DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION (BRAC)

FINAL DELIBERATIONS

Thursday, August 25, 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

Brigadier General Sue Ellen Turner, USAF (Ret.)

CHAIRMAN:

ANTHONY PRINCIPI

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OPENING STATEMENT OF ANTHONY J. PRINCIPI, CHAIRMAN, DEFENSE BASE CLOSURE & REALIGNMENT COMMISSION

Chairman Principi: Good morning. The Base Closure and Realignment Commission hearing will come to order.

This morning, we will continue our deliberations and voting on Joint Cross-Service recommendations. Upon completion, later this morning, perhaps early this afternoon, we'll proceed to Air Force recommendations and, very possibly, conclude tomorrow.

So, I will turn it over to Mr. Cook and --

Will the staff please rise for the administration of the oath required by the Base Closure and Realignment statute?

Ms. Sarkar: Thank you, Mr. Chairman.

Would all members of the BRAC staff appearing before the Commission please raise your right hand?

[Whereupon, the staff witnesses were sworn in.]

Ms. Sarkar: Thank you, Mr. Chairman.

Chairman Principi: Mr. Cook?

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

This morning, we'll continue providing review and

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analysis of the Secretary of Defense's recommendations as they relate to the Joint Cross-Service installations and functions. There will be discussion of 36 such recommendations.

Mr. Dave Van Saun, the Joint Cross-Service team leader, and his analysts will deliver the results of their research. Mr. Carl Gingrich is available to answer any questions concerning COBRA-related issues.

Mr. Van Saun?

Mr. Van Saun: Thank you, Mr. Cook. Good morning, Mr. Chairman, Commissioners.

Yesterday, we completed action on three of the Joint Cross-Service Groups -- industrial, intelligence, supply and storage. Today, we will be finishing the Joint Cross-Service Groups. First, we'll be looking at education and training, followed by medical, followed by headquarters and support activities, and, last, technical.

Generally, the results of our analysis show that the Department of Defense, through their seven Joint Cross-Service groups, subjected these seven functional areas to a rigorous scoring process to determine military value, including excess capacity, and that most recommendations optimize that military value. Our analysis considered the DOD 20-year force-structure plan, the desire to enable jointness, transform Department of Defense, reduce

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facilities cost of ownership, and, ultimately, the goal of freeing funds for the recapitalization of the force. As with all teams, we have been sensitive to issues identified by the communities that are affected by the recommendations.

Mr. Chairman, the first Joint Cross-Service group for today is the education and training group, chapter 4 of the bill. We will consider the six recommendations shown on this slide.

First will be section 120, education and training, number 5.

Mr. Chairman, the Aviation Logistics School trains soldiers in aviation maintenance, specifically rotary wing maintenance. It has a mix of courses related to various airframes and a student yearly load of approximately 1800.

Slide.

The DOD recommendation is to move the school from Fort Eustis, Virginia, to Fort Rucker, Alabama, and consolidate it there with its proponent organization, the Aviation School.

I'll now introduce Dean Rhody to further discuss this item.

Mr. Rhody: Thank you, Mr. Van Saun.

Mr. Chairman and Commissioners, the DOD justifications, which you see here, were strengthened

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recently with a 16 August 2005 issue paper provided by the Under Secretary of Defense. The issue paper underscored the Department's intent to complete consolidation of all aviation training at a single location. It emphasized that consolidation is justified by transformation, not by cost. The focus on a non-cost justification is significant in the decision process. As will be discussed shortly, DOD's original estimated payback period of 13 years, which you see on the chart, was, in fact, erroneous.

Community concerns were addressed during the study of this recommendation. Specifically, there were assertions that the two schools did not lend themselves to synergy, since one school trains officer pilots, while the other trains enlisted maintenance specialists. There were also concerns that the Fort Rucker infrastructure systems would not support the demands of the school, that major training devices used in the school would be damaged in moving to Fort Rucker, that costing was erroneous, and that the local area around Fort Rucker would be a poor place to find instructors.

