hand so that we can, in an informed way, rebut, if necessary, and otherwise comment on the decision process.

So, I would hope as the chairman assured us, that eventually all facts relevant to putting this particular base on the list are on the public record. So, we'll await that information.

And we thank you again, gentlemen, and your able staff for helping us.

Mr. Chairman, I'm going to recommend that if it's the chair's desire, we'll go immediately to the closed session next door. I serve on the intel committee and I've got that room. And then if it's desirable that members here or others want to meet the press, we'll do it at a stakeout immediately following that.

MR. PRINCIPI: I agree. I just have one or two very, very brief comments.

I just want to thank the panel. I consider this a serious issue. And I believe that Governor Warner, Senator Warner and Senator Allen also recognize the importance of this issue, the importance of Oceana, the importance of working with the Navy, and local officials, too, to address the encroachment issue to ensure that we have the best training possible. So if, indeed, the commission elects to keep Oceana open as a jet master base on the East Coast, indeed, those issues will be addressed.

Senator Warner, you did raise an important issue concerning ex parte information that may have served as a basis for adding Oceana to our adds list. I think it would be helpful just to very briefly note where General Hill based his comments. In our May 17th hearing, and I'm reading from our transcripts of the May 17th hearing, and General Hill stated that "I was surprised when I saw the recommendation that Oceana was not there, in terms of encroachment. There's probably -- you have probably no other place that's so encroached on your air space and your ability to train and to do all those things. Did you look at alternatives for Oceana, and even extreme alternatives, like maybe moving them to an Air Force base?" Admiral Clark, "The answer to your question is absolutely. I talked at length with John Jumper and asked him, can I have an Air Force base." And the dialogue goes on.

So, I think that there is some basis for the reason for Oceana on the list. But nonetheless, I certainly commit to you that this commission will cooperate with you and other ex parte communications with Defense officials to ensure that those are recorded and made part of the public record.

And I want to thank you very much.

SEN. WARNER: Thank you. Because I very much want you to have a successful commission. And it's in the interest of the country.

MR. PRINCIPI: I know you do.

SEN. WARNER: Thank you very much.

MR. PRINCIPI: This hearing is adjourned.

UNCERTIFIED