**DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION (BRAC)**

FINAL DELIBERATIONS

Wednesday, August 24, 2005

8:00 a.m.

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

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Brigadier General Sue Ellen Turner, USAF (Ret.)

CHAIRMAN:

ANTHONY J. PRINCIPI

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OPENING STATEMENT OF ANTHONY J. PRINCIPI, CHAIRMAN, DEFENSE

BASE CLOSURE & REALIGNMENT COMMISSION

Chairman Principi: Good morning, and welcome to this, the first day of the 2005 Defense Base Closure and Realignment Commission's final deliberations.

I am Anthony Principi. With me are my fellow Commissioners, former Congressman James Bilbray, former Assistant Secretary of Defense Philip Coyle, former Congressman James Hansen, General Tom Hill, United States Army (Retired), Admiral Harold Gehman, United States Navy

(Retired), General Lloyd "Fig" Newton, United States Air Force (Retired), Samuel Skinner, former White House Chief of Staff and Secretary of Transportation, and Brigadier General Sue Turner, United States Air Force (Retired).

On May 13th of this year, as required by law, the Secretary of Defense presented the Commission and the nation with a list of military installations that he recommends for closure or realignment. DOD subsequently provided the Commission with extensive certified justification and supporting data. We immediately began an exhaustive review of the Secretary's recommendations and backup data. In addition, we analyzed data received from numerous sources, including other federal agencies, the Government Accountability Office, state and local governments, and interested citizens.

During the past 13 weeks, Commissioners and staff made 182 visits to 173 installations. We conducted 19 regional hearings around the country. We held another 16 legislative and deliberative hearings, and had hundreds of meetings with community representatives and elected officials. We received over a half a million pieces of mail. We hosted more than 1100 visitors to our offices, responded to over 7,000 media inquiries, issued more than 50 press releases and advisories, and received more than 500 telephone calls every week. Our Website was visited

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eight million times. All these communications have been gratefully and carefully considered.

The Commission went to extraordinary lengths to ensure the soundness, correctness, and integrity of the base realignment and closure process and to fulfill our commitment to transparency, honesty, and fairness for all. Our goal was an open, nonpartisan, and independent analysis conducted in full compliance with the spirit and letter of the Defense Base Closure and Realignment Act.

This BRAC round presented the Commission with unprecedented challenges. The Secretary's recommendations embody almost 900 separate actions affecting installations, which include leased spaces, aircraft, ships, and people, more than double the combined total of actions considered by all prior BRAC Commissions combined. The relationship within and among recommended actions presented the Commission with daunting analytical challenges.

Last July 19th, following the rules set down in the BRAC statute, the Commission added eight installations for consideration for closure or realignment. Each addition required seven votes. When we consider those installations today, seven votes will once again be required to add an installation to the list recommended to the President for closure or realignment.

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Our nation needs the BRAC process. No institution can remain successful if it does not adapt to its constantly changing environment. Our Armed Forces must adapt to changing global threats, evolving technology, and new strategies and structures. Military infrastructure must support their progress, not hinder it.

The BRAC process is a systematic, rational process to bring our nation's military infrastructure in line with the needs of our Armed Forces, not only by reducing costs, but also by facilitating their transformation to meet the challenges of the new century. At the same time, we know that the decisions we reach will have a profound impact on the communities hosting our military installations and, more importantly, on the people who bring those communities to life. These are people who have written long and distinguished records of support for our Armed Forces and for our country. In many cases, they have devoted their careers to our national defense. The Commission made extraordinary efforts to listen to their concerns and to place those concerns fairly on the scales as we balance closing and realignment recommendation against DOD's force-structure plan and the eight statutory BRAC criteria.

Our Commission is independent. We are neither an

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arm of, nor an instrument of, the Department of Defense or the Congress. We are charged to cast a critical eye on the Secretary's recommendations and to make our decisions without regard to partisan or parochial political concerns. To that end, we took unprecedented measures to make our process open and transparent and to ensure our deliberations are based on a thorough consideration of certified and sworn data, and our analysis fair to everyone. We heard -- or raised, ourselves -- serious questions about the Department's calculations of the costs and savings of its recommendations, the effect of their recommended realignments or closures on homeland security, and the wisdom of proposals that would leave large areas of our country without active-duty military installations. We proposed closures or realignments ourselves when we believed the Department's recommendations fell short of the mark. And we listened to the debate surrounding the Department's proposed recommendations for restructuring the Air National Guard.

We are aware that legal issues that may affect the BRAC process have been, or soon may be, brought before the courts. The courts will address these issues. But, meanwhile, this Commission will meet its responsibility to complete the work on schedule, as required by statute.

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Commissioners and staff worked closely and continuously for three and a half months evaluating the data, comparing and contrasting information received from all sources, developing and considering options and alternative scenarios, and studying the effects of modification to existing recommendations. Commissioners devoted countless hours to the study and analysis of the recommendations. They took their task very seriously and brought the full force of their collective experiences and insights to guide them through the BRAC process. Their professionalism and dedication, as well as the personal sacrifices they accepted in the service of the Commission, demonstrate the integrity that made it a pleasure and an honor for me to serve with them.

The combination of our efforts and our collective assessment of the proposals will be reflected in the votes we are about to take.

Before I turn to Frank Cirillo, the Commission's Director of Review and Analysis, to describe the procedures the Commission will follow today, I will ask all of the staff members who may testify to please stand. Ms. Rumu Sarkar, our designated federal officer, will administer the oath required by the BRAC statute.

Ms. Sarkar: Thank you, Mr. Chairman.

Members of the BRAC staff appearing before the BRAC

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Commission today, please raise your right hand for me.

[Whereupon, the staff witnesses were sworn in.]

Ms. Sarkar: Thank you, Mr. Chairman.

Chairman Principi: Mr. Charles Battaglia, the Executive Director of the Commission.

I'm sorry. Frank Cirillo, you may proceed.

Mr. Cirillo: Good morning. Thank you, Mr. Chairman.

We have identified and will deliberate on 190 index recommendations, as presented to the Commission by the Secretary of Defense.

First, we will address the Secretary's recommendations for Army installations, followed by the Navy, then the Joint Cross-Service Groups, and, finally, present the Air Force recommendations. The eight additional actions listed by the Commission on July 19th will be addressed within the respective Service or Joint Cross-Service Group.

The final order of the proceedings is subject to revision, as called for, to make the best use of the time available. We estimate that this process will take several days. Printed copies of the recommendations are available to the audience today, as well as posted on our Website.

We have prepared legislative language that would, if

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approved, implement the Secretary's recommendations. The language designates installations by tracking the numbers assigned in the Secretary's recommendations. During the proceedings, the motions on which you vote will be described using the section number of the bill.

Please take off the chart.

I ask Commissioners and our audience to be patient with me as I describe our voting procedures, the standards set forth in the statute authorizing this BRAC round are complex; and, therefore, so are the procedures.

A vote in favor of a recommendation will mean that the Commission finds the recommendation does not substantially deviate from the eight statutory selection criteria and the Defense Department's force-structure plan. In that case, the Commission will concur with the Secretary's proposed closure or realignment recommendation.

In order to reject a DOD recommendation and remove an installation from the list of closures or realignments, at least five Commissioners must vote to reject the recommendation. In addition, the Commission must also find that the recommendation substantially deviates from one or more of the eight statutory selection criteria and the force-structure plan and that not closing or realigning the installation is consistent

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with the final selection criteria and force-structure plan.

In addition to a yes or no vote on the DOD recommendations, Commissioners will vote on any amendments that they may have to the recommendations, as offered.

In accordance with Commission rules, Commissioners filed amendments that they may propose, giving all Commissioners advance notice of the proposed amendments.

Amending the Secretary's recommendation for an installation requires the Commission to find that the original recommendation submitted to the Secretary of Defense substantially deviates from the final selection criteria and force-structure plan, and that the recommendation, as amended, is consistent with the criteria and force-structure plan.

There will be instances when recommendations of a similar or related nature will be discussed and voted on en bloc, or as a group. It is important to remember that the installations affected by the recommendations have been thoroughly assessed, as you mentioned in your statement, Mr. Chairman. Commissioners and staff have reviewed the records of regional hearings, analyzed the certified data received from the Department of Defense, and carefully considered the extensive record of issues

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raised by the local communities. This procedure in no way limits discussion on these recommendations by Commissioners, nor does it restrict Commissioners from offering motions on individual recommendations.

When the Chairman calls for the yeas and nays, each Commissioner will raise his or her hand, and the results will be announced by counsel.

Commissioners Bilbray, Coyle, Gehman, and Hansen recused themselves from certain matters involving their home states, and will, therefore, not vote on some of the recommendations. They will indicate when they abstain because of their recusals.

And now to the specifics of the recommendations before you.

Next chart, please.

Mr. Chairman and Commissioners, a good part of the dialogue between the Commission and the Department of Defense throughout this process has centered on the amount of savings to be realized during the BRAC round. Before I address the issue of savings, let me first provide some context to this round.

This chart presents a comparison of the 2005 BRAC costs and savings figures to those resulted from the four previous rounds. The chart depicts one-time costs, net annual recurring savings, and the 20-year net present

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value of the four previous rounds. The bottom row provides the summary statistics of the 190 recommendations forwarded by the -- to the Commission by the Secretary of Defense. As you can see, the 2005 BRAC Commission totals are commensurate to all the previous rounds combined. This has truly been a monumental undertaking.

Next chart, please.

Now to the issue of savings. DOD recommended the 190 alignments or closures as projecting a one-time cost of $24.4 billion and a net 20-year present-value savings of approximately $49 billion. These figures are displayed in the center column of the chart before you. As discussed in previous hearings, this projected savings includes the salaries of almost 27,000 military personnel that are slated for elimination as part of this BRAC action. DOD has characterized the savings associated with the elimination of military personnel as true savings, although only the Navy is on record as reducing overall end strength in the near future. GAO, the Government Accountability Office, has stated in their report that DOD's savings projections create a false sense of savings available for use in other areas, such as modernization and maintenance. At best, GAO believes these purported military personnel savings should be

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better characterized as cost avoidance, as they cannot be easily used elsewhere.

The Commission has publicly stated similar concerns with the projected savings. In our staff assessment of the impact, the military -- that military eliminations has on the projected savings, we calculated the projected costs and savings without military personnel reductions, and the results are shown in the final column. The difference in the 20-year net present value is significant, as you can see. The Commission has not been able to reconcile this issue with DOD.

The next chart reflects the Government Accountability Office comparison of the range of recommendations reviewed during the first four Base Closure and Realignment rounds and the 2005 recommendations before you. As you can see in the last column, which reflects the actions included within the respective rounds -- and, as you stated, Mr. Chairman -- there are more than twice the number of actions in 2005 than the four previous rounds added together. I'll give you a few seconds to review the chart before I go on.

Next chart, please.

The Secretary noted in his testimony on May 16th that, when he was asked if he had made any last-minute changes to the list when he was presented the

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intermediate-level results, he said that he had looked at it and was convinced and persuaded that he ought not to change any of it, that if he were to try to reach into the middle of it and pull a thread, that the interconnections and relationships were such that the non-intuitive effects could not be well understood.

This chart depicts the overall complexity of the 2005 round that the Commission has been reviewing and assessing over the last four months, showing not only the specific closures and realignments, as mentioned earlier, but also the number reflecting the installations gaining resources as a result of those actions, over a thousand in all, including the Commission additions under consideration.

As you mentioned earlier, we've identified 190 distinct recommendations, as indexed by the Secretary's reports, and it is those actions the Commission has been reviewing and analyzing since May 13th.

Even though the interconnecting threads of this extremely complex list of recommendations has consumed the Commission and the interested public efforts over the last four months, staff, in conjunction with information provided by both the Department of Defense, through its effective clearinghouse process, and the very involved public, has been successful in assessing the

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interconnections and relationships, and we've completed our analysis to support these final deliberations.

In sum, the last few weeks have been extremely intense in order to allow you to complete the informational hearings and provide you with time to advise staff of your specific issues and concerns, and especially to convey to us those community concerns that will most impact your deliberations over the next few days.

And now, to begin the process, I introduce Mr. Gary Dinsick, the Review and Analysis Army team leader, who will introduce the Army recommendations, as well as the respective analytical staff.

Mr. Dinsick?

Mr. Dinsick: Thank you, Mr. Cirillo.

Good morning, Mr. Chairman, Commissioners.

My Army team and I are prepared to present our review and analysis of the Army's 15 major base closures, the 36 major base realignments, and the associated Army, Reserve, and National Guard actions proposed under this BRAC. To be consistent with DOD, the Army's presentation will be split between the Army and the Joint Cross-Service teams. They will come later in this deliberations.

Generally, the results of our analysis show that the

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Army has put their portfolio of 97 installations through a rigorous scoring process to assess military value, and that most recommendations optimize that military value. Our analysis considers the 20-year force-structure plan, the transformation within the Active and Reserve Components, Army's desire to enable jointness, to reduce their facilities' cost of ownership, and, ultimately, their goal of setting the future footprint for the force. However, in all cases, we have been very sensitive to all issues identified by communities that are affected by these recommendations.

Mr. Chairman and Commissioners, the first group of recommendations that we bring to the floor for a vote are for headquarters and administrative activities for the Army.

As the slide shows, this group includes chapter 1, section 1 of the bill for the Army recommendation number 5 to realign Fort Wainwright, Alaska; chapter 1, section 3 of the bill for the Army recommendation number 8 to close Fort McPherson, Georgia; chapter 1, section 8 of the bill for the Army recommendation number 19 to close Fort Monroe, Virginia; and, finally, chapter 1, section 51 of the bill for the Army recommendation number 106 to close the U.S. Army Garrison Michigan at Selfridge.

As a result of our base visits, the regional

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hearings, the communities' input, and our subsequent analyses, it is the staff's assessment that these recommendations are consistent with the final BRAC selection criteria and the 20-year force-structure plan.

Mr. Chairman, we are prepared to answer the Commission's questions on these four items at this time.

Chairman Principi: Thank you, Mr. Dinsick.

There are four Army headquarters and administrative installations before the Commission. They are as follows: number one, Fort Wainwright, Alaska; number two, Fort McPherson, Georgia; number three, Fort Monroe, Virginia; number four, United States Army Garrison Michigan, Selfridge.

Is there any discussion, or are there any amendments?

[No response.]

Chairman Principi: Hearing no motion to amend, we will vote on whether to approve the Secretary's recommendations and find them to be consistent with the final selection criteria and the force-structure plan.

All in favor, raise your hand to approve the recommendations.

[A show of nine hands.]

Chairman Principi: All opposed?

[No response.]

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Chairman Principi: Counsel, announce the vote.

Ms. Sarkar: Mr. Chairman, the vote was unanimous. The motion passes.

Chairman Principi: Thank you. You may proceed.

Mr. Dinsick: Thank you, Mr. Chairman.

The next group of recommendations that we bring to the floor for a vote are called "Operational Army." This group includes chapter 1, section 4 of the bill for the Army's recommendation number 10, which realigns Fort Bragg, North Carolina. It also includes chapter 1, section 6 of the bill for the Army's recommendation number 15, which realigns Fort Hood, Texas. And, finally, chapter 1, section 10 of the bill for the Army recommendation number 22, titled Operational Army IGPBS, which realigns Fort Bliss, Texas; Fort Sill, Oklahoma; Fort Hood, Texas; Fort Riley, Kansas; and Fort Campbell, Kentucky.

Again, as a result of our base visits, the regional hearings, the communities' input, and our subsequent analyses, it is the staff's assessment that these recommendations are consistent with the final BRAC criteria and the 20-year force-structure plan.

Mr. Chairman, we are prepared to answer any Commissioner questions at this time.

Chairman Principi: Thank you.

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There are three Operational Army installations before the Commission. They are as follows: number one, Fort Bragg, North Carolina; number two, Fort Hood, Texas; and, number three, Operational Army IGPBS.

Is there any discussion, or are there any amendments, on these three installations?

[No response.]

Chairman Principi: Hearing no motion to amend, we will vote on whether to approve the Secretary's recommendations and find them to be consistent with the force-structure plan and the final selection criteria.

Is there a second?

Mr. Bilbray: Second.

Chairman Principi: All in favor, raise your hand.

[A show of nine hands.]

Chairman Principi: All opposed?

[No response.]

Chairman Principi: Counsel, announce the votes.

Ms. Sarkar: Mr. Chairman, the vote was unanimous. The motion carries.

Mr. Dinsick: Thank you, Mr. Chairman.

The next group of recommendations that we bring to the floor for the vote are called "Schools." This group includes: chapter 1, section 9 of the bill for the Army recommendation number 20, titled "Maneuver Training"; and

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chapter 1, section 50 of the bill for the Army recommendation number 105, titled "Single Drill Sergeant School."

Again, as before, as a result of our base visits, the regional hearings, and community input, and subsequent analyses, it is the staff's assessment that these recommendations are consistent with the final BRAC selection criteria and the 20-year force-structure plan.

We are prepared to answer your questions at this time.

Chairman Principi: Thank you.

There are two Army School recommendations before the Commission. They are Maneuver Training Schools located at Fort Knox, Kentucky; Fort McCoy, Wisconsin; and the Single Drill Sergeant Schools located at Fort Benning, Georgia, and Fort Leonard Wood, Missouri.

Is there any discussion, or are there any amendments?

[No response.]

Chairman Principi: Hearing no motion to amend, we will vote on whether to approve the Secretary's recommendations, find them to be consistent with the final selection criteria and force-structure plan.

Is there a second?

Mr. Coyle: Second.

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Chairman Principi: All in favor?

[A show of nine hands.)

Chairman Principi: All opposed?

[No response.]

Chairman Principi: Counsel, announce the vote.

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

Chairman Principi: Mr. Dinsick?

Mr. Dinsick: Thank you, Mr. Chairman.

My next group of Army actions focuses on chapter 1, section 11 through 49 of the bill. These recommendations close and realign 176 Army Reserve installations, 211 Army National Guard facilities, and constructs 125 new multicomponent Armed Forces Reserve Centers in 38 states and Puerto Rico. The realignment and closure of these facilities allow the Reserve Component to shape their command-and-control functions, their force structure, and create joint and multifunctional installations.