We took all these concerns very seriously and have conducted an extensive study of each. In every case, the concern was either not founded or there were mitigation measures that were available during implementation. One issue, however, is a deviation in criteria 4 and 5.

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This is a side-by-side comparison of the original DOD proposal and the corrected run. During the course of our review, we discovered that a rule embedded in the COBRA model created excessive manpower savings attributed to the consolidation of the two schools. The correction of that error reduced space savings from 530 military to 104 military, eliminating 426 claimed military savings. This means that the annual dollar savings is now computed at 11.7 million instead of 42.9 million, and the payback period went out well past 100 years.

In response to that discovery, the Department initiated a scrub of the military construction requirements, resulting in a reduction to necessary construction of nearly $200 million. With the reduced construction estimate offsetting, to some extent, the reduced annual savings, the payback period now is 45 years.

The $290.3 million cost to move the Aviation Logistics School puts this proposal in the top 20 of the 191 BRAC proposals that require investment.

I, again, want to emphasize the DOD position in their recent issue paper, where they state that the proposal to move the school is not based on payback, but on transformation. While acknowledging the error in the original estimate, the Department cited the $11.7 million annual savings from the reduced estimate as only, quote,

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"an additional benefit," close quote, and go on to state that the value of the recommendation to the military is, again, quote, "not economic, but truly transformational," close quote.

The issue then becomes a classic cost-benefit tradeoff decision on whether the transformational potential of consolidated and enlisted mechanics school with an officer pilot school justifies the expending of a sum of this size. The Department has not developed detailed specific anticipated benefits, citing, instead, generalized benefits and possible contributions. Balanced against this is the cost of implementation, which is both quantifiable and significant.

Subject to your questions, this concludes my prepared testimony.

Chairman Principi: Are there any questions for staff? Any discussion?

General Hill?

General Hill: The -- throughout all of this, in many cases, I've been inclined to give the Department the benefit of the doubt on transformation, but not on this issue. This costs way too much money for way too little gain. There is no reason in the world, in my view -- and I know something about this issue -- where enlisted mechanic -- aviation mechanical training has any synergy with

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officer flying training and helicopters.

So, I'm going to introduce a strike amendment when the discussion is over with, Mr. Chairman.

Chairman Principi: General Newton?

General Newton: Thank you, Mr. Chairman.

I wouldn't quite put it as strong as you put it, that says it has "no synergy" and "no relationship." Clearly, there is some relationship, and it probably would be great if we could have both of 'em on the same installation and have an opportunity to maybe chat with each other.

But, if I have this correct, this is initial skills training for these soldiers. Is that correct?

Mr. Rhody: That is correct.

General Newton: Okay. And, because of that, there's probably -- and this is also initial skill training for the aviators -- because of that, there's probably not a lot of time to engage in, "How well does it work from the flying world?" vice, "Tell me something about maintaining helicopters."

The point of the cost of this, as well as -- and I visited Fort Eustis -- moving that equipment with the uncertainty of what will happen to that equipment, which has been there for some time, works well there, but, when you load it up and truck it down, or whatever, to the new location, we stand and run the risk of severely either

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damaging the equipment or having a long period of time before we get it back up again. And, therefore, with all of those issues taken into consideration, I would agree with my colleague on the right that it's probably not the right thing to do.

Chairman Principi: General Hill, do you wish to offer your motion at this time?

General Hill: I do.

Mr. Chairman, I move that the Commission find that when the Secretary of Defense made Education and Training Joint Cross-Service Group recommendation 5, Aviation Logistics School, he substantially deviated from final selection criteria 4 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 force-structure plan.

Chairman Principi: Is there a second?

Mr. Coyle: Second.

Chairman Principi: Is there any discussion on the motion?

[No response.]

Chairman Principi: We have before us Education and Training Joint Cross-Service Group recommendation 5, Aviation Logistics School, chapter 4, section 120 of the bill.

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Are there any recusals on this motion?

Admiral Gehman: I'm recused.

Chairman Principi: One recusal.

All in favor of the motion to strike, please raise your hand.

[A show of eight hands.]

Chairman Principi: All opposed?

[No response.]

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

Chairman Principi: Thank you.

Mr. Van Saun?

Mr. Van Saun: Thank you, Mr. Chairman.

The next item -- next recommendation up for consideration is section 122, Education and Training, number 7, the consolidation of Air Force and Army Transportation Management Training Programs at Fort Lee, Virginia.

The recommendation provides for the relocation of instructors and students from the Air Force Transportation Management School at Lackland Air Force Base to Fort Lee.

The senior analyst for this item is Syd Carroll. And I'll turn it over to Syd for the rest of the explanation.

Mr. Carroll: Thank you, Mr. Van Saun.

Mr. Chairman, Commissioners, the DOD justified this

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recommendation on the basis it will eliminate redundancy in training similar skills, consolidate like training at one location to produce the greatest overall military value; through increased training efficiency, they'll lower costs; and consolidate like schools while preserving service-unique cultures.

The one-time cost to implement this recommendation is $1.5 million, with a payback period of one year. The net present value of savings from this recommendation through 2025 is $18 million. A total of 140 personnel are affected by this recommendation.

Slide.

On this slide, I have listed the pertinent issues as they relate to the BRAC criteria. The Air Force told us that this recommendation would negatively impact their operational readiness. They contend that the Transportation Management Training Program curriculums used by the Army and the Air Force are too different to consolidate. A comparison of the Air Force and Army curriculums by class hours per subject does show significant differences. The Air Force 432-hour curriculum contains only seven and one half hours of course content that is similar to the Army's. And the Army's curriculum contains only 11 of 312 hours of instruction that is similar to the Air Force's.

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When questioned about the curriculum differences, DOD responded that the BRAC process provides the overarching framework, a macro-analysis, and that a micro-analysis to ensure that service culture was protected would be conducted during the implementation phrase.

Our analysis also shows that the cost of this recommendation for implementation, and, consequently, the potential savings, are not agreed upon by DOD and Fort Lee, which would be the gaining institute -- installation.

There is a lack of agreement on military construction funds needed for this action. DOD's original COBRA analysis shows that no military construction funds are required. But Fort Lee officials, through their engineering assessments, estimate a need for $14.4 million in military construction. DOD could not confirm or refute the accuracy of the Fort Lee estimate, but reiterated that only the DOD data is certified.

If the Fort Lee estimate, however, is correct, the payback period increases from one to 18 years, and the net present value of savings is reduced from 18 million to only $1.2 million.

Staff determined the Secretary of Defense deviated from selection criterias number 1 and number 5 in preparing this recommendation.

Mr. Chairman, this concludes my presentation. I would

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gladly address any questions you may have.

Chairman Principi: Thank you.

We have before us Education and Training Joint Cross-Service recommendation 7. Joint Center for Consolidated Transportation Management Training, chapter 4, section 122 of the bill is before the Commission.

Is there any discussion? Any questions?

[No response.]

Chairman Principi: Are there any amendments?

General Hill?

General Hill: Yes, Mr. Chairman, I have an amendment on this one.

I -- in the discussion -- in the previous issue on mechanic school -- and we had -- with aviation mechanics -- and we had this discussion with Secretary Harvey on Saturday, where he admitted that there was not a good business case to be made for that. That's what pushed me to the -- in the Commission, to strike that recommendation.

I have -- I had questions about the culinary school, but I voted for their recommendation on that yesterday. It is, in my view, in some cases, a "build it and they will come" mentality. But I'm willing to buy into a lot of that on transformation when it makes good sense -- good business sense. This is another one of them, however, where the discrepancy in the training is so diverse and of such

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magnitude, and the costs greater than the good, that I'm going to put a strike recommendation in on this one, also.

Chairman Principi: Any further discussion?

General Hill?

General Hill: Mr. Chairman, I move that the Commission find that when the Secretary of Defense made Education and Training Joint Cross-Service Group recommendation 7, Joint Center for Consolidated Transformation Management Training, he substantially deviated from final selection criteria 1 and 5 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 the force-structure plan.