As a result of our base visits, discussions with the states' adjutant generals, the regional hearings, the community input, and our subsequent analyses, it is the staff's assessment that these recommendations are consistent with the final BRAC selection criteria and the 20-year force-structure plan.

Mr. Chairman, we are prepared to answer your

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questions at this time.

Chairman Principi: Thank you.

There are 39 Army recommendations affecting Reserve Component transformations in 39 states that are before the Commission. They are Reserve Component transformations located in Alabama, Arizona, Arkansas, California, Connecticut, Delaware, Georgia, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, Tennessee, Texas, Vermont, Washington, West Virginia, Wisconsin, and Wyoming.

Is there any discussion, or are there any amendments?

Mr. Coyle: Mr. Chairman?

Chairman Principi: Yes?

Mr. Coyle: I just want to make a comment here. I think the Army is to be complimented for the work that they did with the states on this process, their coordination with affected units and with the Guard all across the country. I think the Army did an outstanding job in this process, and that that should be noted.

Chairman Principi: Thank you, Commissioner Coyle.

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I certainly share your -- in your comments.

Is there any further discussion or any amendments?

Admiral Gehman: Mr. Chairman?

Chairman Principi: Admiral Gehman?

Admiral Gehman: Mr. Chairman, I agree with my colleague that the Army did a good job here, but I would just like to note that, in -- consistent with the briefing that we received at the beginning here, that this is a $2.4 billion bill to the Department, not a savings, I still think that it's consistent with the transformation objectives, and it's consistent with the guidance, but, since we're accounting -- counting things, I just wanted to be on record.

Chairman Principi: Thank you, Admiral.

Hearing no motion to amend, we will vote on whether to approve the Secretary's recommendations. These recommendations are Army Recommendations 25, 28, 30, 33, 35, 37, 39, 40, 42, 44, 46, 48, 50, 52, 54, 55, 57, 58, 60, 62, 65, 66, 68, 69, 72, 73, 75, 77, 80, 82, 85, 87, 89, 91, 95, 97, 99, 102, and 103, along with the Reserve Component transformations in the various states mentioned before.

Is there a second?

Mr. Bilbray: Second.

Chairman Principi: We also find that these

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recommendations are consistent with the final selection criteria and force-structure plan.

All in favor?

[A show of nine hands.]

Chairman Principi: All opposed?

[No response.]

Chairman Principi: Counsel, announce the vote.

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

Chairman Principi: Thank you.

Mr. Dinsick?

Mr. Dinsick: Thank you, Mr. Chairman.

The final group of recommendations that we bring to the floor for a vote are five recommendations to realign the U.S. Army Reserve Command and Control within continental United States. These recommendations enable the Army Reserve to restructure its command-and-control functions, converting the current ten Regional Readiness Commands to four Regional Readiness Sustainment Commands, two Maneuver Enhancement Brigades, and four Sustainment Brigades. These recommendations convert 60 percent of the non-deployable force structure into deployable warfighting capabilities.

Again, as a result of our base visits, the Army National Guard discussions, regional hearings, community

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input, and our subsequent analyses, it is the staff's assessment that these recommendations are consistent with the final BRAC selection criteria and the force structure.

Mr. Chairman, we're prepared to answer questions on these recommendations.

Chairman Principi: Thank you.

There are five Army recommendations regarding the U.S. Army Reserve Command and Control in various regions before the Commission. They are: 107 USAR Command and Control New England, 109 USAR Command and Control Northeast, 112 USAR Command and Control Northwest, 115 USAR Command and Control Southeast, and 117 USAR Command and Control Southwest.

Is there any discussion, or are there any amendments, on this group of recommendations?

[No response.]

Chairman Principi: Hearing no motions --

Mr. Hansen: Mr. Chairman, I would ask to be recused on this issue.

Chairman Principi: Very well.

Hearing no motion to amend, we will vote on whether to approve the Secretary's recommendations and find them to be consistent with the final selection criteria and force-structure plan.

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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: Counsel, announce the vote.

Ms. Sarkar: Mr. Chairman, the vote was eight yeas, no nays, one abstention. The motion carries.

Chairman Principi: Thank you, Counsel.

Mr. Dinsick?

Mr. Dinsick: Sir, that concludes our five groupings of recommendations.

The next three presentations are recommendations that the Commission has asked for full presentations on. The first of these focuses on chapter 1, section 2 of the bill, Army recommendation number 6 to close Fort Gillem, Georgia.

This recommendation relocates major commands from Fort Gillem to six associated installations show on this slide. Also, it closes the Army/Air Force Exchange System, Atlanta Distribution Center. And, finally, it establishes an enclave at Fort Gillem for the Georgia Army National Guard and the Criminal Investigative Division Forensics Laboratory.

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Mr. Don Manuel, my senior analyst, will now present his review and analysis.

Mr. Manuel?

Mr. Manuel: Thank you, Mr. Dinsick.

Mr. Chairman, Commissioners, this slide shows the Secretary of Defense's justification for the closure of Fort Gillem. The Army ranks Fort Gillem 52nd among the Army's 97 installations. All units are relocated to installations with higher military value, with the exception of 1st Army Headquarters' move to Rock Island Arsenal, with a military-value ranking of 53. The Army is converting 1st Army to a single headquarters for oversight of Reserve and National Guard mobilization and demobilizations, and decided to relocate 1st Army to a central location in the United States. DOD's COBRA analysis shows a substantial savings and a one-year payback.

Also shown are the number of personnel that are relocated. Not shown are 311 positions that will remain in an enclave with six additional military positions moving to the enclave from Naval Air Station Atlanta. DOD's fiscal year 2003 cost-to-complete estimate for environmental cleanup was 18 million.

The issues raised are on this slide. The community testified that the relocation disperses and destroys and

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destroys command-and-control synergy with Reserve Components and Homeland Defense organizations. DOD believes that these moves are part of the Army's transformation to support home -station mobilization and demobilization so that it can implement its train-alert-deploy model.

A 2003 study by the Government Accountability Office of prior BRAC enclaves found that DOD needed to provide future BRAC Commissions with a better definition of "enclaves." While DOD agreed with the finding, they failed to provide the definition.

The community is concerned that multiple enclaves will be established, fragmenting the property, making reuse and security difficult. DOD's plan is to defer enclave definition to BRAC implementation.

The community is also concerned about environmental cleanup. Fort Gillem's early history as an industrial installation will make cleanup beyond industrial standards difficult to achieve. DOD's current estimate of 18 million restores the property to industrial standard.

In summary, the staff determined that the Secretary of Defense deviated from selection criterion 7.

Mr. Chairman, that concludes my statement. I'm prepared to respond to your questions.

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Chairman Principi: Thank you.

We have before us a motion to approve Army recommendation number 6, Fort Gillem, Georgia, appearing at chapter 1, section 2 of the bill.

Is there any discussion, or are there any amendments?

Mr. Bilbray: Mr. Chairman?

Chairman Principi: Yes?

Mr. Bilbray: I'm going to oppose this, because I visited Fort Gillem. I think -- because of the all the other federal units that are there, I think they do a good job, and I am going to vote no on this proposal.

Chairman Principi: Yes, Admiral Gehman?

Admiral Gehman: Mr. Chairman, I would like to propose an amendment.

Chairman Principi: Is there a second?

Mr. Coyle: Second.

Admiral Gehman: Mr. Chairman, the recommendation for the Department of Defense, as presented to us, leaves a number of units and organizations at Fort Gillem. The map that showed that they were -- we were shown shows these organizations that are left behind to be not grouped together contiguously. Therefore, I move that the Commission find that, when the Secretary of Defense made Army recommendation six, Fort Gillem, Georgia, that

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he substantially deviated from the final selection criteria 7 and the force-structure plan, and that the Commission strike the language "establish an enclave," quote, and insert in its place "establish a contiguous enclave," quote, 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: Thank you, Admiral.

We will vote on motion number 2, dash, 4(a), that the Commission find that when the Secretary of Defense made Army recommendation six, Fort Gillem, Georgia, he substantially deviated from final selection criteria 7 and the force-structure plan, that the Commission strike the language, quote, "establish an enclave," unquote, and insert in its place, quote, "establish a continuous enclave," close quote, and that the Commission find that this change and the recommendation, as amended, are consistent with the final selection criteria and force-structure plan.

All in favor?

[A show of eight hands.]

Chairman Principi: All opposed?

{A show of one hand.]

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Chairman Principi: Counsel, announce the vote.

Ms. Sarkar: Mr. Chairman, the votes are eight yeas, one no, no abstention. The motion carries.

Chairman Principi: Okay.

Mr. Dinsick: Mr. Chairman, Commissioners, my next Army action focuses on chapter 1, section 5 of the bill for the Army recommendation number 11 to close Fort Monmouth, New Jersey. This recommendation results in ten separate actions involving nine installations or leased locations.

Mr. Wes Hood, my senior analyst, will present his review and analysis.

Wes?

Mr. Hood: Thank you, Mr. Dinsick. Good morning, Mr. Chairman, Commissioners.

The three largest portions of this recommendation involve the movement of the Communication and Electronics Command and associated organizations to Aberdeen Proving Ground, Maryland.

Admiral Gehman: Get closer to the microphone, please.

Mr. Hood: I'm sorry, sir. Let me start again.

The three largest portions of this recommendation involve the movement of the Communication and Electronics Command and associated organizations to Aberdeen Proving

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Ground, Maryland, the United States Military Academy Preparatory School to West Point, New York, and the Night Vision and Electronics Sensors Directorate, herein referred to as the Night Vision Laboratory, from Fort Belvoir to Aberdeen Proving Grounds. The other seven moves are small numbers of personnel being relocated to co-locate or consolidate particular functions with CECOM at Aberdeen Providing Grounds, in the creation of the Command and Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance Center of Excellence, hereinafter referred to as C4ISR.

The DOD justification shown here has been supplemented by discussions with Army and technical Joint-Service Cross-Group leadership during staff analysis, as well as our staff visits and contact with the community.

Aberdeen Proving Ground has an overall military-value score of 18, compared to a score of 49 for Fort Monmouth in the Army's overall military-value assessment. When measured against technical Joint Cross-Service Group 5, specialized assignment criteria, however, Fort Monmouth scores higher than Aberdeen in four of the five measured areas, leading the community to testify that the military-value criteria used in the Army's overall evaluation were prejudiced against small installations

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involved in RDA T&E activities. Both the Army and the Joint Cross-Service Group agree that the Army's holistic military-value criteria should take precedence, and that the Army installations were treated the same in the evaluation process.

The community issues concentrate on the potential loss of intellectual capital and the resultant adverse effects to existing programs, particularly those in support of operations in Iraq and Afghanistan. The community has also expressed concern about the adequacy of infrastructure at Aberdeen to support the mission and has argued that DOD savings are overstated and costs are understated. The loss of some intellectual capital is to be expected in any realignment or closure. However, the Department views this as a temporary setback from which it can recover, with careful implementation.

On the issue of adverse effects upon existing programs, the Department's position is that this is manageable over the six-year implementation period by properly sequencing the movement of programs to ensure that there is no break in service. Historically, no program is known to have failed due to a previous BRAC realignment or relocation action.

Adequate infrastructure exists at Aberdeen, will be vacated by activities leaving Aberdeen or as accounted

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for by the MILCON construction in the COBRA analysis. The community's position, however, is that savings are overstated and costs are understated, primarily because DOD has undervalued the cost of replacing the anticipated loss of intellectual capital and has failed to properly account for and realistically cost out infrastructure and facility requirements. The Department maintains that neither position is correct, and anticipated savings are valid, and that infrastructure requirements are correctly portrayed and resourced in the recommendation.

Staff analysis has found that the Secretary deviated from selection criteria 1 and 5.

Mr. Chairman, that completes my prepared remarks. I'm prepared to answer your questions.

Chairman Principi: Thank you, Mr. Hood.

The Commission now has before it Army recommendation number 11, Fort Monmouth, New Jersey, appearing at chapter 1, section 5 of the bill.

Is there any discussion, or are there any amendments, on this recommendation?

Mr. Coyle: Mr. Chairman?

Chairman Principi: Commissioner Coyle?

Mr. Coyle: I have a couple of questions I'd like to ask the staff before we get into a motion, but I do wish to offer a motion, also.

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Mr. Hood, you mentioned how Fort Monmouth compared with Aberdeen Proving Ground, overall, when you count, you know, the size of the installation, maneuver space, and other factors. But this DOD proposal is about moving highly specialized command, control, communications, intelligence, surveillance, reconnaissance activities. Could you give me an example of how Fort Monmouth ranks relative to Aberdeen and other installations?

Mr. Chairman, we have a display here, in Army Information Systems Technology, and we'll note that Fort Monmouth had the highest military value, by quite a wide margin, and that Aberdeen Proving Ground was towards the bottom of the list.

Thank you, Mr. Hood.

Mr. Gingrich, Mr. Hood explained that we have received information that, when the likely costs are included for this proposed move, such as personnel who would have to be replaced, new buildings, and other factors like that, that the number of years to achieve any savings from this proposal could go out decades. We've received information that if the DOD had included all of the factors that the GAO recommends they include, that the payback could go out 91 years. I know you're not in a position to certify the assumptions that the community made in doing these calculations, but I want to

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ask you, Did they do these calculations properly? Did they use their COBRA model properly? And did they do the arithmetic properly?

Mr. Gingrich: Thank you, Mr. Commissioner.

In my opinion, yes, they did employ the COBRA model correctly. The data that they used as input to the model appeared appropriate. The key issue is the underlying assumptions that were used to develop that input data.

Mr. Coyle: Thank you.

Mr. Chairman, I have no more questions. But perhaps other Commissioners do, for the staff, before we go forward.

Chairman Principi: Are there any other questions at this point?

General --

Mr. Skinner: Yes, I'd ask Mr. --

Chairman Principi: -- General Hill?

Secretary Skinner?

Mr. Skinner: One of the issues that's been raised is the technology that's being developed and being used there, that will be used in our war against terrorism, especially in the IED area. Without breaching any security, am I correct that there are ongoing programs there in -- that are being developed that hopefully will help us in the battle against IEDs?

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Mr. Gingrich: Thank you, Commissioner Skinner.

Yes, when the community came up, they briefed us on ongoing programs that they are currently undertaking to support current operations in Iraq and Afghanistan. However, Mr. Hood's probably better suited to address the extent.

Mr. Skinner: Well, I just want to make sure that -- Mr. Hood, that there are programs in place to ensure that there's a continuity on that effort, which I think is one of the most significant challenges we currently face, is how to deal with that particular problem.

Mr. Dinsick: Sir, let me --

Mr. Skinner: And I want to make sure there's consistency in the programs.

Mr. Dinsick: Let me take a crack at that. We understand that, of course, this is really an applied mission to the Secretary of the Army. He said, in his testimony the other day, that programs like this will -- they will never -- will not allow the relocations and the BRAC to affect the lives of our servicemen. I'm not so sure I paraphrased that very well, but we understand it's an applied mission by the service.

Mr. Skinner: In other words, the ongoing research will not be interrupted, nor the pace of the research will not be interrupted, as a result of this

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recommendation.

Mr. Dinsick: That's -- that was stated pretty much --

Mr. Skinner: Okay.

Mr. Dinsick: -- very well by Secretary of the Army.

Mr. Skinner: All right. Thank you.

General Newton: Mr. Chairman, I want to join with information which Mr. Dinsick just passed out. Commissioner, in some of my visits to other bases, we saw some of this same kind of technology and research being applied, as well. So, I can certainly assert that, for this particular area, I think the Secretary is correct, this work can be carried on as we make this transition, if it's approved.

Chairman Principi: General Hill?

General Hill: I'd like to add, along with General Newton, the Secretary of the Army was very clear, on our Saturday session, that he would in no way affect the ongoing efforts in support of the warfighter on this issue. And we asked him that question, in specifics.

The other thing I would also like to point out for the Commissioners is that, as you look at the military value, juxtaposed between Monmouth and Aberdeen, it was talking about information technology, information military value. Since Aberdeen doesn't do information,

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at this point, unless this recommendation -- it will always rate lower than Fort Monmouth. If, in fact, you had reversed it, Aberdeen would have been ahead of Monmouth. It's a misleading military-value count.

Chairman Principi: Thank you, General Hill.

Commissioner Coyle?

Mr. Coyle: Mr. Chairman -- excuse me -- Mr. Chairman, I'd like to summarize how I view the situation at Fort Monmouth, if the other Commissioners don't have further questions for the staff.

Chairman Principi: Any further questions? Any further comments?

[No response.]

Chairman Principi: Commissioner Coyle?

Mr. Coyle: Thank you, Mr. Chairman.

In this recommendation, the DOD has proposed breaking up a well-established world-class C4ISR Center of Excellence at Fort Monmouth at the wrong time, a time of war, and proposes to send the pieces to the wrong place, a location that is not known as a Center of Excellence in C4ISR, and has never been known as a Center of Excellence in C4ISR.

Mr. Chairman, if Jay Leno asked people on the street what C4ISR was, he'd probably get a lot of laughs.

But this matter is deadly serious. Command,

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control, communications, computations -- computers are now in our lives everywhere, at home, at work, and on the battlefield -- intelligence, surveillance, and reconnaissance -- C4ISR, as they say, is the electronic lifeline for our military now and into the future. We should not cut this electronic lifeline, and we should not disrupt this electronic lifeline in the future.

In several of its recommendations, the DOD proposes to break up or destroy well-established world-class Centers of Excellence to establish new centers with questionable synergies. And this proposal is an example. Fort Monmouth provides daily support to our warfighters in Iraq and Afghanistan -- Commissioner Skinner brought up an example -- saving lives every day. Not only should we reject program disruption during a time of war, we should reject program disruption to future Army transformation.

The programs at Fort Monmouth are at the heart of Army transformation, which seeks to produce a lighter, faster, and more agile Army force. To be effective, and to be lighter, faster, and more agile, ground forces require superior information about the enemy and superior information about the location and condition of joint and coalition forces. This superior information is to come from a wide variety of sensors -- from special

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communications, from computers, and from satellites. In effect, to achieve these goals the Army will be trading electrons for armor. If Army C4ISR is jeopardized, Army transformation will be set back, possibly for decades. The result could be a future force that is more vulnerable rather than more lethal.