Chairman Principi: Is there a second?

Mr. Coyle: Second.

Chairman Principi: Are there any recusals?

Admiral Gehman, are you --

Admiral Gehman: I'm recused.

Chairman Principi: Any further discussion?

General Newton: Yes, Mr. Chairman.

I disagree with Commissioner Hill on this one. I understand what he's saying. And certainly these two curriculums are not very close today. But if we're ever going to continue down this road of getting to be more

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joint and more transformational, then these are may be small opportunities that we can help move the ball down the field. And I'm quite sure that quite a bit of deliberation went into this particular subject, and I'm willing to give them the benefit of the doubt in the opposite direction. Unlike the issues that I discussed before, with reference to equipment, maybe traveling long distance, and all that, this may cost a little money. And I don't remember what the one-time cost was.

Mr. Gingrich: The one-time cost is $15.4 million.

General Newton: Okay.

Mr. Gingrich: That's using the Fort Lee requirements for the military --

General Newton: Using Fort Lee --

Mr. Gingrich: -- construction.

General Newton: -- dollars.

Mr. Gingrich: Yes, sir.

General Newton: Yeah. There's probably some construction that needs to happen there, but I just have to believe that we'll have better transporters and folks who manage that, because we -- and, for sure, the Army -- the Air Force and the Army are getting a lot closer these days. We have even airmen that are driving for the Army in the AOR, as we speak. Now, this is transportation management, but that's probably where it needs to start, anyway.

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So, I will disagree with the motion when it's time to vote.

Thank you.

Chairman Principi: Secretary Skinner?

Mr. Skinner: I'm looking at the initial recommendation. Could we go over the one-time numbers that -- I had, in the recommendation, it's 1.5. It's gone up to 15 million? Or is that a typo?

Mr. Gingrich: Commissioner Skinner, no, that is not typo. That's due to the military construction requirements at Fort Lee, as reported by the officials at Fort Lee.

Mr. Skinner: So, they reported 1.5, right?

Mr. Gingrich: Well -- okay, here's -- they obviously reported, in the certified data to DOD, that there would only be -- there would be no MILCON requirements. There are no MILCON requirements in the original DOD submission to the Commission. There was $1.5 million one-time cost primarily associated with moving personnel and equipment. With the data directly from Fort Lee to the analyst, a rerun of COBRA showed a requirement that increased the one-time cost to $15.4 million, primarily due to military construction requirements at Fort Lee, sir.

Mr. Skinner: Okay. But this really is a transformation issue, rather than -- I mean, it's always an economic issue. It's -- can you tell me a little -- give

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me a little handle on what the services, together, have done already in the area of transportation management and consolidation of their logistics planning? I used to be in that business, and I'm curious as to -- I mean, the -- what they're trying to do makes a lot of sense, and that's what a lot of companies are doing. And -- but corporations with multiple subsidiaries, they're managing their transportation, in many cases, centrally, out of one location.

What has the Department of Defense done, outside this recommendation, if you know? I'm not trying to put you on the spot here, but --

Mr. Carroll: Sir, it's -- the training that we are referring to this morning is the initial training in transportation management for the Air Force and the Army. The similarities in the courses, in terms of what they've done, is, there are similar transportation documents and procedures for the movement of combat-related material and personnel. So, there is similarities in the curriculum as it pertains to the DOD transportation control movement document and the procedures. The vast differences in the curriculum deals with the internal systems and the internal policies of the Air Force or the Army.

With respect to logistics and transportation management procedures, overall, sir, I'd hate to --

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Mr. Skinner: Okay.

Mr. Carroll: -- answer your question. I'd be venturing a guess.

Mr. Skinner: Okay. Well, I -- the reason I ask is that, obviously, if this is part of a bigger transformation effort of transportation management distribution and logistics handling, versus just a -- kind of a one-off on training, you wouldn't want to interfere with an overall transformation of all transportation management, which, by the way, could very well make a lot of sense and probably save the government a lot of money. And in some of the later ones, I see we do have some logistics -- combined logistics and everything. So, I was just trying to get a view of the overall -- you know, what is the overall 20-year plan for transportation management in the Department of Defense. In one minute or less.

[Laughter.]

Mr. Skinner: No, I'm --

Mr. Van Saun: Yes, sir, 30 seconds.

[Laughter.]

Mr. Van Saun: What I would say is, this is really the beginning. And as we move in the direction of joint, we have found that you need to start at the beginning. You start at the basic training levels. You'll see it across other areas, as well. Of course, the Army and Air Force

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work very closely together in logistics, and they do it right now, today, as we watch them.

This is to move in the direction of that synergism and jointness, but it's just a beginning. The question is -- I don't think they have the plan that you're hoping they have, in that sense, but I -- and the good-news story of that is, the services are working very well --

Mr. Skinner: Right.

Mr. Van Saun: -- together in this area.

Mr. Skinner: All right. Well, I would tend, then -- even if they've just begun, I would probably -- I'd hate to get between these two, so I -- I don't know, I wish I could recuse myself on this one, but --

[Laughter.]

Mr. Skinner: -- but I think I'll probably give the benefit of the doubt to the Secretary on this one.

Thank you.

Chairman Principi: Mr. Gingrich, is the information you received from Fort Lee certified data?

Mr. Gingrich: No, sir, it is not certified data.

Chairman Principi: Thank you.

Is there any further discussion?

[No response.]

Chairman Principi: All in favor of the motion on recommendation number 122, please so indicate.

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[A show of three hands.]

Chairman Principi: All opposed?

[A show of five hands.]

Ms. Sarkar: Mr. Chairman, I'm sorry, I wasn't able to read your vote, sir. I wasn't able to read your vote, sir.

Chairman Principi: I can't hear you. Speak up?

Ms. Sarkar: Mr. Chairman, I wasn't able to record your vote.

Chairman Principi: A no vote.

Ms. Sarkar: Thank you.

Thank you, Mr. Chairman. The vote are three yeas, five nays, one abstention. The motion fails.

Chairman Principi: Are there any other amendments?

[No response.]

Chairman Principi: Hearing no further motion to amend, we will vote on the approval of the Secretary's recommendation number 122 and find it consistent with the final selection criteria and force-structure plan.

All in favor?

[A show of seven hands.]

Chairman Principi: All opposed?

[A show of one hand.]

Ms. Sarkar: Mr. Chairman, the vote is eight yeas -- excuse me just one moment. Pardon me. The vote is seven yeas, one nay, one abstention.

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Chairman Principi: Thank --

Ms. Sarkar: The vote passes.

Chairman Principi: -- you.

Mr. -- thank you.

Mr. Van Saun?

Mr. Van Saun: Thank you, Mr. Chairman.

I would like to move on to recommendation section 124, Education and Training, number 9, the establishment of a Joint Center for Religious Education and Training, to be located at Fort Jackson, South Carolina. This will realign Maxwell -- the training at Maxwell Air Force Base, Naval Air Station Meridian, and Naval Station Newport, Rhode Island, would be realigned by relocating their religious training and education programs to Fort Jackson.

Let me introduce Syd Carroll again to further discuss this item.

Mr. Carroll: Mr. Chairman, Commissioners, the DOD justified this recommendation on the basis that aligning similar educational programs and merging support functions would result in saved educational costs, and that co-locating similar programs would provide increased joint benefits.

The one-time cost to implement this recommendation is $1 million, which will be repaid in one year. The net present value of savings from this recommendation through

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the year 2025 is $11.9 million. A total of 71 people are affected by this recommendation.

Slide, please.

This slide presents our issue related to BRAC criteria number 1, the recommendation's impact on operational readiness and training. Chaplains from the Air Force and Navy told us that forming this center would affect the operational readiness of their chaplains corps. The students in these courses proposed by the relocation to Fort Jackson arrive as ordained ministers, and these courses provide them with service orientation and training in their respective services' programs. The Commission agrees with the Navy and Air Force that basic courses for chaplains are best conducted at installations of the chaplains' respective service, because these programs impart specific service cultures for chaplains to build upon.