Mr. Chairman, the DOD proposes to move activities from Fort Monmouth, which scored with high military values in C4ISR, to a location of low military value in C4ISR. Mr. Chairman, if we are going to move activities from locations of military high value to locations of low military value, we might as well turn all the recommendations we will consider upside-down.

Last Saturday, I introduced into our hearing record a letter the Commission received from 11 retired general officers who have a combined 306 years of service in the Army's Signal and Intelligence and C4ISR leadership positions. They wrote that the DOD recommendation would, and I quote, "have a direct, immediate, and catastrophic impact upon the mission being performed by Fort Monmouth and," I continue the quote, "in support of Army transformation and, more importantly, the warfighter." They also wrote, and I quote, "There is no core of C4ISR expertise or facilities located at APG, and the vast majority of trained C4ISR personnel performing the

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mission will not relocate there."

The cost to accomplish this proposed move is badly understated. The Commission has received credible cost estimates that show that 1.55 billion to 1.99 billion in one-time costs required to effect the move could be incurred. For example, existing ordnance school buildings at Aberdeen are unsuitable for electronics and C4ISR labs, and new modern buildings will be needed to be constructed at Aberdeen to house these high-technology functions. Similarly, the cost of relocating and retraining personnel appears to have been underestimated, and the cost savings due to personnel reductions appear to have been overstated, since the missions at Fort Monmouth are to be continued without interruption and since Aberdeen has so few people who do identical work with whom personnel efficiencies might be achieved.

Loss of intellectual capital at Fort Monmouth is a critical issue, since so many employees, about 80 percent, have responded to the Harris polling organization that they will not move.

The DOD proposal also would break up active and effective joint organization between Fort Monmouth, McGuire Air Force Base, Lakehurst, and Fort Dix. Experimentation and exercises in this joint environment have been ongoing for many, many years. For example,

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network-centric C4ISR testing is scheduled to take place next month at Fort Dix, with joint participation with Monmouth, of course, McGuire, and Lakehurst, as has been the practice for years. The DOD did not consider, or give any credit to, Fort Monmouth for these joint programs and relationships.

Finally, Mr. Chairman, Fort Monmouth is home to the C4ISR responders for the New York/New Jersey area in the advent of a homeland-security crisis. Immediately following 9/11, Fort Monmouth worked with New York police and firefighters to facilitate their electronic communications and deploy to Ground Zero with advanced equipment and technical support, such as thermal cameras to search for survivors within the rubble pile, radio-frequency surveillance equipment to locate victims' cell phones, laser Doppler vibrometers to measure the stability of buildings for relief workers, and aircraft with sensitive electro-optical infrared sensors to make digital maps of the site and locate gas leaks and burning hotspots beneath the rubble pile.

Fort Monmouth continues to play an important homeland-security role as New York and New Jersey develop improved communications and conduct homeland-security exercises.

Mr. Chairman, that concludes my summary.

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Chairman Principi: Thank you, Commissioner.

General Hill?

General Hill: Thank you, Mr. Chairman.

I'd like to respond to a little bit of that. And in no way do I denigrate the work that has and is ongoing at Fort Monmouth. They've done a great service to the country and to the Army. But I believe that this is also about the future. And the consolidation and co-location of all land C4ISR, RDA T&E activities at Aberdeen is critical, in my view, to the future development, acquisition, and testing of new technologies for the Army. I believe the Department has made that case. And it's about modernized infrastructure and the ability to expand and grow.

The closure of Fort Monmouth is the single-largest Army savings generator, at $1 billion over 20 year NPV savings, with a six-year payback. I will propose, later, an amendment that will say, let's not move the Night Vision Labs out of Belvoir, which will generate another substantial savings and give the payback in five, instead of six, years.

The Army can manage the phasing of this program, just like all other installations gaining and losing throughout all of the deliberations that we're going to have. They've assured us of that. I believe that that's

a -- that they can take care of that well in hand.

I also question the loss of intellectual capital. That is also manageable, in my view, over the six-year implementation period. Many in Monmouth's workforce are nearing retirement, and they would have to be replaced anyway. As you look at the grade structure, it just seems to me that the movement to Aberdeen, and the consolidation in a true Center of Excellence, bringing other forces -- other operations in, is the way to go.

Chairman Principi: Commissioner Skinner?

Mr. Skinner: May I ask a question? If Commissioner Coyle is going to introduce a motion -- 5, dash, 4(b) -- regarding the report language -- if that's his intention --

Mr. Coyle: I do have a motion to strike the DOD proposal in its entirety. I also support the motion that General Hill just mentioned.

Mr. Skinner: Well, then it -- I -- well, why don't we go ahead? I'll have a motion. There's a motion in everybody's book -- 5, dash 4(b); and if it becomes a appropriate after the process goes on, I'm going to make that motion.

I will advance that motion. It's a motion to amend Army recommendation 11 that moves that the Commission find that when the Secretary of Defense made

recommendation 11, Fort Monmouth, New Jersey, he substantially deviated from final selection criteria 1, 2, 5 and force-structure plan, that Commission add to the recommendation the language "the Secretary may only proceed with the movement of activities from Fort Monmouth to Aberdeen Proving Ground after putting in place safeguards that will ensure that no ongoing program will be moved until redundant capability is established or other mitigating factors are in place to ensure there is no degradation of the program or its support in the global war on terror or any other military contingency operation that will occur as a result of the movement of the program. Furthermore, the Secretary must also put into place programs to ensure the retention of critical workforce personnel before, during, and after any such move."

This is language that will, kind of, put into our report the commitments that Secretary Harvey made to us on Saturday, and it's basically the equivalent of report language that the Secretary will -- he said he's already going to comply with it. I think it's just good to put that commitment. So, I will make that motion.

Chairman Principi: Is there a second?

General Newton: Second.

Chairman Principi: Any discussion on the motion?

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Mr. Skinner: Mr. Chairman, this motion, as I understand it -- and the staff can correct me if I'm wrong -- this staff just -- this motion basically ensures that the Secretary will keep in mind. I intend to vote for the move. I think, in the long run, as General Hill said, it's totally appropriate to do so. And I think it's part of the military transformation. I just want to make sure that we have assurances in place that the efforts on terrorism are not degraded and that we don't put people in harm's way. I -- Secretary Harvey, obviously, made that commitment. As I can tell you, secretaries come and go. I want to make sure that we have report language that indicates the Commission's intent that, as they make this very important move, which is the right thing to do, that they keep in mind the need to -- the need to redundant and not stop the progress. Moves tend to -- you know, you stop everything and work on things. And I have visited well over 50 installations, and, wherever I go, I've asked about this issue, particularly of IEDs and some of the other things that are going on. And I think it's one of the biggest challenges we face, and I just want to make sure, with this language, that we continue that effort, still supporting the moves.

So, that's my motion.

Chairman Principi: Now, does your motion include the wording that "This Commission finds that the -- that this change in the recommendation, as amended, is consistent with the final selection criteria and the force-structure plan"? Is that part of your motion?

Mr. Skinner: Well, I'm really looking -- the motion, as prepared -- I'm really looking that the Secretary take these factors into consideration as he plans the move. It is not my intention to tie the Secretary's hands. This is basically report language, as I read it, that I have received many times from the Congress on programs like this, which I think is easy to adhere to.

Mr. Dinsick: Sir, we --

Mr. Skinner: Yes?

Mr. Dinsick: -- we think the intention of this motion -- we believe the intention is a conditional statement to say exactly what you said -- not to vote it up or down, but just to put a conditional statement in it.

Mr. Coyle: Mr. Chairman, I had thought you were going --

Chairman Principi: One moment, Commissioner Coyle. Did you have anything further?

Mr. Skinner: Well, I think that the question is --

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I've got -- that the last paragraph -- or "that the Commission find this change in the recommendations are amended -- are consistent with the final Secretary" -- I think that may go a little far, because that deals with the rest of the motion. So, I'll move the motion without that last paragraph in it. I think that's the concern. Right, David?

Chairman Principi: Thank you.

Commissioner Coyle?

Mr. Coyle: Two comments, Mr. Chairman. I had thought you were going to call for the motion to strike, first. I thought that was going to be our procedure. And I think, if Commissioner Skinner is not going to offer the motion without "finding that the change and recommendation are consistent with the final selection criteria and force-structure plan," that that motion would be out of order.

Chairman Principi: Yes. We'll table the motion by Secretary Skinner.

If you wish to offer a motion, Commissioner Coyle --

Mr. Coyle: I do, Mr. Chairman.

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



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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?

Mr. Bilbray: Second.

Chairman Principi: Is there any discussion -- further discussion on this motion?

[No response.]

Chairman Principi: Hearing none, all in favor of the motion to strike Army recommendation 11, Fort Monmouth, New Jersey, appearing at chapter 1, section 5 of the bill, raise their hand.

[A show of two hands.]

Chairman Principi: All opposed?

[A show of seven hands.]

Chairman Principi: Counsel?

Ms. Sarkar: Thank you, Mr. Chairman. The vote is two ayes, seven nays. The motion fails.

Chairman Principi: Now, is Mr. Coyle -- that's why I was asking before if Mr. Coyle has any other amendments. This amendment should be the last amendment, and it should contain the language that I have in here. I took it out so Mr. Coyle could proceed. I don't know -- wonder if there's any other amendments before I take

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this one.

Admiral Gehman: Mr. Chairman?

Chairman Principi: Yes?

Admiral Gehman: Mr. Chairman, I did not vote on that last motion. I recused myself. The vote is tallied incorrectly.

Ms. Sarkar: Thank you, Mr. Chairman. The vote, with the recusal of Commissioner Gehman, would be two ayes, six nays, one abstention. The motion fails.

Chairman Principi: Thank you.

We'll now go to the --

Mr. Skinner: I think, then, I'll just take the -- oh, I'm sorry.

Chairman Principi: So, your --

Mr. Skinner: My motion is on the table, as originally planned, now. And there has been -- it has been seconded. It was tabled --

Chairman Principi: Okay. Is there any further discussion on the amendment by Secretary Skinner?

Yes?

General Hill: Are we still going to have other amendments?

Chairman Principi: Yes.

General Hill: Okay.

Mr. Coyle: Mr. Chairman, just a question of

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clarification. Is Commissioner Skinner's proposed amendment going to include that the Commission finds this change and recommendation --

Chairman Principi: Yes.

Mr. Coyle: Thank you.

Chairman Principi: That is correct. That is part of the motion.

Mr. Skinner: I just pulled it -- we just tabled it, instead of removing it, so you could handle your motion, and we're going to come back.

Mr. Coyle: Fine, thank you.

Mr. Skinner: And it probably is appropriate to have any other motions made before this one. This one probably should be the final motion.

Chairman Principi: All in favor of the motion by Secretary Skinner, indicate by raising your hand.

[A show of eight hands.]

Chairman Principi: All opposed?

[No response.]

Chairman Principi: Counsel?

Ms. Sarkar: Mr. Chairman, the vote is eight ayes, one abstention. The motion carries.

Chairman Principi: Thank you.

Are there any further amendments to the underlying motion, Army recommendation 11, Fort Monmouth, New

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Jersey?

General Hill?

General Hill: Yes, 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 and 5 and the force-structure plan, that the Commission strike paragraph (b) of chapter 1, section 5, as it appears in the bill, and that the Commission finds this change and recommendation, as amended, are consistent with the final selection criteria and force plan. This effectively deletes the realignment of the Night Vision Lab from Fort Belvoir, Virginia --

Chairman Principi: Is there a second?

General Hill: -- and saves additional monies.

Chairman Principi: Is there a second?

General Newton: Second.

Chairman Principi: Okay. Is there any discussion on the motion by General Hill?

Mr. Coyle: Mr. Chairman, we had testimony from Under Secretary Wynne there other day that, in some instances, the Department of Defense sheltered -- that was the word he used, "sheltered" -- proposed moves that didn't actually save the taxpayers money under proposals that did, using their methodology. This is an example.

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The move of the Night Vision Lab does not save the taxpayers any money. And Commissioner Hill's motion is a fine motion.

Chairman Principi: Any further discussion?

[No response.]

Chairman Principi: Hearing no further discussion, we will now vote on the motion by General Hill, motion number 5, dash, 3(a).

All in favor?

[A show of eight hands.]

Chairman Principi: All opposed?

[No response.]

Chairman Principi: Counsel?

Ms. Sarkar: Mr. Chairman, the vote is eight ayes, one abstention. The motion carries.

Chairman Principi: Thank you.

Are there any further amendments to the underlying motion on Army recommendation 11, Fort Monmouth?

[No response.]

Chairman Principi: Hearing none, no further motion to amend, we will vote on whether 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?

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General Hill: Second.

Chairman Principi: All in favor?

[A show of seven hands.]

Chairman Principi: All opposed?

[A show of one hand.]

Chairman Principi: Counsel?

Ms. Sarkar: Mr. Chairman, the vote is seven ayes, one abstention, one nay. The vote carries.

Chairman Principi: Thank you.

Mr. Dinsick?

Mr. Dinsick: Thank you, Mr. Chairman.

My next Army action focuses on chapter 1, section 7 of the bill for the Army recommendation number 16 to close Red River Army Depot Texas. This recommendation relocates all munitions-center functions and depot maintenance missions to other service depots. Also, it disestablishes the supply storage/distribution functions of tires, packaged products, petroleum, oil, lubricants, and compressed gases, and relocates the Defense Distribution Depot to Oklahoma City, Oklahoma.

Mrs. Bieri, the Army's logistical analyst, will now present the review and analysis.

Ms. Bieri: Thank you, Mr. Dinsick.

Mr. Chairman and Commissioners, DOD justifies the closure of Red River Army Depot on the basis that this

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eliminates redundant providers of depot maintenance, munitions, and storage and supply functions by moving missions to installations with higher military value and more capabilities. Depot maintenance missions are moved to Anniston, Letterkenny, Tobyhanna, and Marine Corps Logistics Base Albany. Munitions missions are moved to McAlester and Bluegrass. And the Distribution Depot is relocated to the Defense Distribution Depot Oklahoma City. Also included is the disestablishment of petroleum, oil, lubricants, compressed gases, and tires.

The DOD COBRA shows a $539 million, 20-year net present value savings, with a payback period of four years. This closure relocates 2,041 personnel and eliminates nine military and 450 civilian positions.

This slide aligns issues with the corresponding criteria. The community raised the issue that weapons systems supported by Red River are all critical to the current war effort and expressed concern over any interruption in providing that equipment to the warfighter. It is true that many of the systems repaired there are critical to efforts in theater. Red River is currently the largest provider of recapitalized Humvees. However, this effort is also currently performed at Letterkenny Army Depot and with the main military authority at the former at the former Loring Air Force

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Base.

The second community issue is the building of capacity at Letterkenny and Anniston Army Depots so that the Red River workload can be accommodated in there. In COBRA, the costs were erroneously included as one-time costs instead of military construction. Commission staff reran COBRA to correct this error, with the same result of a four-year payback. The buildings can be built at both locations for combat-vehicle capability, and the workload can be executed there.

A further community issue is the deviation of planning capacity at a 60-hour workweek instead of the DOD planning factor of a 40-hour one-shift workweek. The Industrial Joint Cross-Service Group did run workload at a 60-hour workweek, claiming that this was similar to industry planning and would enhance transformational opportunities by providing for more efficient use of facilities and equipment. GAO examined this and noted that there was no substantive transformational change with the closure of Red River Army Depot. With the exception of common functions, like cleaning and painting, the majority of work is currently executed at the maintenance depots on a one-shift operation. The 2.6 million direct labor hours of capacity is for a one-shift operation, with the ability to add people and shifts to

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accommodate surge.

The community further argued that the Army is at surge, with Red River operating at twice its fiscal year 2003 level and that no excess capacity currently exists within the maintenance depots. The Army has surged greatly. The maintenance depots executed 12 million direct labor hours in fiscal year 2004, with the goal of 19 million direct labor hours in fiscal year 2005, and 25 million direct labor hours in fiscal year 2006. Business-process reengineering efforts have also resulted in significant process and maintenance improvements at each of the maintenance depots. In addition, the fiscal year 2003 planned execution for Red River was 2.1 million direct labor hours. The current fiscal year 2005 plan is for 4.1 million direct labor hours. And the Army expects to achieve 6.2 million direct labor hours of work in fiscal year 2006. The Army's depot-level maintenance workload has and continues to increase to respond to several critical Army efforts.

The community also asserted that DOD would incur greater costs, save less, and not achieve planned overhead savings. All building was planned for within COBRA at all gaining installations, and standard factors were used within COBRA for all other actions. There will be efficiencies with the co-location of similar programs

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into the installations where the majority of those Army programs are performed.

The last community issue is their assertion that the closure of Red River Army Depot will cause a 14 percent unemployment rate. With the current unemployment of 5 percent in the Texarkana metropolitan statistical area and the current staffing level, the Red River closure, combined with the potential closure of the adjacent Lone Star Army Ammunition Plant, would cause a 14.2 percent unemployment rate.

Mr. Chairman, that concludes my prepared statement, and I stand ready to answer any questions you or the Commission might have.

Chairman Principi: Thank you, Ms. Bieri.

Before us is Army recommendation 16, Red River Army Depot Texas, appearing at chapter 1, section 7 of the bill.

Is there any discussion? Are there any amendments to this recommendation?

Admiral Gehman: Mr. Chairman?

General Turner: Mr. Chairman?

Chairman Principi: Admiral Gehman?

Admiral Gehman: Thank you, Mr. Chairman.

Is Red River a -- what we call a GOCO? Is it a government-owned contractor-operated plant?

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Ms. Bieri: No, sir. It is a government-owned, government-operated.

Admiral Gehman: Okay. So --

Ms. Bieri: It is an Army working capital-fund installation.

Admiral Gehman: Thank you very much.

General Turner: Mr. Chairman?

Chairman Principi: Yes?