Staff determined the Secretary of Defense deviated from selection criteria 1 in making this recommendation.

Mr. Chairman, this concludes my presentation. I'll gladly address your questions.

Chairman Principi: Thank you.

We have before us Education and Training Joint Cross-Service Group recommendation 9. Joint Center of Excellence for Religious Training and Education, chapter 4, section

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124 of the bill is before the Commission.

Let me begin by asking some questions.

You indicated that Air Force and Navy chaplains indicated that to conduct joint training would somehow impact on operational -- did you say "operational readiness"? How will -- I fail to understand how bringing these educational programs together will somehow impact, later, operational readiness. Can you --

Mr. Carroll: These courses, sir, are designed to prepare the ministers to operate in their respective services. The contention is that it's difficult for a Navy chaplain to learn how to minister to the specific needs of Navy personnel if he's on an Army base surrounded by Army personnel. Air Force chaplains contend that it's difficult for them to understand the specific programs established for Air Force chaplains on their bases, again, if they're on an Army base.

So, while they're already ordained ministers, the contention is that, in order to meet the specific needs and to understand fully the specific programs of the services, the basic course, which this is, needs to be conducted at an installation of their respective service.

Chairman Principi: But people are people. People have similar-type spiritual and -- spiritual needs. It makes no difference whether you're wearing an Army uniform,

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an Air Force uniform, or a Marine Corps uniform. And, also, we live in this era of jointness, where we're trying to bring our services together. There may be occasions where a Navy chaplain might need to tend to the spiritual needs of an Army soldier or an Air Force airman. Doesn't that lend to jointness and understanding the different cultures, while, at the same time, respecting and learning about your own culture?

Mr. Carroll: Sir, you're absolutely correct. The chaplains of both of these services made it perfectly clear that there are opportunities for joint training, and that those opportunities should be executed. But they believe that these joint opportunities should be saved for professional development education and for a time that's later in the chaplain's career. They believe that the chaplains need a basic foundation in the programs of their respective service to build this jointness upon.

Chairman Principi: Well --

Yes, Admiral Gehman?

Admiral Gehman: Thank you, Mr. Chairman.

I looked into this. And, first of all, the title of the recommendation is misleading. These schools do not teach religious training and religious education. These are ordained ministers. These are service officer indoctrination schools. Because -- we are preparing

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ministers to go into cultures for which they have absolutely no training whatsoever. These are not religious training and education schools. You see, the title's wrong. These are already ordained ministers who know how to do religious ministry. What they do not know how to do is to do it in the culture of the services that they are about to join.

And it occurred to me that if -- and this is a fairly important function -- and, by the way, as, I think, most of the Commissioners know, a large portion -- I wouldn't want to put a number on it, but a large part of the ministering that they do to the -- for the services has little or nothing to do with religion. A lot of it has to do with support, family counseling and a lot of other things that these ministers learned in their ministry education. And that kind of stuff is not taught at these schools.

These are service-unique indoctrination schools. They are schools to teach ministers, who come from widely different backgrounds, how to thrive in a whole new culture for which they have no clue what they're getting into. And it occurred to us that the best way to teach an ordained minister who's joining the Navy, for example, would be to have him do his service indoctrination in a culture where, not only does he get it in the classroom, but he also gets it when he walks out of the classroom. That is, if you

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teach him that people wearing these insignias salute each other, and then he walks out of the classroom and sees that they really do salute each other, that that's the kind of -- that's the kind of indoctrination, and education is what they need.

This, of course, is a very, very small item. It affects two or three dozen people and a million dollars. But it is like the other schools which we have already voted on. It is a -- somebody swept up a bunch of like-sounding things and put 'em into a basket because they thought that it supported jointness. There's nothing joint about this. This is not a -- the title is misleading. We're not talking about a joint center of religious training. They don't do any religious training here. What they do is, they do service indoctrination.