General Turner: I have a motion --

Chairman Principi: Yes, General Turner?

General Turner: -- if there's no more discussion.

Chairman Principi: Please read the motion. We'll call for a second.

General Turner: Mr. Chairman, I move that the Commission find that when the Secretary of Defense made Army recommendation 16, Red River Army Depot Texas, he substantially deviated from the final selection criteria 1, 2, 3, and 6, and the force-structure plan, that the Commission strike the language "close Red River Army Depot Texas, relocate the depot maintenance of armament and structural components, combat vehicles, depot fleet and field support, engines, and transmission, fabrication and manufacturing, fire-control systems and components, and other, to Anniston Army Depot Alabama, relocate the depot maintenance of power-train components and starters

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and generators to Marine Corps Logistics Base Albany, Georgia, relocate the depot maintenance of construction equipment to Anniston Army Depot Alabama and Marine Corps Logistics Base Albany, Georgia, relocate the depot maintenance of tactical vehicles to Tobyhanna Army Depot Pennsylvania and Letterkenny Depot Pennsylvania," and replace it with the language "realign Red River Army Depot Texas," that the Commission strike the language "relocate the storage and distribution functions and associated inventories of the Department -- of the Defense Distribution Depot to the Defense Distribution Depot Oklahoma City, Oklahoma," 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?

Mr. Coyle: I second.

Chairman Principi: Is there any discussion on the motion by General Turner, motion number 7, dash, 4(a)?

Mr. Bilbray: Mr. Chairman?

Chairman Principi: Yes?

Mr. Bilbray: It's my understanding this -- what it does is, it retains the depot-level maintenance and the fixing of the vehicles at Red River and just removes the other items. Is that correct?

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Chairman Principi: That's correct.

General Hill: Mr. Chairman, could we get -- because this is all very -- can we get Ms. Bieri to tell us, in English, exactly what this did to the total recommendation?

Ms. Bieri: Sir, what this actually does is remove the munitions missions and the tactical missions -- missiles -- excuse me. It keeps the Humvees and the Bradley's there. It keeps the DLA Distribution Depot there. All it does is relocate ammunition missions and the tactical missiles depot-level maintenance to --

General Hill: Thank you.

Ms. Bieri: -- Letterkenny.

General Hill: Thank you.

Ms. Bieri: It also -- I'm sorry -- disestablishes the petroleum oil and lubricants --

General Hill: Right.

Ms. Bieri: -- which is a related supply and storage recommendation.

General Hill: Yeah. Mr. Chairman, I am very much in favor of this amendment. I think that, at this time of the nation being at war, this is exactly the wrong time to be with -- closing Red River Army Depot. And I also would say to you that, as we -- when we went out there on our visit, I was particularly struck by the DLA

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depot that is also being kept in this recommendation with this amendment. The DLA depot, by all accounts, was one of the best depots in the DLA system, and it was never intended to close until the Army, at the last moment, put in Red River to close. That caused, then, the DLA depot to say, "Well, we've got no business here. We'll go away." What that causes the Government and the Department is, you close a depot that was built, I believe, in '99, at a cost of some $60 to 70 million, a state-of-the-art depot on a wonderful logistics road network through Texas and into the rest of the country, move it to Tinker Air Force Base, build a new depot, at another $50 million. And that made no sense to me, whatsoever. And I think that this is exactly -- I think that General Turner -- Commissioner Turner's amendment is right on the mark.

Chairman Principi: Commissioner Coyle?

Mr. Coyle: Thank you, Mr. Chairman.

Ms. Bieri, in terms of jobs, the motion before us, how does that change the number of jobs that would move from Red River, compared to what is in the original DOD recommendation?

Ms. Bieri: The motion before you would eliminate 257 positions -- pardon me, would move 136 and eliminate 221 positions, instead of the 2,500, as written in the

recommendation.

Mr. Coyle: Thank you.

Chairman Principi: Is there any further discussion?

General Newton?

General Newton: Yes, Mr. Chairman. I would like to associate myself with Commissioner Hill. When we look at capacity today, we find that, unlike it was several years ago, particularly when much of this data was gathered, the capacity was much, much lower -- available capacity, much higher, at that time, and it's much lower now. And, as he stated, the state of war that we're in, I think it would be a mistake to take away that capacity. I've heard the argument of the promises of what may happen in the future. But, again, we always hear a lot of promises in the future, and I think this is one that we really need to be very careful about, and I agree with this amendment.

Chairman Principi: Secretary Skinner?

Mr. Skinner: I believe that, if you -- this recommendation was well thought out at the time that they put it together, that they clearly anticipated that their needs would go down and that they needed new technology developed, and they selected Anniston as a major source of that, with the new facility. And I think that new facility, with all that was planned, allowed the Army to

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rationalize their depots, which I think they should, because I share opinion of some people that we need -- we have too much overall depot capacity in normal times, and we need to rationalize it, and we need to operate it more like we operate it in the private sector, on multiple shifts, rather than have multiple plants with one shift.

Having said that, because there is uncertainty as to whether or not the vehicles that are currently serving in the desert in the Mid-East will come back, to close this facility on the indication that they may or may not come back appears to me to tie the Army's hands. And if they want to bring them back and retrofit them, rather than build new vehicles, as was dictated -- as was talked about in the papers today, this capacity would be needed. And so, I am going to support the amendment of General Turner, because I believe the uncertainty as to vehicle maintenance that is key to the future, but, more importantly, to the people serving right now, that it's just the wrong time.

But I want to take this opportunity to compliment the Department of Army, because what they are trying to do here is rationalize their capacity in the maintenance and depot area. And, while some in this room would have chosen a different place to do that, I think it really has to be put off to another time.

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Thank you.

Chairman Principi: Thank you, Secretary.

I, too, strongly support the amendment, the motion by General Turner, visited Red River Army Depot, and would associate myself with the comments by my fellow colleagues. It's a superb depot, and they're doing a great job during this period of war.

Other -- is there any further discussion on the motion?

[No response.]

Chairman Principi: Hearing none, we -- the motion to amend -- we will vote on whether to approve the Secretary's, as amended, and find that it is consistent with the final selection criteria and the force-structure plan.

All in favor?

[A show of nine 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.

Is there anything further?

Mr. Bilbray: Mr. Chairman, don't we -- we voted on

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the amendment. We had the vote on the amendment. Then we vote on the final, don't we? No?

Chairman Principi: Counsel tells me we're good to go.

Mr. Dinsick: Mr. Chairman, that concludes this portion of the Army presentation. The remaining Army items will be addressed during the Joint Cross-Service pieces I think will happen down the road. So, thank you very much for your attention.

Chairman Principi: Thank you for your superb work. The Commissioners are indebted to you, all of you, for a superb job. Thank you very much.

Mr. Cirillo: Mr. Chairman, as Mr. Dinsick said, that concludes the Army presentation. I would suggest a very short brief while we bring the Navy team up here. Mr. Bob Cook, my deputy, will introduce the Navy team.

Chairman Principi: Okay, we will -- the Commission will stand in recess for 30 minutes.

[Recess.]

Chairman Principi: The Commission will come to order. We'll now proceed with the Navy recommendations.

Mr. Tobin?

Mr. Cook: Thank you, Mr. Chairman, Commissioners.

We will now provide a review and analysis of the Secretary of Defense's recommendations as they relate to

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the Navy and the Marine Corps installations and functions.

Chairman Principi: Will the Navy team please stand for the administration of the oath required by the BRAC statute?

Ms. Sarkar: Thank you, Mr. Chairman.

[Whereupon, the staff witnesses were sworn in.]

Ms. Sarkar: Thank you, Mr. Chairman.

Mr. Cook: Thank you, Mr. Chairman, Commissioners.

We will now provide the review and analysis of the Secretary of Defense's recommendations as they relate to the Navy and Marine Corps installations and functions.

Mr. Jim Hanna, the Navy team leader, and his analyst will deliver the results of their research.

Mr. Hanna: Thank you, Mr. Cook.

Good morning, Mr. Chairman and Commissioners. We are here to present the Department of Defense's recommendations that affect the Navy Department. As you can see, the predominance are closures, with some realignments, that are proposed to allow the Department of the Navy to better organize themselves, in light of a smaller force. There are also three additions to the Department of Defense's recommendations.

Generally, the results of our analysis show that the Navy has put their portfolio of installations through a

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rigorous scoring process to assess military value, and that most recommendations improve military value. Our analysis considers the 20-year force-structure plan, Navy transformation, the Department's desire to enable jointness, reduce their facilities cost of ownership, and, ultimately, their goal of setting a future footprint for the force. As with all other teams, we have been sensitive to issues identified by the communities that are affected by these recommendations.

There has been much discussion on the reality of cost savings associated with personnel reductions. It is worth noting that the Navy end strength will reduce from 366,000 to 345,000 during this period. Many of these BRAC recommendations will provide the reduction in billets necessary to assist in meeting these end-strength reductions. All told, the Navy anticipates a savings of almost half a billion dollars during implementation. The net present value savings after 20 years, if all are approved, is expected to be approximately $8.4 billion.

Mr. Chairman and Commissioners, the first group of recommendations that we bring to the floor for discussion and vote are alignments of doctrine and training centers: chapter 2, section 61 of the bill for the Department of the Navy recommendation number 12, realign Officer Training Command Pensacola, Florida; chapter 2, section

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63 of the bill for the Department of the Navy recommendation number 14 to close the naval installation at Athens, Georgia; and chapter 2, section 70 of the bill for Department of Navy recommendation 25, realignment of Naval Station Newport, Rhode Island.

As a result of our review and analysis of certified data received from the Department of Defense and sworn testimony presented at public hearings and other information acquired during base visits and from the community, it is the staff's assessment that these recommendations are consistent with the final BRAC selection criteria and the force-structure plan.

Mr. Chairman, we are standing by to answer the Commission's questions.

Chairman Principi: Thank you.

Is there any discussion? Are there any amendments?

[No response.]

Chairman Principi: There are three Navy doctrine and training alignment recommendations before the Commission. They affect activities in Pensacola, Florida, Athens, Georgia, and Newport, Rhode Island.

Is there any discussion. Are there any amendments?

[No response.]

Chairman Principi: Hearing no motion to amend, we will vote on whether to approve the Secretary's



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recommendations: DON number 12, realign Officer Training Command Pensacola, Florida; DON number 14, close the naval installation at Athens, Georgia; and DON number 25, realign Naval Station Newport, Rhode Island.

Is there a second?

Mr. Bilbray: Second.

Chairman Principi: All in favor?

[A show of nine hands.]

Chairman Principi: All opposed?

[No response.]

Chairman Principi: Counsel, announce the vote.

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

Chairman Principi: Thank you.

You may proceed.

Mr. Hanna: Mr. Chairman, we next bring to the floor a group of recommendations for discussion and vote that streamline the Navy's oversight of their shore infrastructure: chapter 2, section 72 of the bill for Department of the Navy recommendation number 28, close and consolidate Engineering Field Division activities; chapter 2, section 75 of the bill for Department of the Navy recommendation 35, realign Navy regions; chapter 2, section 77 of the bill for Department of the Navy recommendation 44, realign Navy Research Readiness

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Commands.

As the result of our review and analysis of certified data presented -- received from the Department of Defense, sworn testimony presented at public hearings, and other information acquired during base visits and from the community, it is this staff's assessment that these recommendations are consistent with the final selection criteria and the force-structure plan.

Mr. Chairman, we are standing by to answer the Commission's questions.

Chairman Principi: There are three Navy recommendations before the Commission that will streamline the Navy's oversight of its shore infrastructure. The recommendations affect installations in the Midwest and throughout the Eastern United States.

Is there any discussion, any questions for staff, or are there any amendments?

[No response.]

Chairman Principi: Hearing no motion to amend, we will vote on whether to approve the Secretary's recommendations and final -- find them to be consistent with the force-structure plan and final selection criteria: DON number 28, close and consolidate Engineering Field Division activities; DON number 35, realign Navy regions; and DON number 44, realign Navy

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Research Readiness Commands.

Is there a second?

Mr. Coyle: Second.

Chairman Principi: Are there any recusals?

[No response.]

Chairman Principi: All in favor?

[A show of nine hands.]

Chairman Principi: All opposed?

[No response.]

Chairman Principi: Counsel, announce the vote.

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

Chairman Principi: Mr. Hanna?

Mr. Hanna: Mr. Chairman, we now bring to the floor our final group of recommendations for discussion and vote -- final group, that is. These recommendations reflect the reduction in capacity overhead in Recruiting Command in the Department of the Navy Reserve Centers: chapter 2, section 73 of the bill for the Department of Navy recommendation 29, close Navy and Marine Corps Reserve Centers; chapter 2, section 74 of the bill for Department of Navy recommendation number 34, close Navy Recruiting Districts; chapter 2, section 76 of the bill for Department of Navy recommendation 36, close Navy Reserve Centers.

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As the result of our review and analysis of certified data received from Department of Defense, sworn testimony presented at public hearings, and other information acquired during base visits and from the community, it is the staff's assessment that these recommendations are consistent with the final BRAC selection criteria and the force-structure plan.

Mr. Chairman, we are standing by to answer the Commission's questions.

Chairman Principi: Thank you.

There are three Navy Recruiting and Navy and Marine Corps Reserve recommendations before the Commission. These recommendations are meant to bring greater efficiency and effectiveness to our Reserve forces.

Is there any discussion, questions, or 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 and find that they are consistent with the force-structure plan and final selection criteria: DON number 29, close Navy and Marine Corps Reserve Centers; DON number 34, close Navy Recruiting Districts; and DON number 36, close Navy Reserve Centers.

Is there a second?

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General Newton: Second.

Chairman Principi: Thank you.

Are there any recusals?

[No response.]

Chairman Principi: All in favor --

Mr. Coyle: Mr. Chairman, I'm recused on DON 29.

Chairman Principi: Thank you.

All in favor?

[A show of eight hands.]

Chairman Principi: All opposed?

[No response.]

Chairman Principi: Counsel, announce the vote.

Ms. Sarkar: Mr. Chairman, the vote are eight ayes, one abstention from Commissioner Coyle with regard to DON number 29. The motion carries.

Chairman Principi: Thank you.

Mr. Hanna?

Mr. Hanna: Mr. Chairman, we bring to the floor chapter 2, section 57 of the bill, Department of Navy recommendation 6, realign Marine Corps Logistics Base Barstow, California.

This recommendation consolidated the depot maintenance functions to other DOD centers of industrial and technical excellence.

The analysis will be presented by Ms. Valerie Mills.

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Ms. Mills: The Department of Defense justified minimizing sites using maximum capacity. By relocating the commodity groups to installations with higher military value, we'll increase the overall military value to the warfighter.

DOD COBRA indicates a one-time cost of 26 million to implement. The net present value of this recommendation through 2025 is $230.6 million. Approximately 230 positions will be eliminated.

Slide.

This slide summarizes the key issues that were developed during analysis of this recommendation and are grouped by their associated selection criteria. The installation was concerned that the turnaround times will increase on unique workload within DOD provided by Barstow if this recommendation is accepted.

The staff assessment reveals there was no deviation from the final criteria.

Mr. Hanna: Mr. Chairman, we are standing by to answer the Commission's questions.

Chairman Principi: Thank you.

We have before us Navy recommendation 6, Marine Corps Logistics Base Barstow, California, appearing at chapter 2, section 57 of the bill.

Are there any questions for staff?

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[No response.]

Chairman Principi: Is there any discussion or are there any amendments?

[No response.]

Chairman Principi: We will vote on motion -- we will vote on motion to approve Navy recommendation 6, Marine Corps Logistics Base Barstow, California, appearing at chapter 2, section 57 of the bill, to approve the recommendation and find that it is consistent with the final selection criteria and the force-structure plan.

Is there a second?

General Newton: Second.

Chairman Principi: Are there any recusals?

[No response.]

Chairman Principi: All in favor?

Mr. Coyle: Mr. Chairman, I am recused on this item.

Chairman Principi: All in favor?

[A show of eight hands.]

Chairman Principi: All opposed?

[No response.]

Chairman Principi: Counsel, announce the vote.

Mr. Sarkar: Pardon me, Mr. Chairman. I couldn't read Commissioner Bilbray's vote. Could I have a re-vote, please?

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Mr. Bilbray: Yes, I didn't get my arm up fast enough. I vote aye.

Ms. Sarkar: May I have the ayes again?

Chairman Principi: Please vote, Mr. Bilbray.

Mr. Hanna?

Mr. Hanna: Mr. Chairman, we now bring to the floor --

Chairman Principi: One moment, Mr. Hanna.

I'm sorry.

Ms. Sarkar: Thank you, Mr. Chairman.

The vote is eight ayes, one abstention. The motion carries.

Chairman Principi: Mr. Hanna?

Mr. Hanna: Mr. Chairman, we now bring to the floor for discussion and vote chapter 2, section 58 of the bill, Department of Navy recommendation 7, close the Naval Support Activity Corona, California; relocate Navy Surface Warfare Center Division Corona, California, to Naval Base Ventura County, Naval Air Station Point Mugu, California.

Next?

As you can see, this is a complete closure of the installation and movement to excess space located on Naval Base Ventura County.

Mr. David Epstein will present his analysis.

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Mr. Epstein: Thank you, Chairman Principi, Commissioners.

Because of the anticipated excess capacity at Naval Base Ventura County, the Point Mugu part of that base, it was determined that it made sense to move Naval Surface Warfare Center Corona to that site. That move would make good use of the facilities, improve synergy with the fleet and with the Naval Base tenants, and would result in the closure of a fenceline.

The COBRA which was originally submitted showed us savings with a net present value over 20 years of $360,000. Recently, DOD provided a revised COBRA that shows corrected numbers, as follows: one-time cost of $91-and-a-half million, a 22-year payback, a net present value cost of $16.8 million.

The action would cause about 900 employees to either relocate or have their jobs eliminated. No environmental remediation costs have been incurred thus far, and none are anticipated.

Next slide, please.

This slide summarizes the five primary concerns that we have. The first three of these actually fold fairly well into one of the areas that the Commission is tasked with looking at, and that is mission-oriented, mission-performance work. And, as you can see, they, sort of,

break down into employee retention, synergy, and independence issues.

The issue with employee retention is, first and foremost, the issue of retention of skilled personnel. Moving or commuting costs, high housing cost in Ventura County, six- to ninefold increases in property taxes for some employees are all retention issues with financial consequences for the employees.

During the past five or so years, Corona has successfully recruited large numbers of engineering graduates of local colleges and universities. They've cultivated a culture that has encouraged women and minority professionals. Now these locally born and bred employees may be reluctant to leave the Corona area. Finally, many employees contemplating relocation would have to be concerned about their spouses' careers.

With regard to synergy, DOD stressed the importance of co-locating Corona with the fleet; however, it appears that there's very little synergy with Naval Base Ventura County, which is responsible for less than one tenth of its customer workload.

Naval Surface Warfare Center Corona has three separate missions. A key one is that of providing independent assessment, telling an admiral when a weapons system is not prepared to advance to the next wrung in

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its development, or telling a commanding officer that a shipper's squadron has not successfully installed the new system and that the ship is not fit to deploy. The employees recognize that. Like Government Accountability Office, it is difficult to maintain independence if your landlord or superior in command is holding the organization hostage.

The last two areas, sort of, fit together fairly nicely. One is facilities, and the other is cost. In the course of our investigation, we inquired as the reasonableness of the estimated construction costs. We were given a copy of a report prepared by a highly respected construction company. It predicted that the additional $17 million which was provided by Naval Base Ventura County to accommodate the actual cost of constructing two special buildings which were used in the revised COBRA was still too low, by about $29 million. In addition -- excuse me -- in addition, the report warned that high water levels and humidity might complicate and increase the cost of the environmental protections, especially for the calibration laboratory. Also, other calibration equipment which picks up railroad vibration from a train two miles from Corona might prove difficult and expensive to isolate from the effects of a runway just a few hundred yards away.

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Thank you very much. I'd be glad to answer any questions.

Chairman Principi: Thank you.

Mr. Hanna: Mr. Chairman, we are standing by to answer the Commission's questions.

Chairman Principi: Thank you, Mr. Hanna, Mr. Epstein.

We have before us Navy recommendation 7, Navy Support Activity Corona, appearing at chapter 2, section 58 of the bill.

Is there any discussion or any questions for the staff?

Mr. Coyle: Mr. Chairman, just a comment.

As Mr. Epstein has pointed out, the Department of Defense, itself, says that this recommendation will not save the taxpayers or the Department of the Navy any money. This is a recommendation which is entirely intra-California. No jobs are proposed to be gained or lost from this proposed move. Accordingly, I will be voting when you call for the vote.

Admiral Gehman: Mr. Chairman?

Chairman Principi: Admiral Gehman?

Admiral Gehman: Thank you, Mr. Chairman.

As the briefer indicated, this is a movement of a unique standalone organization that provides very, very

valuable independent analysis of weapons-systems performance for the entire fleet. The movement does not save any money, it's not the closure of a base or station, as we know it. This is actually a little campus of a couple of buildings. And the independence of this organization is highly valued.

As the briefer indicated, the revised certified data from the Department of Defense indicate that there's no payback. Twenty-year net present value is actually at cost. There is little or any synergy of combining the activities at Naval Base Ventura. And I would suggest to my colleagues that this is a -- this is a recommendation that should be rejected. And I would like to propose a motion to that effect when you're ready.

Chairman Principi: Before offering the motion, are there -- is there any other questions for staff?

Yes, Congressman Bilbray?

Mr. Bilbray: Mr. Chairman, I visited -- along with Commissioner Coyle -- Corona, and was surprised on how efficient this unit really was. They've recruited actively in the local University of California at Riverside and that whole area around there, and most of those people have long ties to the community. And I thought, well, you only have to drive down the road a couple of hours to get to Ventura. Well, of course,

during the rush hour, when they would be going down there, it's probably, like, a six-hour drive each way. It doesn't make sense. It's a fine facility, costs the government very little to run. And I, also, am going to support the motion and would second Admiral Gehman's proposal.

Thank you.

Chairman Principi: Admiral Gehman, your motion?

Admiral Gehman: Thank you, Mr. Chairman.

Mr. Chairman, I move that the Commission find that when the Secretary of Defense made Navy recommendation 7, Naval Support Activity Corona, he substantially deviated from final selection criterias 1, 2, and 5, and the force-structure plan, that the Commission strike the recommendation, and that the Commission find that this change is consistent with the final selection criteria and the force-structure plan.

Chairman Principi: Is there a second?

Mr. Bilbray: Second.

Chairman Principi: Any further discussion?

[No response.]

Chairman Principi: Hearing none, we will vote on motion number 58, dash, 2.

Are there any recusals?

[No response.]

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Chairman Principi: All in favor of motion 58, dash, 2, offered by Admiral Gehman, please so indicate.

[A show of nine hands.]

Chairman Principi: All opposed?

[No response.]

Chairman Principi: Counsel?

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

Chairman Principi: Okay.

Hearing no further -- are there any further motions?

[No response.]

Chairman Principi: Hearing no further motion to amend, we will vote on whether to approve the Secretary's recommendation, as amended, and find that it is consistent with the final selection criteria and the force-structure plan.

All in favor?

Is there a second? Well, this as amended, to strike it, exactly. Is there a second?

General Hill: 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.

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The motion carries.

Chairman Principi: Mr. Hanna?

Mr. Hanna: Thank you, sir.

We now bring to the floor for discussion and vote chapter 2, section 59 of the bill, Department of the Navy recommendation number 9, close the inland area of Naval Weapons Stations Seal Beach Detachment Concord, California.

Here, we depict the disposition of the property.

Mr. David Epstein will now present his analysis of this recommendation.

Mr. Epstein: While Department of the Navy weapons stations have no excess capacity for loading and distribution of munitions, there is an excess of munitions storage capacity. Because of the departure of fleet units from the San Francisco area in the 1990s, the Department of the Navy has concluded this capability is no longer necessary, and most of the inland area is excess to its needs. The closure of the inland area, therefore, will save money and have no impact on mission capability. Sufficient land has been retained to permit temporary loading and holding of railcars with munitions destined for loading by the Army-managed Marine Ocean Terminal Concord, which is at the tidal area, during high-tempo operations. The City of Concord requested

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closure of the entire Naval Weapons Station Seal Beach Detachment Concord, but munitions loading requirements preclude closing the tidal area. However, the inland area is excess and may be closed. Because tidal area operations are in support of the Army -- of the component of U.S. Transportation Command, transfer the property to the Army aligns the property with the property user.

According to Department of Defense, this recommendation would save just under $200 million over 20 years. It would relocate and eliminate no jobs.

Next slide, please.

The only concern -- and it doesn't affect this recommendation at all -- is that Department of Defense's savings are probably overstated.

Mr. Hanna: Mr. Chairman, we are standing by to answer the Commission's questions.

Chairman Principi: The Commission has before it Navy recommendation 9, Naval Weapons Station Seal Beach Detachment Concorde, California, appearing at chapter 2, section 59 of the bill.

Is there any discussion, any questions for staff?

[No response.]

Chairman Principi: Are there any amendments?

[No response.]

Chairman Principi: Hearing none, we will vote on

the motion to approve -- vote to approve Navy recommendation 9, Naval Weapons Station Seal Beach Detachment Concord, California. I move that the Commission find that Navy recommendation nine, Naval Weapons Station Seal Beach Detachment Concord, California, is consistent with the final selection criteria and the force-structure plan.

Is there a second?

General Newton: Second.

Chairman Principi: All in favor?

[A show of nine hands.]

Chairman Principi: All opposed?

[No response.]

Chairman Principi: Counsel?

Mr. Coyle: Mr. Chairman, I'm recused on this vote.

Ms. Sarkar: Mr. Chairman, the vote is eight ayes, zero nays, one abstention. The motion carries.

Chairman Principi: Thank you.

Mr. Hanna?

Mr. Hanna: Thank you, sir.

Mr. Chairman, we now bring to the floor for discussion and vote chapter 2, section 60 of the bill, Navy recommendation 10, close Submarine Base New London, Connecticut.

The Department of Defense recommends closing

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Submarine Base New London and relocating the majority of its tenant activities to Norfolk, Virginia, and King's Bay, Georgia, 11 fast-attack submarines to Norfolk, and six fast-attack submarines and the Submarine School to Submarine Base King's Bay, Georgia.

This slide depicts a summary of the relocating tenant activities.

Mr. Hal Tickle is our lead analyst for this recommendation.

Hal?

Mr. Tickle: Department of Defense justification for closure is to reduce excess capacity and produce savings while maintaining sufficient capacity and fleet dispersal with the East Coast Submarine Fleet home ports of Naval Station Norfolk and Submarine Base King's Bay, Georgia, without affecting operational capability.

One-time cost is $680 million, which includes waterfront construction of $150 million at Norfolk and $70 million at King's Bay. Also included is $170 million to accommodate the Submarine School. There's a three-year payback, savings of $1.58 billion, 20-year net present value. Just over 8,000 military and civilian personnel are affected by this action.

Department of Defense has spent $57 million on remediation to date, with another estimated $23 million

require to complete, for a total of $80 million. The community estimates that the remediation cost is $125 million.

Next.

The next two slides summarize issues associated with selection criteria that were evaluated, analyzed during the assessment of this recommendation. Strategic presence and flexibility which are connected to both operational readiness and future total force requirements, C1 and C3, center on Navy's capacity to accommodate the required number of fast-attack submarines in the force-structure plan without Submarine Base New London.

The closure recommendation was predicated on accommodating the current number of 55 fast-attack submarines. That will meet or exceed the Department of Defense force-structure-plan requirement and the New London community input of a requirement in the mid 50s. The operational commander has stated that 66 fast-attack submarines could be fully supported without Submarine Base New London.

Criterion C2, suitability of gaining installations. Staff assessment is that, with the associated military construction funds, both Naval Station Norfolk and Submarine Base King's Bay have the capacity to account --

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accommodate the Department of Defense recommendation.

Another key issue concerns co-location relationships between Submarine Base New London and the Submarine School, Submarine Development Squadron 12, Navy Underseas Medical Institute, Naval Submarine Support Facility, nearby research institutes, and with Electric Boat, which designs, builds, maintains, and helps train submarine crews. While each poses an implementation challenge to the submarine community, each can be relocated or reconstituted at receiving sites without degrading operational readiness.

For instance, regarding the Electric Boat relationship just mentioned, because of this co-location, sailors were able to train on the same equipment that was going to be installed in the submarine as the submarine was being built. As a result, that crew and submarine were delivered in an operationally ready status months earlier than planned. However, similar efficiencies are anticipated to be available with the Northrop Grumman team at Newport News Shipyard, in Virginia, where the next two fast-attack submarines will be built.

Concerning the Submarine School relocation. As a result of a 1995 BRAC action, the Submarine School where sailors receive nuclear-power training was successfully relocated from Orlando, Florida, to Charleston, South

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Carolina, without adversely affecting training or operational readiness.

Next.

Relocation costs and savings were not completely accounted for in COBRA. The Department of Defense adjusted for an additional one-time cost for a dry-dock, an additional annual cost for TRICARE, and additional annual cost for increased maintenance personnel support requirements.

It's also noted, and was not also in COBRA, that there is some savings in cost avoidance at New London of about $294 million required for infrastructure improvements, $200 million of which is for pier replacement.

Economic impact. The New London community's position is that the Department of Defense method of measuring economic impact by using the nearest metropolitan statistical area is too narrow to accurately reflect the total effect. Staff assessment is that the Department of Defense consistently applied the same metric across all recommendations.

Lastly, both Norfolk and Camden County communities were assessed to be fully capable of accommodating all requirements associated with potential gains from the closure of New London. While each of these issues may

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leave room for differences -- do leave room for differences of interpretation or judgment, did result in some core growth corrections, I found, in no case, did the Secretary of Defense fail to adhere to the process, final selection criteria, or force-structure plan.

Mr. Hanna: Mr. Chairman, we are standing by to answer the Commission's questions.

Chairman Principi: Thank you.

The Commission has before it Navy recommendation 10, Submarine Base New London, Connecticut, appearing at chapter 2, section 60 of the bill.

Are there any questions for Commission staff?

General Newton: Mr. Chairman?

Chairman Principi: General Newton?

General Newton: I do not have a question at this point, but I do have a motion.

Chairman Principi: Are there any other -- are there any questions before we proceed to motions?

[No response.]

Chairman Principi: General Newton, you may offer your amendment.

General Newton: Thank you, Mr. Chairman.

Mr. Chairman, I move that the Commission find that, when the Secretary of Defense made Navy recommendation 10, Sub Base New London, Connecticut, he substantially

deviated from final selection criteria 1 and the force-structure plan, that the Commission strike the recommendation, and that the Commission find that this change is consistent with the final selection criteria and the force-structure plan.

Chairman Principi: Is there any second?

Mr. Bilbray: Second.

Chairman Principi: Any further discussion on the motion by General Newton?

General Newton?

General Newton: Yes, Mr. Chairman.

Mr. Chairman, as I reviewed this, and reviewed it very, very carefully -- and I think many of my colleagues did so, as well -- clearly, the strategic issue of the number of submarines that we would have in the force as we move forward in the next several years, complicated by the threat that was presented to us -- threat data that was presented to us on many occasions of other world events that are taking place, and particularly in Asia, I find that, not only is Sub Base New London a first-class facility -- as a matter of fact, it's better known as the flagship of the submarine community -- I find that it would be a big mistake to close this facility at this time.

Thank you.

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Chairman Principi: Any further discussion?

Chairman Principi: I would add that I strongly support the motion by General Newton. As he has indicated -- I associate myself with his remarks -- the New London Submarine Base is more than piers and parking spaces for nuclear-powered submarines, it is truly the Center of Excellence in submarine warfare. The synergy that is brought about by having it co-located with Electric Boat, the proximity of the Underseas Medical Institute, and the other components that Mr. Tickle mentioned, I believe, would be very, very difficult to replicate at another location.

The upper base that houses what I consider the -- also the Center of Excellence in education and training for enlisted and officers who will be manning our submarines in the future, are more than brick and mortar, but truly, truly excellence that I believe would be very difficult to transition to a new site. The emerging regional threats that we face in the world today leaves uncertain the force structure and nuclear-powered submarines for the future. If we close New London down, we will never get it back. I think it would be a tragic mistake, a tragic loss to this nation if this recommendation was to be approved.

I will oppose the recommendation and support the

amendment by General Newton.

Is there -- yes?

Mr. Bilbray: I'd like to also associate my comments with General Newton and the fact that in the -- this was a big issue with this Commission. But we had a whole series of former admirals that came in and talked to us. And I can't remember any one of them supporting the premise to close New London. In fact, the most senior former official, former President Jimmy Carter, sent a letter to the Commission, as a former Navy man, in opposition to this, against his own state of Georgia. And I think that's very important. And I will also vote not to close New London.

Chairman Principi: Thank you.

I would also note, for the record, that we did receive that letter from the former President, as well as the former Chairman of the Joint Chiefs of Staff, Admiral Crowe, three former Chiefs of Naval Operations, and other very high-ranking naval officers who believe strongly that New London Submarine Base should remain as part of the Navy.

Are there -- is there any further discussion?

Secretary Skinner?

Mr. Skinner: Mr. Chairman, I want to just comment. The BRAC process, we really deal with what is given to us



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by the Secretary, and there's a presumption, normally, that we've got to overcome, the presumption of regularity that we have to overcome. I think it's unfortunate here that we had the inability to really look at all of the three submarine bases on the East Coast and determine what is best for the nation. And if we -- if the Secretary truly believes two, instead of three, then we ought to have had all of them before us. Because of the way the process works, that was difficult, if not impossible, to do. I think the Secretary picked the wrong one to eliminate. It is the Center of Excellence. It has been the Center of Excellence. And it will continue, if it stays in place, to be the Center of Excellence in the world.

And, having said that, I wish the Secretary had chosen another one. We're not able to do that at this stage of the proceedings, so I'm going to support the amendment.

Chairman Principi: Is there any further discussion?

Mr. Hansen: Mr. Chairman?

Chairman Principi: Congressman Hansen?

Mr. Hansen: I think I'm on the infinitesimal minority here, but -- I see this train coming down the track -- but, as you look at this, and start counting it up, you may recall that the Navy said to us some time ago

that during the Cold War we had a little over a hundred submarines, and now we're bouncing around 50-something, and the last CNO of the Navy said 41 that he could get by with.

I fully admit and understand, because -- I've been to New London and, as a member of the Armed Service Committee for many years -- I understand how difficult those things are. But 41 submarines, and the number of piers it takes to take care of them, we're going to sure have some vacant piers. I wonder if we can rent 'em to somebody, because it's sure going to be, kind of, vacant. And every one of these facilities -- when you look at the three on the East Coast, you look at Bangor, up there in Washington, you look at Pearl, you look at Guam, you look at these particular areas, and, you know it's like a base.

And when this base-closing thing was written, you know, I sat in that group as we debated it, cussed each other out, and finally got this thing going. It comes down to the idea that bases cost money. Bases actually cost more money than people. They cost more money than the equipment. And the infrastructure will break you in no time.

So, now we're going to add more infrastructure, in effect, if we close that. There'll be more

infrastructure and fewer subs. So, what do we do with 'em? So, you start counting up the number of piers you've got in New London. You count the number of piers you've got in King's Bay, the same thing in Norfolk. You go over to the West Coast and other areas. You find yourself in a position you've just got a lot of parking space you're not going to use.

So, as much as it would pain me to see this close -- I think it's a fantastic base; it's the epitome of everything we think about. When you talk about submarines, what do you think about? You think of New London. But someone ought to close. And I agree with Secretary Skinner, we should have probably put all three of them on the list. It would be a lot easier.

But I think I'm going to be in the infinitesimal minority here, but I would sure think there would be a big savings there.

And thank you for your time, Mr. Chairman.

Chairman Principi: Thank you, Congressman Hansen.

Are there any further comments? Discussion?

[No response.]

Chairman Principi: Hearing none, we will -- I move -- do you want to -- on behalf of General Newton, I move that the Commission find that when the Secretary of Defense made Navy recommendation 10, Submarine Base New

London, Connecticut, he substantially deviated from final selection criteria 1 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.

Is there a second?

Mr. Coyle: Second.

Chairman Principi: Are there any recusals?

Admiral Gehman: Yes.

Chairman Principi: Admiral Gehman.

All in favor of -- to strike the recommendation?

[A show of seven hands.]

Chairman Principi: All opposed?

[A show of one hand.]

Chairman Principi: Counsel?

Ms. Sarkar: Thank you, Mr. Chairman. The vote are six yeas, one no, and one abstention. The motion carries.

Chairman Principi: Thank you.

Counsel advises there is no requirement for an additional vote. Submarine Base New London will remain open.

Counsel, do you want to -- please.

Ms. Sarkar: I apologize, it's seven yeas, one no, one abstention. Thank you.

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Chairman Principi: Thank you.

Mr. Hanna?

Mr. Hanna: Mr. Chairman, moving to the floor for discussion and vote chapter 2, section 62 of the bill, close Naval Air Station Atlanta, Georgia.

Next.

The DOD recommendation reduces Naval Aviation Reserve infrastructure by closing NAS Atlanta and relocating the Navy and Marine Corps Reserve Squadrons to other locations; a Marine Fighter Squadron to Fort Worth, a Navy Electronics Surveillance Squadron to New Orleans, and a Marine Helicopter Squadron to Robins Air Force Base in Georgia.

Mr. Fetzer is our lead analyst for NAS Atlanta.

Mr. Fetzer: Thank you, Mr. Hanna. Good morning, Mr. Chairman and Commissioners.

This DOD recommendation closes NAS Atlanta and relocates some of the Reserve units closer to theaters of operation. Maintenance support activities are relocated with their respective units.

Additionally, Navy intel personnel will transfer to Fort Gillem's remaining intelligence complex, and Navy/Marine reservists will relocate across the runway to Dobbins Air Force Base -- excuse me -- Dobbins Air Reserve Base.

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The DOD-certified COBRA analysis yields a one-time cost of $40 million and a net present value of nearly a half a billion dollars, with an immediate payback. The majority of the savings are gained by eliminating personnel. This decision affects over 900 personnel.

There are no environmental mediation issues associated with NAS Atlanta at this time.

Next slide.

Two key issues emerge regarding the recommendation and are depicted with the appropriate selection criteria. The Reserve Force relies heavily on the demographics of a metropolitan area to draw experienced aviators and technicians to maintain combat readiness.

Two things are important about the demographics of Atlanta. First, a 1995 BRAC redirected two F-18 squadrons to NAS Atlanta from Cecil Field, which have been closed by the 1993 BRAC. The DOD cited the superior demographics of Atlanta, Georgia, as justification for that action. Secondly, and more importantly, HMLA 773, the Marine Corps Reserve Helo Squad and recently returned from extended combat operations in Afghanistan, and VMFA 142 is in the process of returning, this month, from combat operations in Iraq. The community expressed concern that the transition to new locations will degrade their operational readiness for a significant period of

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time until new personnel can be recruited and trained. The end result is that the combat-tested and operationally-ready Reserve forces will be decimated by personnel losses. Additionally, the relocated Reserve squadrons will be unable to mobilize for some period following closure of NAS Atlanta.

The savings generated by the DOD recommendation may be overstated. The real cost to the taxpayers for closing the 139 acres that comprise NAS Atlanta are more difficult to ascertain. NAS Atlanta utilizes about 8 percent of the total real estate of the base and is adjacent to Dobbins Air Reserve Base and the Lockheed Martin facility that produces F-22 fighters and C-130s. The actual savings generated by the closure will be offset by the cost to other government agencies that will likely reabsorb the NAS Atlanta real estate, property that includes well-maintained hangars, ramps, and maintenance support facilities. Many buildings in Atlanta are brand new, including the Family Services Center, enlisted quarters, security building, and the antiterrorist front gate.

The key indicator of how much the real savings to the taxpayers, as a whole, was extracted from the work that the Joint Cross-Services staff, prior to the final release of the final 2005 BRAC list. The Joint Cross-

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Services team looked at realignment of Dobbins Air Reserve Base and NAS Atlanta under Joint Air Reserve management to reduce the base operating costs and overhead.

The COBRA economic analysis of that scenario yielded a net present value of about $4 million, an immediate payback, and a one-time cost of $1.2 million. Analysis shows that the joint base consolidation scenario yields the most likely cost-savings outcome, even if NAS Atlanta is closed and the Reserve squadrons are transferred to other locations. Other DOD government agencies would all take a piece of the Atlanta pie, and, consequently, be required to support those facilities, with an increase in base operating support. Accepting the joint base consolidation scenario would keep the Navy and Marine Corps Reserve squadrons in place with their current combat-tested high levels of readiness that would save nearly $40 million in one-time cost to close NAS Atlanta, avoid the $21 million in military construction costs, and establish Dobbins as an Air Force Joint Reserve Base, a goal championed by the Department of Defense.

Thank you. This concludes my presentation. I will be happy to answer your questions.

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

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Chairman Principi: Thank you.

We have before us Navy recommendation 13, Naval Air Station Atlanta, Georgia, appearing at chapter, section 62 of the bill.

Are there any questions for staff? Any discussion?

Admiral Gehman: Mr. Chairman?

Chairman Principi: Admiral Gehman?

Admiral Gehman: Mr. Chairman, colleagues, I visited NAS Atlanta, and I'm going to propose a motion here in a second, but I just want to make sure that everybody understands the issue here.

It appears, from the words, as if this is a standalone piece of real estate. But, of course, it is not. The Air Station here is completely -- the runway is completely surrounded by other entities, including the Air Force Reserve Base Dobbins, as well as the Lockheed Martin facilities, and the Naval Air Station has a little corner of it.

The Air Force operations at this base, and the Navy infrastructure operations at this base, are completely intertwined. For example, the fueling facilities that both of them use are over on the Navy side. The sewage treatment facility is all over on the Navy side. And there really isn't any way to extract them from each other.

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The savings that are reported by the DOD are actually costs that are passed on to other federal agencies, including Department of Defense agencies, because, when the Navy moves out, someone else is going to have to do these things. And so, in my view, there is no net savings here.

Furthermore, these Reserve units that operate here, as the briefer indicated, are all top-notch, highly-ready units, as indicated by their recent deployments to theaters of combat operations. And, in one or two cases, analysis indicates that the place that they are suggested to be located to -- relocated to -- have not been able to support their Reserve units to the same degree.

Because there is no real savings here, just passing costs on to other federal agencies, there is no way to really close this fenceline, because there are things that happen inside this fenceline that are going to have to be done anyway.

I think that the right answer here is to turn this into a true Joint Reserve Base by consolidating the management headquarters, but leave the tactical units as they are. That's what -- and I am going to propose a motion that suggests that.

Chairman Principi: Is there any further discussion?

General Newton: Yes, Mr. Chairman.

Mr. Chairman, I respectfully disagree with my colleague. I am very familiar with Dobbins. I'm very familiar with the Atlanta area. And my position would be -- is that we -- I see no reason why we should not let the Department proceed with its recommendation. I recognize the fact that many of the costs of operating this facility may be passed on to other DOD entities. However, I think that the areas and the locations to which these individuals and aircraft have been recommended by the Department to go to are also extremely, extremely first-rate facilities, first-rate locations, they can recruit there, all of those kinds of things. The traffic is high in the Atlanta area. And I really think that this is one where we should agree with the Department and let them proceed with consolidating the forces and reshaping the forces, as they have requested.

Chairman Principi: Thank you.

Admiral Gehman, do you wish to proceed with your motion?

Admiral Gehman: Thank you, Mr. Chairman.

Mr. Chairman, I move that the Commission find that the Secretary of Defense made -- in Department of Navy recommendation number 13, Naval Air Station Atlanta, Georgia, substantially deviated from final selection

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criterias 1, 3, and 5, and the force-structure plan, and that the Commission strike the entire paragraph and insert in its place "realign Naval Air Station Atlanta, Georgia, by consolidating base operations and support activities under the Dobbins Air Reserve Base," and that the Commission find that this change and the recommendation, as amended, are consistent with the final selection criteria and force-structure plan.

Chairman Principi: Is there a second?

Mr. Coyle: Second.

Chairman Principi: Is there any further discussion?

General Newton: Yes, Mr. Chairman.

I'd like to ask Commissioner Gehman, please explain to me a little bit of what are we anticipating leaving, if anything, in this request. I just want to be sure I understand what the motion is, what the amendment is here.

Admiral Gehman: Thank you.

There are really two kinds of Navy operations at NAS Atlanta. One is a wing -- tactical wing commander who runs the flying squadrons, and the flying squadrons, and then there is a CO of the base. It's the CO-of-the-base part -- it's the base-management part -- that we are recommending be realigned, and it would essentially turn into a Joint Reserve Base, as is done very successfully

at other places in the country.

There is no savings in moving the tactical flying squadrons any other place. The savings are in the management end, is what I'm suggesting. The base already has a fantastic working relationship between the two services and could easily be consolidated. As the Commissioner is aware, for example, the Navy medical facilities are on the Air Force side. I mean, I could go on and on. But the two bases are already essentially co-mingled very admirably, I believe. And I -- does that answer the Commissioner's question?

General Newton: I think so. So, you're recommending that everything basically stay here.

Admiral Gehman: The --

General Newton: No flying operations go away. Is that --

Admiral Gehman: That is --

General Newton: -- your recommendation?

Admiral Gehman: -- that is correct.

General Newton: Okay.

Admiral Gehman: The tactical flying squadrons and their support operations would remain. The management -- duplicate management headquarters would be combined.

General Newton: Thank you.

Admiral Gehman: Thank you, sir.

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General Newton: Yeah, thank you.

Chairman Principi: Is there any further discussion on the amendment?

[No response.]

Chairman Principi: Hearing none, we will vote on motion number 62, dash, 4(a), that the Commission find that when the Secretary of Defense made Department of Navy recommendation 13, Naval Air Station Atlanta, Georgia, he substantially deviated from final selection criteria 1, 3, and 5, and the force-structure plan, that the Commission strike the entire paragraph and insert in its place "realign Naval Air Station Atlanta, Georgia, by consolidating base operation support activities under Dobbins Air Reserve Base," and that the Commission find this change and recommendation, as amended, are consistent with the final selection criteria and force-structure plan.

Is there a second?

Mr. Coyle: Second.

Chairman Principi: Are there any recusals?

[No response.]

Chairman Principi: All in favor of the amendment, raise their hand.

[A show of three hands.]

Chairman Principi: All opposed?



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[A show of six hands.]

Ms. Sarkar: Thank you, Mr. Chairman. The vote are -- is three yeas, six nays. The motion fails.

Chairman Principi: Are there any other amendments or motions?

[No response.]

Chairman Principi: Hearing no further motion to amend, we will vote on whether to approve the Secretary's recommendation -- Department of Navy recommendation 13, Naval Air Station Atlanta, Georgia.

Is there a second?

General Newton: Second.

Chairman Principi: All in favor?

[A show of seven hands.]

Chairman Principi: All opposed?

[A show of two hands.]

Chairman Principi: Counsel?

Ms. Sarkar: Thank you, Mr. Chairman. The vote is seven yeas, two nays. The motion carries.

Chairman Principi: Mr. Hanna?

Mr. Hanna: Thank you, sir.

We now bring to the floor for discussion and vote chapter 2, section 64 of the bill, Department of the Navy recommendation 15, close Naval Support Activity New Orleans, Louisiana.

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As you can see, there are a host of facilities moving away from Naval Support Activity as the two entities completely close.

The lead analyst, Mr. Joe Barrett, will brief the details.

Mr. Barrett: Thank you, Mr. Hanna.

Mr. Chairman and Commissioners, this slide shows that DOD justified the closure by consolidating and relocating all the tenants and their functions from NAS east- and west-bank properties. The BRAC action removes NSA's primary mission and eliminates their workforce.

The COBRA data shows a three-year payback, a net present value savings of 276 million. These actions will result in loss of military and civilian positions. The environmental mediation costs are estimated to be 300,000.

Although there were many issues concerning this recommendation, I have depicted the primary issues and grouped them within their related selection criteria. I have summarized the findings as follows:

Previously, the Navy had been negotiating a Federal City Project with Louisiana state and local community officials. This project calls for a state-of-the-art and move-in ready complex to be constructed on the west bank, at no cost to the Federal Government. In addition, this

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project allows for other federal tenants to participate and share in operating costs. To ensure Federal City's success, the state governor and the legislator guaranteed funding and have invested a million in the project. The Federal City Project is currently on hold, pending the outcome of BRAC.

The Commission staff assessment found two tenants suited for the Federal City Project: Headquarters Marine Forces Reserve New Orleans and the Marine Corps Mobility Command Kansas City, Missouri. Their functions are financial and administrative, and realigning the Marine Corps operations to the west bank does not affect their mission or operational readiness.

The assessment further shows the Federal City plan offers greater savings. There his an immediate payback, net present value savings of $388 million, 106 million in military construction project eliminations, and avoids a 23 million public-private venture liability.

Thank you.

Mr. Hanna: Mr. Chairman, we are standing by to answer the Commission's questions.

Chairman Principi: Thank you.

The Commission has before it Navy recommendation 15, Naval Support Activity New Orleans, Louisiana, appearing at chapter 2, section 64 of the bill.

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Are there any questions for staff? If there any discussion on this motion?

General Hill: I have some points, Mr. Chairman, and also an amendment.

Chairman Principi: General Hill?

General Hill: As we traveled around the country and looked at different options and bases, this one jumped out at me as almost the biggest no-brainer out there. This is a Louisiana offer to build the -- build the buildings. It saves the government money. It doesn't cost the government a dime. All the functions continue to exist in the right place. And -- and I think this is important -- it really builds a joint facility; not only joint from DOD perspective, but begins to bring together other parts of our government to work and to create efficiencies and effectiveness that are necessary as we continue the war on terrorism. It begins to bring together homeland security and homeland defense in much better and more efficient ways.

And I believe that, in sworn testimony, the Governor of the state of Louisiana, as my amendment will read, said to us that she could have the money, the money was available, and that she bought into the restriction that we're about to -- that I'm going to amend -- make an amendment that we buy into.

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Chairman Principi: Is there any further discussion?

General Newton: Yes, Mr. Chairman, I have one question.

Chairman Principi: General Newton?

General Newton: Can you please, Mr. Barrett, can you please confirm for me this process was already in being, and because of the Secretary's recommendation, and because of BRAC, it was put on hold, did I understand that correctly?

Mr. Barrett: That is correct, Commissioner.

General Newton: Thank you.

General Hill: They were almost to the point of fruition.

Chairman Principi: Any further discussion?

(No response.)

Chairman Principi: General Hill, will you offer your motion?

General Hill: Thank you, Mr. Chairman. I move that the Commission find that when the Secretary of Defense made Navy Recommendation 15 -- Naval Support Activity, New Orleans, Louisiana -- he substantially deviated from the final selection criteria, two, three, four and five, and the Four Structure Plan; that the Commission strike the language, "close Naval support activity, New Orleans," and insert in its place the language, "Realign

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Naval support activity, New Orleans," that the Commission strike the language, "Relocate headquarters Marine Forces Reserve to Naval Air Station joint reserve base, New Orleans, Louisiana," and insert in its place the language, "If the State of Louisiana obtains funding and commences construction of the Federal City project proposed for the Naval Support Activity, West Bank property, on or before September 30, 2008. Then relocate headquarters Marine Forces Reserve to the Naval Support Activity, West Bank property, New Orleans, Louisiana. If the State of Louisiana fails to do so on or before September 30, 2008, then relocate headquarters Marine Forces Reserve to Naval Air Station Joint Reserve Base, New Orleans, Louisiana, and that the Commission finds this change, and recommendation as amended, are consistent with the final selection criteria, and Four Structure Plan."

Chairman Principi: Is there a second?

General Turner: Second.

Chairman Principi: Are there any recusals?

Admiral Gehman: I'm recused.

Chairman Principi: We will vote on motion number 64-4A, all in favor please raise your hand and hold them a little longer, if you would.

(Show of eight hands.)

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Chairman Principi: All opposed?

(No response.)

Chairman Principi: Counsel Sarkar?

Ms. Sarkar: Mr. Chairman, the vote is eight yeas, one abstention, the motion carries.

Chairman Principi: Thank you, are there any further amendments on this motion? Hearing no further motions to amend, we will vote on whether to approve the Secretary's recommendation, as amended, and find that it is consistent with the final selection criteria in the Four Structure Plan. Is there a second?

General Newton: Second.

Chairman Principi: All in favor?

(Show of eight hands.)

Chairman Principi: All opposed?

(No response.)

Chairman Principi: Counsel?

Ms. Sarkar: Mr. Chairman, the vote was eight yeas, one abstention, the motion carries.

Chairman Principi: Mr. Hanna?

Mr. Hanna: Sir, we now bring to the floor Chapter 11, Section 191, our first add, "Close or further realign Naval Air Station, Brunswick, Maine." This recommendation transfers all aircraft squadrons in the wing to NAS Jacksonville, Florida. All other tenant

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activities are to be transferred to sites at the Department of Defense's choosing. Mr. Hal Tickle is our lead analyst for Naval Air Station, Brunswick, Maine.

Mr. Tickle: Thank you. The justification for this action would be to reduce aviation excess capacity, and provide savings. One-time cost is $193 million with a pay back in two years, and a savings of about $800 million, 20 year net present value. This action affects 3,300 military and civilian positions, Department of Defense has expended $60 million to date on remediation efforts, and estimates that it will take another $14 million to complete.

These issues associated with final selection criteria, represent the positions taken by the Department of Defense rationale for rejecting the Navy's initial closure recommendation. Also included are inputs from the Brunswick community, each of these concerns were evaluated, and the resultant assessment is that the Secretary of Defense deviated from selection criteria C2 and C5 in not recommending closure, and that reducing excess aviation capacity and producing savings are two key objectives of the Department of Defense. The adds recommendation would meet both objectives.

Mr. Hanna: We're standing by to answer the Commission's questions.

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Chairman Principi: Thank you. We have before us, Navy Recommendation --

Mr. Hanna: That's second 191.

Chairman Principi: Naval Air Station, Brunswick, Maine. One moment, please.

This is the first of eight installations the Commission added for consideration to the Secretary's list of recommended closures and realignment. Additional recommendation one, Naval Air Station, Brunswick, Maine to appear at Chapter 11, Section 191 of the bill. This additional recommendation would close NAS Brunswick, Maine. Seven votes are required, are there any questions for staff, or is there any discussion? Admiral Gehman?

Admiral Gehman: Thank you, Mr. Chairman. As my colleagues will recall, we voted to add "close Naval Air Station Brunswick, Maine" to the list of recommendations in order that the Commission might have a whole range of options before us -- that is, close the air station, which is our add -- realign the air station to take all the flying units out, but keep it as a warm base, which is the Secretary of Defense's recommendation, and to reject the Secretary's recommendation, which is to keep all of the flying units there -- three distinct choices. But voting for this add, it allowed us to do the analysis and compare the three options with each other, so I would

remind my colleagues that there is another item coming up after this one on Brunswick, Maine.

The last two items, which is to realign it in accordance with the Secretary's recommendation, take the airplanes out, but keep it as a warm base, and then if anybody chooses to amend it to strike. By doing the analysis, we learned -- as we anticipated that we would learn in this particular case -- that by closing the air base rather than realigning it, the payback is twice as fast. The money is about double the money as we would have anticipated, the airplanes would move anyway, and you get your money back faster, which is consistent with the criteria. We have sworn testimony that the Department changed its mind at the last moment about closing NAS Brunswick, because they looked around and noticed there were no active air bases in New England, and they felt that for surge reasons, future mission reasons, homeland security reasons, that they ought to maintain ownership of this base, even though they had no use for it. So, I sponsored this amendment to close it, just to make sure that we have all three options, and to get in the record the fact that -- as we anticipated -- that the payback is much faster if you close the base. And I will be offering this motion when the time comes.

Chairman Principi: Thank you, Admiral Gehman.

Secretary Skinner?

Mr. Skinner: Yes, I agree with his assessment, and I was also going to make a motion, so I will just second Admiral Gehman's motion.

Chairman Principi: Any further discussion? General Newton?

General Newton: Yes, Mr. Chairman. Commissioner Gehman spoke to the issue of the strategic issues that have been on the table, and we asked a lot of questions about what happened if we accepted the Secretary's recommendation and left the warm base there, or we discussed what would happen if we just closed this facility completely and get the returns, which he spoke to.

Let's talk about the strategic part of this first -- that was not me, by the way. Strategically, as I see this, clearly if we close this facility and turn it back to Maine authorities, the state, county, city or what have you, then I feel quite comfortable that if the Navy still would like to use this -- and it's a fine facility, let no one mistake that, I'm indicating that this facility is a great facility -- but I think if we completely close this facility, give it back to the authorities, if the Navy needs to use it in the future, which I suspect they maybe would like to use this, then

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have them negotiate with the authorities there so that they can pull alert from there, do other kinds of things from there, but still, the community will have the opportunity to re-develop this facility, and they will be in charge, instead of leaving a warm base there, and the Navy would be in charge.

Chairman Principi: Thank you. Secretary Skinner?

Mr. Skinner: Well, I just want to make sure that is one of the options the city will have, and the State will have. Our motion basically closes the facility -- it will then become surplus facility available to the government and then the community in an order of priority which the Secretary of Defense has to approve, but I have visited there, this is very, very hard for anybody who has visited there and knows the wonderful support that the State of Maine and the people of Brunswick have given this Naval Air Station for many, many years. It is an excellent facility, it is a place where people love to work, and it is a great place for deployment of Navy personnel, as well as civilians.

Having said that, it just is not needed anymore. All of the assets can be deployed to Jacksonville and save money, they can be re-deployed if there's a mission up in that area, as Admiral Newton said, and while there is no -- I'm sorry, General Newton -- I don't know if

that's a promotion or a demotion, General, but I will apologize in case it is.

But as General Newton said, the State does have the opportunity to make this available, they may decide to do some other things with it because it's right on the water, but it is the right thing, and keeping it in a warm state, without any, really, personnel or aircraft except on deployment just doesn't make sense.

Chairman Principi: I associate myself with the remarks of my colleagues, and will support the amendment.

Yes, Commissioner Coyle?

Mr. Coyle: Thank you, Mr. Chairman. To me, it makes no sense -- if we acknowledged that the Navy is going to want to return to Brunswick, is going to want to return to that area, as General Newton indicated -- it makes no sense to me to vote to close a base which we acknowledged the Navy is still going to need. As the staff pointed out, and as we heard when we visited the base, it is in a strategic location, it is part of a larger issue which this Commission faces, which is the closure -- or proposed closure, I should say -- of many facilities in the New England region. When we visited the base, we saw its important location from a homeland defense point of view, located, as it is, in relation to sea lanes coming across the Atlantic. From the staff, we

have also heard that Brunswick has the capacity to support, has the capacity today, to support the Navy's new multi-mission aircraft, the follow-on to the P-3, as well as unmanned aerial vehicles, and can do so without any new construction, thank you.

Chairman Principi: Admiral Gehman?

Admiral Gehman: Thank you, Mr. Chairman. To address a couple of the issues which have been correctly brought up by my colleagues -- even though it's probably too late to change anybody's mind, but I would like to address them -- the number of maritime patrol aircraft in the U.S. Navy, according to the official program certified data, is decreasing. It will be replaced by this new, multi-mission, maritime patrol aircraft, but the numbers will still decrease. Therefore, the amount of hangers, ramp space, air bases and all that sort of thing is simple -- the requirements are simply not there. There is a requirement to have an ability to operate maritime patrol aircraft out of the New England area, for the future, maybe. But the new multi-mission maritime patrol aircraft is a Boeing 737 variant, most likely, which can be operated and supported from any airfield, with one exception, and that is the handling of live ordinance weapons. The aircraft is capable of carrying and firing live ordinance, you probably wouldn't want to

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do that from a civilian aircraft field, but there are airfields in New England which will still be able to handle ordinance. Lots of airfields in New England will be able to handle ordinance, and if there was a requirement to move back into New England to do maritime patrol, you have a commercial variant airplane, which could essentially operate from any airfield, and you have a multitude of Air National Guard bases, Air Force Reserve bases that can handle and upload Ordinance, and so the criteria that the nation might want to re-establish maritime patrol operations in the New England area is a legitimate issue, and it is a possibility that in the future we might need to do that, but I'm suggesting that there's nothing in this recommendation which precludes that. Thank you, Mr. Chairman.

Chairman Principi: Admiral Gehman, will you offer a motion on this?

Admiral Gehman: Mr. Chairman, let me make sure I've got the right motion here.

Mr. Skinner: I think it's 191-4B.

Admiral Gehman: Mr. Chairman, I move that the Commission find that when the Secretary of Defense failed to recommend the closure of Naval Air Station, Brunswick, Maine, he substantially deviated from final selection

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criterias two and five, and the Four Structure Plan. That the Commission find that when the Secretary of Defense made Navy Recommendation 18 -- Naval Air Station, Brunswick, Maine, he substantially deviated from the final selection criteria two and five, and the Four Structure Plan; that the Commission strike Navy Recommendation 18, appearing at Chapter Two, section 65 of the bill, and that the Commission ad to the list of installations to be closed or realigned, the recommendation, "Close the Naval Air Station, Brunswick, Maine, relocate its aircraft, along with dedicated personnel, equipment and support activity, to Naval Air Station, Jacksonville, Florida, consolidate the aviation intermediate maintenance activity with fleet readiness center, Southeast Jacksonville, Florida, at Chapter 265, Section 65 of the bill, and that the Commission find that this additional recommendation is consistent with the final selection criteria, and the Four Structure Plan.

Chairman Principi: Is there a second?

Mr. Skinner: Second.

Chairman Principi: Is there any further discussion?

(No response.)

Chairman Principi: Are there any recusals on this motion?

(No response.)

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Chairman Principi: All in favor of the motion number 191-4B, please so indicate.

(Show of seven hands.)

Chairman Principi: All opposed?

(Show of two hands.)

Ms. Sarkar: Thank you, Mr. Chairman, the vote is seven yeas, two nays, the motion carries.

Chairman Principi: Mr. Hanna?

Mr. Hanna: Yes, sir. We will skip past section 65, the realignment of Naval Air Station, Brunswick.

Mr. Chairman, we now bring to the floor for discussion and vote, Chapter Two, Section 66 of the bill -- Department of Navy Recommendation 19, Close Marine Corps Support Activity, Kansas, Missouri. This slide notes the activities, relocation and consolidation to New Orleans. Mr. Joe Barrett is our lead analyst for this topic.

Mr. Barrett: Thank you, Mr. Hanna, Mr. Chairman, and Commissioners.

DoD justifies this closure by consolidating the widely dispersed Marine Corps Reserve elements. The COBRA shows there was a three-year payback, the net present-value savings of $49.8 million. This closure results in a loss of military and civilian positions. The environmental remediation costs are estimated at

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$228,000. This slide depicts the primary issues, I have grouped them in related selection criteria. The following is a summary of the issues -- the Department did not analyze the Naval Support Activity, otherwise known as NSA New Orleans capabilities, nor the operational and economical advantages of the Federal City project.

This project, as stated previously, is a state-of-the-art, and move-in ready complex on NSA's West Bank, and offers operational efficiencies, and significant savings. The Commission staff assessment found the Marine Corps Mobility Command, Kansas City, to be one of two tenants suited for the Federal City project. Its functions are financial and administrative and realigning the Marine Corps operations to the West Bank does not affect its mission or operational readiness.

This assessment further shows that the Federal City plan offers greater savings for the Kansas City Marines realignment. There is an immediate payback on that present value of $16 million in MILCON eliminations. Thank you.

Mr. Hanna: Mr. Chairman, we're standing by to answer the Commission's questions.

Chairman Principi: Thank you.

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We have before the Commission Navy Recommendation 19, Marine Corps Support Activity, Kansas City, Missouri, appearing at Chapter Two, Section 66 of the bill. Are there any questions for the staff, or any discussion on this motion?

Admiral Gehman: Mr. Chairman?

Chairman Principi: Admiral Gehman?

Admiral Gehman: Thank you, Mr. Chairman. Mr. Chairman and colleagues, this is part two of the motion, and a recommendation that we addressed about five minutes ago, which concerns the relocation of, and the consolidation of command and control administrative headquarters in New Orleans from three places to one. Or from three places to two. This supports the recommendation which was previously approved by this Commission that if the State of Louisiana carries out its obligations and commitments, that we would locate this Marine Corps Reserve Support Command to the new Federal City complex, and I believe it is a motion to substitute that when the time is right. Thank you, sir.

Chairman Principi: Any further discussion?

(No response.)

Chairman Principi: Admiral Gehman, do you want to offer your motion?

Admiral Gehman: Mr. Chairman, I move that the

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Commission find that when the Secretary of Defense made Navy recommendation number 15 -- Naval Support Activity, New Orleans, Louisiana, he substantially deviated from final section criteria two, three, four and five, and the Four Structure Plan. That the Commission strike the language "Relocate Marine Corps Reserve Support Command element and Mobilization Command to Naval Air Station Joint Reserve Base, New Orleans, Louisiana," and insert in its place the language, "If the State of Louisiana obtains funding and commences construction of the Federal City Project proposed for the Naval Support activity, West Bank property, on or before September 30, 2008, then relocate the headquarters, Marine Force Reserve Support Command Element of Mobilization Command to that facility on the Naval Support activity West Bank property, New Orleans." If the State of Louisiana fails to construct an appropriate Federal City facility on or before September 30, 2008, and relocate the Marine Corps Reserve Support Command element of Mobilization Command to the Naval Air Station Joint Reserve Base, New Orleans, Louisiana, and that the Commission find that this change, and the recommendation, as amended, are consistent with the final selection criteria in the Four Structure Plan. Thank you, Mr. Chairman.

Chairman Principi: Thank you, Admiral, is there a



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second?

Mr. Coyle: Second.

Chairman Principi: Is there any further discussion on the motion? Are there any recusals?

(No response.)

Chairman Principi: We'll vote on motion 66-4A, all in favor, so indicate.

(Show of nine hands.)

Chairman Principi: All opposed?

(No response.)

Chairman Principi: Counsel Sarkar?

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

Chairman Principi: Are there any further amendments? Hearing no further motions to amend, we will vote on whether to approve the Secretary's recommendation, as amended, and find that it is consistent with the Four Structure and the final selection criteria. Is there a second?

General Newton: Second.

Chairman Principi: All in favor?

(Show of nine hands.)

Chairman Principi: All opposed?

(No response.)

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

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the motion carries.

Chairman Principi: Thank you, Counsel. Mr. Hanna?

Mr. Hanna: Mr. Chairman, we now bring to the floor for discussion and vote, Chapter Two, Section 67 of the bill, Department of the Navy Recommendation 20, Close Naval Station, Pascagoula, Mississippi. Under this recommendation, Pascagoula will be completely closed. The three cruisers will decommission in place, and the two frigates will transfer to Naval Station Mayport, Florida. Mr. Brian McDaniel is our lead analyst for Naval Station Pascagoula.

Mr. McDaniel: Thank you, Mr. Hanna. Good morning, Mr. Chairman, commissioners.

According to the Department of Defense, the closure recommendation is justified because it will reduce excess ship berthing capacity, permit consolidation of surface ships in a fleet concentration area with sufficient capacity and support facilities, permit surface ships to maintain a Gulf Coast presence when needed, and reduce excess ship intermediate repair capacity.

Based on the Department of Defense's cost-benefit analysis, the Navy estimated this recommendation would require nearly $18 million to fund one-time costs, generate savings over the implementation period of $220 million, and result in a net present value savings to the

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government over 20 years of almost $666 million, as well as to produce an immediate payback. In terms of manpower implications this recommendation would realign 415 and two civilian jobs, as well as eliminate 429 military, and 110 civilian jobs.

Department of Defense estimated total job loss is associated with the recommendation would be approximately 1,700, or about 2.6 percent of the economic area employment. Additionally, the Department reported environmental restoration costs for Pascagoula of less than $1 million, primarily because the base was designed and constructed to be compatible with its surrounding environment, as well as the fact the station has been operational for only 13 years.

The next slide depicts the primary issues surrounding the recommendation, correlated to the Panel's selection criteria. Significant issues include that the community expressed the belief the Navy's capacity and military value analysis was skewed to give more credit or higher scores to multi-mission bases and longstanding fleet concentration areas, regardless of facility age or operational efficiency. The staff, however, agrees with the Department of Defense's assessment, although admittedly, one of the Department of Defense's newest and best-planned installations, Pascagoula represents less

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than one percent of the Navy's total pier space, and was designed primarily for a single mission, and conceived at a time when the Navy force structure was expanding, not contracting, as it is today.

Furthermore, in regard to the station's overall military value, the staff notes the Navy's analysis ranked Pascagoula last out of the Navy's 16 active surface and subsurface bases.

A second issue raised by the community was the belief that the elimination of a home port on the Gulf of Mexico would degrade the Navy's ability to perform homeland defense missions, including its ability to effectively monitor and defend maritime approaches. Again, the staff concurs with the Department of Defense's assessment. Closing the Naval Station at Pascagoula is not expected to significantly degrade the Navy's homeland defense capabilities, or missions related to maritime surveillance and interdiction. And as noted in the Secretary's recommendation, ships could be moved back into the Gulf, continuing at other Navy installations in the area. This concludes my presentation.

Mr. Hanna: Mr. Chairman, we are standing by to answer the Commission's questions.

Chairman Principi: Thank you. The Commission has before it Navy Recommendation 20, Naval Station

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Pascagoula, Mississippi, appearing at Chapter Two, Section 67 of the bill. Are there any questions for staff, any discussion on this recommendation?

Admiral Gehman: Mr. Chairman, this is a wonderful, essentially brand-new naval station, and there's absolutely nothing wrong with it. Unfortunately, this is in excess of what the Navy needs. This recommendation probably has the highest ratio of return for investment of any recommendation we're going to be faced with today. There are five ships home ported there, two of which are slated to go out of Commission during the BRAC period, so there are only three that are actually going to move, the other two won't ever move, and the Navy's mission in the Gulf can easily be handled by other bases that are in the Gulf, and by other ways, so there is no impact on national security here, and I think this one comes the closest to being a no-brainer we will face in the next three days.

Chairman Principi: Thank you, Admiral, any further discussion?

(No response.)

Chairman Principi: The motion to approve Navy Recommendation 20, Naval Station Pascagoula, Mississippi, appearing at Chapter Two, Section 67 of the bill, I move the Commission find the Navy Recommendation 20, Naval

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Station Pascagoula, Mississippi is consistent with the final selection criteria, and Four Structure Plan, is there a second?

General Newton: Second.

Chairman Principi: Are there any recusals?

(No response.)

Chairman Principi: All in favor?

(Show of nine hands.)

Chairman Principi: All opposed?

(No response.)

Ms. Sarkar: Mr. Chairman, the vote is unanimous, there were no recusals, the motion passes, thank you.

Chairman Principi: Thank you, Mr. Hanna?

Mr. Hanna: Mr. Chairman, our next item is Chapter Two, Section 68 of the bill, Department of Navy Recommendation 21, Close NAS Joint Reserve Base Willow Grove. We recommend that be deferred until the discussion on Friday with the Air National Guard, because of the Air National Guard element. We recommend that this one be deferred until Friday, sir, because of the Air National Guard element of Joint Reserve Base Willow Grove.

Chairman Principi: Very well.

Mr. Hanna: Mr. Chairman, we now bring to the floor Chapter Two, Section 69, Department of Navy

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Recommendation 23, Close Naval Shipyard Portsmouth, in Kittery, Maine. This closure relocates the depot maintenance function to the remaining three shipyards at Puget Sound, Washington, Pearl Harbor, Hawaii, and Norfolk, Virginia, and relocates the submarine maintenance, engineering, planning, and procurement command, a tenant at the Naval Shipyard Portsmouth to the Norfolk Shipyard, and closes the entire Portsmouth facility. Mr. C.W. Furlow will present his analysis of Portsmouth.

Mr. Furlow: Thank you. There are four Naval shipyards performing depot level ship refueling, modernization, overhaul and repair work. This recommendation retains one nuclear-capable shipyard on each coast, plus sufficient shipyard capacity to support forward-deployed assets.

The Department of Defense justifications for this recommendation are: One, there is sufficient excess capacity in the aggregate across the four shipyards to close either Naval Shipyard Pearl Harbor, or Naval Shipyard Portsmouth. Two, there is insufficient excess capacity to close any other shipyard or combination of shipyards. Three, the Naval Shipyard Portsmouth was elected for closure, rather than Naval Shipyard Pearl Harbor because it is the only closure which could both

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eliminate excess capacity, and satisfy retention of strategically placed shipyard capability. Four, planned Four Structure and force positioning adjustments reflected in the 20 year Four Structure Plan led to the selection of Naval Shipyard Portsmouth as the preferred closure candidate between the two sites; and five, additional savings not included in the payback analysis are anticipated from reduced unique costs at the receiving shipyards because of higher volume of work.

Data provided by the Department of Defense COBRA analysis for this recommendation shows a one-time cost of approximately $448 million. The cost payback period calculated by the COBRA model is four years, with a net present value savings from this recommendation through 2025 estimated at approximately $1.3 billion. Additionally, over 4,200 positions are affected by this recommendation. The Department of Defense has spent about $46.9 million on remediation to date, with another estimated $47 million required to complete. The community estimates the remaining costs to be about $83 million.

This slide summarizes the key issues initially developed during analysis of this recommendation, and are grouped by their associated selection criteria. The first issue is related to the amount of excess capacity

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available across the shipyards. The Department of Defense position is that there is enough capacity to close Portsmouth, the community position is that there is no excess capacity.

Using the Department of Defense Depot Maintenance Capacity and Utilization Measurement Handbook, as well as certified data supplied by the four shipyards, and based on the projected workload for FY '06 through FY '11, the staff assessment is that the excess capacity across the four shipyards is approximately 27 percent.

The second issue is the amount of excess capacity remaining with the closure of the Portsmouth shipyard. Using the same process as mentioned for issue one, the amount of excess capacity with the Portsmouth closure is approximately 8 percent, and increases the risk to maintaining sufficient surge capacity.

The final issue that was raised by the Community is that project savings for this recommendation are overstated, since some costs, such as environmental remediation, were not included in the Department of Defense COBRA analysis. The staff assessment is that the Department of Defense recommendation is consistent, and no significant variance was found.

Mr. Hanna: Mr. Chairman, we're standing by to answer the Commission's questions on Portsmouth.

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Chairman Principi: Thank you, are there any questions or any discussion, Secretary Skinner?

Mr. Skinner: I'm going to make a motion here in a minute, but it is my understanding that the staff findings basically is that with the three remaining public shipyards, it will be a margin of just 7 percent in surge capacity, is that correct?

Mr. Furlow: It is 8 percent, sir.

Mr. Skinner: Eight percent, thank you. I have a motion when you're ready, Mr. Chairman.

Chairman Principi: Let's get to further discussion, then we'll have your motion. Commissioner Coyle?

Mr. Coyle: Thank you, Mr. Chairman. As Commissioner Skinner as already noted and as the staff noted, if Portsmouth were to be closed, the United States would be left with only 8 percent excess capacity in this area. Admiral Gehman at an earlier hearing introduced the phrase "excess excess capacity," and I was very happy that he did that.

All human activity must involve some amount of excess capacity. I don't use my garage 24 hours a day, but I'm not about to tear it down, and this is an example where we do not have excess excess capacity, thank you.

Chairman Principi: Thank you. Secretary Skinner, will you offer your motion?

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Mr. Skinner: Yes, Mr. Chairman. I move that the Commission find that when the Secretary of Defense made Navy Recommendation 23, Naval Shipyard Portsmouth, Kittery, Maine, he substantially deviated from the final selection criteria in three and the Four Structure plan. That the Commission strike the recommendation, and that the Commission find this change is consistent with the final selection criteria and Four Structure Plan.

Chairman Principi: Thank you. I strongly support the motion to strike this recommendation, and associate myself with Commissioner Coyle's comments, and Admiral Gehman's earlier comments at an earlier hearing. I believe that Portsmouth is truly the preeminent shipyard, public shipyard in this nation, it is the gold standard by which we should measure shipyards. It is a model for labor-management relationships, its ability to turn around subs quicker than any other shipyard should be noted, thereby saving the Navy significant dollars. I believe the costs to shut down the shipyard are somewhat understated, the environmental remediation cost would be far larger than what has been programmed, and for those reasons, I strongly support maintaining the shipyard. It is a national resource, and it would be a tragedy for this nation to lose this one, because once we lose this one as well, we will not get it back. Is there any

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further discussion? Is there a second to the motion?

General Newton: Second.

Chairman Principi: Are there any recusals?

Admiral Gehman: I recuse.

Chairman Principi: All those in favor of the motion 69-2, please so indicate.

(Show of seven hands.)

Chairman Principi: All opposed?

(Show of one hand.)

Chairman Principi: Counsel Sarkar?

Ms. Sarkar: Thank you, Mr. Chairman, the vote are seven yeas, one no, one abstention, the motion carries.

Chairman Principi: There's no need for a second vote, the Shipyard will remain open.

I suggest we take one more recommendation before we will break for lunch. Mr. Hanna?

Mr. Hanna: Yes, sir, Mr. Chairman.

We now bring to the floor for discussion and vote Chapter 2, Section 71 of the bill, Navy Recommendation 26, Close Naval Station Ingleside, realign Naval Air Station Corpus Christi, the Mine Warfare Ships Maintenance and Training Schoolhouse, along with the Mine Warfare Command would relocate to San Diego under this recommendation. The coastal minesweepers will remain at Ingleside and be decommissioned in place during the BRAC

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window. The mine warfare helicopters of HM-15 of Corpus Christi will re-locate to Norfolk, where they will reside alongside their sister squadron, HM-14. Mr. Fetzer provided the analysis for this recommendation.

Mr. Fetzer: Thank you, Mr. Hanna. Again, good morning, Mr. Chairman and Commissioners.

This recommendation reduces excess capacity, in addition to the relocation of the Air and Surface Mine Warfare Units, the staff of the Mine Warfare Command will be co-located with the Anti-Submarine Warfare Center of Excellence, creating a combined Center of Excellence for Undersea Warfare at Point Loma in San Diego, California. This recommendation affects nearly 3,000 personnel, has a one-time cost of $177 million and will provide a three year payback with a total net present value of over $600 million in savings, primarily in personnel savings. There are no environmental remediation issues associated with this recommendation.

Several issues have been raised regarding this DoD recommendation, and they are depicted as they relate to the final selection criteria. Closing Ingleside was viewed by the community as eliminating Navy presence on the strategic Gulf Coast, an area that is high probability terrorist target. Additionally, the community asserts that DoD did not consider additional

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military and Coast Guard uses for that facility. Analysis shows the Department of Defense has other air and ground assets in the region that can be applied as needed. Additionally, Naval assets can be repositioned as necessary if the seaborne threat conditions change or escalate.

The community expressed concern that closing Naval Air Station Ingleside and realigning Naval Air Station Corpus Christi would destroy the synergy the air and surface mine warfare capabilities that are collocated with the Corpus Christi area, and would also dismantle the Mine Warfare Center of Excellence. The staff of the Mine Warfare Command is considered the heart and soul of the Mine Warfare Center of Excellence, and will remain intact in the San Diego area, and will have better access to the various strike group commanders for planning and operations.

The surface minesweepers can integrate more readily with the fleet and participate in exercises to improve the operational effectiveness of the mine worker force. This is a prelude to the next generation of air and surface mine warfare assets that will be organic units assigned to the strike and expeditionary forces for operation and training.

The community asserted the Naval Air Station

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Ingleside was not given appropriate credit for the military value of their unique mine warfare mission and training ranges and their modern infrastructure. The Navy BRAC staff advised that all Naval stations reported unique capabilities, effectively neutralizing that category. The Navy desires facilities that have a multi-mission capability, rather than a unique capability. Excuse me, that was multi-mission capacity, rather than a unique capability.

The community argued that closing Ingleside would have a significant economic impact from losing good-paying civilian jobs, and high-quality military personnel from the community. The most recent economic data shows that this closure and realignment would result in the loss of nearly three percent of the labor force in an area of increasing unemployment, that was 6.7 percent in a region with a per capital income that is 18.7 percent below the national average for the latest data available. This concludes my presentation.

Mr. Hanna: Mr. Chairman, we're standing by to answer the Commission's questions.

Chairman Principi: Thank you. We have before us Navy Recommendation 25, Naval Station Ingleside, Texas, the Naval Air Station Corpus Christi, Texas, appearing at Chapter 2, Section 71 of the bill. Are there any

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questions or any discussion? Congressman Hansen?

Mr. Hansen: At the appropriate time I'd like to offer an amendment to strike.

Chairman Principi: Congressman Bilbray?

Mr. Bilbray: Yes, Mr. Chairman, I would second that motion and I would like to make some comments on that at this time.

This is, if not the newest Navy base, it's one of the newest in the Navy. We visited that base, the taxpayers would be up in arms. Here's hundreds of millions of dollars of new structures, what are they, ten years old at that? And the fact is that it's the last of the real shipping bases left, I mean, for defense in the Gulf Area, especially with all of the oil rigs out there, most of them are unprotected. These are the newest and fastest minesweepers we have, I mean, the Gulf Coast is the source of most of our oil here in the United States, and the fact is, I'm very, very concerned about the lack of Navy presence in that area to protect that vital asset.

We also have tremendous shipping going on in that area, that we know how much of it comes into the major ports there in the Gulf Coast, so therefore, I'm very, very concerned that we close Pascagoula, now we're going to talk about closing Ingleside, and we're leaving the

Gulf Coast -- just like we talked about New England -- without adequate protection.

Chairman Principi: Congressman Hansen, do you want to offer your motion?

Mr. Hansen: Thank you, Mr. Chairman. I move that the Commission find that the Secretary of Defense made Department of the Navy Recommendation N-26, Closure and Realignment of Naval Station Ingleside, Texas, and Naval Air Station Corpus Christi, Texas recommendation, he substantially deviated from final selection criteria one, two, three, four, and the Four Structure Plan; that the Commission strike the recommendation and that the Commission find this change is consistent with the final selection criteria and Four Structure plan.

And, Mr. Chairman --

Mr. Bilbray: I second that.

Chairman Principi: Let me ask for a second on the motion?

Mr. Bilbray: Second.

Chairman Principi: Congressman Hansen?

Mr. Hansen: Thank you, Mr. Chairman. You know, in this long process of going all over this country and talking to people, and especially at these regional hearings, there's a real antsy feeling among the American citizens because they feel like they're being left

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without support. We saw that in Pendleton, I saw it everywhere I go. And you could ask, and argue very well, the question, "Okay, what do those eight C-130s in Washington really do for you?" And it's kind of like the ideas I've mentioned before. I used to have a friend who was an expert in airplane crashes, and people were always asking him the question -- they would ask the question, "Where should I sit in an airplane if it's going to crash?" -- and he would always respond and say, "Tell me how it's going to crash, and I can respond to that."

Well, the same thing here, tell us what it is and then we can respond to it, but we don't know, but what does it do? I think John Jumper, the Chief of Staff of the Air Force gave a good recommendation on that, he said, it's the presence of the military being in a certain place, makes you feel good. So, our folks who wear the uniform, and regardless of where they are, to know that they're there, to know they have ability, to know that they can counteract things, means a big thing. Right now, we look at the East Coast of America, what have we got? You can start up there, we've from Portsmouth on down, one base right after another, almost, all the way down to Key West.

You do the same thing on the Pacific and you get the same answer, and then you ask yourself, "Where's the Navy

in the Gulf?" Well, you think they're there, but basically it isn't any, it comes down to one place, and that's Ingleside, they do have support there.

And, it's almost a brand-new base, it's one of the nicest bases you could see, and then you've got Kingsville not too far away, Kingsville's got clear air space like you can't believe. Kingsville's got zero to 60,000 feet of clear air space. I only know of one other -- the Utah training range -- that's even close to that, that comes in there. They have aircraft there. So here's this base, it's almost brand new, it's got great people in it, and we're going to pull it out now. I really think the Navy is wrong on this one, and as an old Navy guy myself, I normally support the Navy, but on this one, you get down to the idea of who's going to take care of the folks in that particular area, I've never seen such great support as you get from the folks in Texas, boy, they really put their money where their mouth is. When you talk to the people from Texas, they're ready to stand up there and say they will do it. And having spent time with many of them, I was so impressed with the people from Texas, and the folks from Florida, when they started coming down with the idea of who's going to stand up and say, "Yeah, we will really do it." You know, we find a lot of good people all around this great country

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of ours who say, "Hey, we're all for the military, great, legislature and governor, what will you come up with? Well, we may be able to come up with $200,000," I mean, who are we kidding? I mean, in my chinsy state, that is how we operate out in Utah, if I may respectfully say so, but when you get right down to it, this would give the people some great feeling of presence of the military, if they could keep Ingleside, and so I would hope my colleagues could see the wisdom in this, I know that we do have some difference of opinion on these things, but I would appreciate if you ld support me and Mr. Bilbray on this amendment, and thank you for the time, Mr. Chairman.

Mr. Bilbray: Mr. Chairman, I'd like to point out that Congressman Hansen, on almost all votes -- on Portsmouth, New London -- has supported the Administration and the DoD. The fact that he's come across and says this is a bad move, I think, is a strong statement that other Commissioners should think about.

Chairman Principi: Well, regrettably, I cannot support your amendment to strike -- I think the Navy is correct in their decision. They created a Center of Excellence in good faith, but I think they realized it hasn't worked to their intentions and that the mine warfare community want to get back to where the fleet is, they want to operate with the fleet, they do not want to

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be isolated in the location, and that's based upon the statements that have been made to me as I've traveled and went to Ingleside and visited the base, that it was important that they be where the other ships are, the ships that they support in mine warfare. I agree with you that it is a new base, a wonderful community that supports our Navy, but I believe that the Navy leadership has made a difficult decision, and a decision that I am prepared to support.

Mr. Skinner: I identify with the Chairman's remarks. These are always very difficult because it is a great facility, they have great support from the community, they have great Congressional and legislative support, but if you look at what the needs of the Navy are, and where the needs are, unfortunately -- like a number of these we've decided already -- it's just the wrong time and the wrong place to keep this facility open. And it is hard, each one of them, it is very, very hard, because we understand the implications in this particular case, the area that we're talking about is a growing area. The State of Texas is doing a phenomenal job of growing the population and business, and this will be one, I think, in a few years, if this goes through, this will be one of the real benchmarks, or the jewels of the BRAC process as it relates to closure and

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reorientation, and it is on that basis -- and I say that having lived in Illinois and watched what happened in Naval Air Station Glenview, which is the crowned jewel of the BRAC process, in my opinion, as we've developed that area with residential, with retail, with heavy warehousing -- it is a planned community, it's outstanding, and I urge everybody who's affected by this BRAC process to come up and look at what they've done. I'll put you in touch with the people that have done it and made it happen, and I think it represents a great opportunity for the State of Texas and the people of Corpus Christi.

Chairman Principi: General Hill?

General Hill: Thank you, Mr. Chairman. This is one of the issues that many of us up here have wrestled with, just like we've gone through a couple of others that are really hard votes.

I went to Corpus Christi, I went to Ingleside, I concur with everything that Mr. Hansen said, and I also concur with everything that Mr. Skinner said. Unfortunately for Ingleside, the Naval Mine Warfare Center does not belong there. Unfortunately, it belongs with the fleet and the Navy has made the correct decision, operationally, to move that Warfare Center to the fleet.

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I also believe, though, strongly, as I went around the country in many places, this issue of homeland security and what the Department of Defense does, and what the Department of Homeland Security does, really need a careful, Congressional look, and the QDR, it seems to me, is the place to do that. As we move forward in the QDR, I wish we were in a position where we were making some of these votes after the QDR and not before. I believe -- and we've all got opinions on this -- I believe that the Navy will need to move closer inland and do more homeland security and homeland defense work. Ingleside would be a natural for that, there is a huge threat, both in the Houston ship channel, and in the Corpus Christi chip channel that jus t cries out for that. But, unfortunately, with this recommendation and having to move the Naval Warfare Center, it has to go to the fleet. And so I'm going to have to vote against Ingleside. But I will tell you up front, it breaks my heart, having said that, Secretary Skinner is correct. And under the great leadership of the Texas legislators, especially Congressman Ortiz, they will make, after this BRAC decision, they will take Ingleside and make it a growing economic success story, I have no doubt.

Chairman Principi: Hearing no further discussion, we will vote on motion 71-2. Are there any recusals?



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Mr. Coyle: I'm recused.

Mr. Gehman: I'm recused.

Chairman Principi: All in favor of the motion, signify by raising their hand?

(Show of two hands.)

Chairman Principi: All opposed?

(Show of five hands.)

Chairman Principi: Counsel Sarkar?

Ms. Sarkar: Thank you, Mr. Chairman, the vote are two yeas, five nays, two abstentions, the motion fails.

Chairman Principi: Hearing no further motion to amend, we'll vote to approve the Secretary's recommendation and find that it is consistent with the Four Structure and the final selection criteria, is there a second?

General Newton: Second.

Chairman Principi: All in favor?

(Show of five hands.)

Chairman Principi: All opposed?

(Show of two hands.)

Chairman Principi: Counsel Sarkar?

Ms. Sarkar: Thank you, Mr. Chairman, the vote is five yeas, two nayes, and two abstentions, the motion carries.

Chairman Principi: Thank you. The Commission will

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stand in recess until 1:00 p.m.

(Lunch recess at 11:55 a.m.)

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