So, based on the fact that it was misleading, and based on the fact that -- at least in my thought, that the role of chaplains in the support of troops and families in the service that they serve in is relatively important, in my mind, that I would hate to have an Air Force or a Navy chaplain reporting in to a duty station which is the first time he's ever been, seen, or knows anything about the culture of the service that he's joining.

Thank you, sir.

Chairman Principi: Admiral Gehman and -- or Mr.

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Carroll, this applies to enlisted personnel, as well. And I would assume that enlisted personnel, before attending this religious training program, go through their respective boot camps where they learn about the culture of their service. So, in other words, for the enlisted personnel who are going through this program, they would go through Great Lakes or the Air Force enlisted training program, and then they'd -- this would probably be an A school or whatever -- am I correct, in that case?

Mr. Carroll: Sir, there are some -- there are a few new enlisted people that would attend this as chaplains' assistants; however, the preponderance of the students of these are officers, not enlisted.

Chairman Principi: This is -- would be the first stop for --

Mr. Carroll: For the officers.

Chairman Principi: -- for officers, where they would get their commission? They would be commissioned at this training center?

Mr. Carroll: No, they would already be commissioned, and --

Chairman Principi: How do they get commissioned? Where do they go for their commissioning?

Mr. Carroll: They are brought into the military as commissioned officers, based upon being ordained at their

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ministry schools.

Admiral Gehman: These are direct --

Mr. Carroll: Direct. They're direct --

Admiral Gehman: -- accessions.

Mr. Carroll: -- direct accessions, right.

Admiral Gehman: They are in -- and not as 01's. They're brought in, in a higher tank than that.

Mr. Carroll: The officers at these schools, sir, are normally 03 or 04 rank.

General Newton: Mr. Chairman?

Chairman Principi: General Newton?

General Newton: Sir, I can see the concern or confusion that -- which you're dealing with there. Let me see can I help here a little bit.

It is true that these are ordained ministers when they come in. They are appointed, and they are appointed with a rank. We send them to the chaplain school first and then --orientation through there -- give them their military orientation. I don't totally disagree with Commissioner Gehman, but this is one more time where this is the right thing to do, whether we call it joint or whatever.

It was my understanding, initially, that we were not planning to have the same curriculum when they would go to this joint center. But the fact that we brought all the chaplains together -- am I -- do I have that correct?

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Mr. Carroll: You are absolutely correct, sir.

General Newton: Okay. So --

Mr. Carroll: They are going to try to combine the curriculum only in those activities where it is similar amongst the services.

General Newton: Which I think is the right thing to do. This allows us to take another step down the road to our services understanding each other and the term "jointness." And I know we've overused that a whole lot. These are very bright people. That's why we're bringing 'em into the service. I feel very confident that they can distinguish between blue uniforms and green uniforms and the kind of ranks that the Navy has, vice those of the other services. This is, quote -- as my friend to the right here said -- this is a "no-brainer." And the cost is -- doesn't even warrant talking about. So, this is one we should absolutely let the Secretary do what he's recommended.

General Hill: And I associate myself with General Newton. I understand Admiral Gehman's points, and they're well made, but I think this is one, again, where there's nothing overriding that says we should not be doing this for transformation.

Chairman Principi: Is there any further discussion?

Congressman Hansen?

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Mr. Hansen: Mr. Carroll, where do they learn these other things? I mean, you read all these stories about the Second World War, Korea, Vietnam, wherever it may be, a Protestant minister, he's doing all the things for the Catholic people, the Jewish people, other faiths. Where do they learn all this kind of cross-servicing? Where does that come about?

Mr. Carroll: Sir, it's -- I am not an authority on chaplains in the military, but it's -- based upon my experience in the military, I think that, up until "joint" became the thing to be, that chaplains normally ministered to people in their respective service. Jointness has become more prevalent in the Chaplain Corps, I think, in the last decade than it was before then. But, you're absolutely right, it's -- if you go to Iraq now, you can find Navy chaplains ministering to Army soldiers. So, you're right, if we don't do something joint, they probably can't learn it.

Mr. Hansen: But, as far as the ecclesiastical doctrine that these people would learn, whatever it may be, it's not in this one we're looking at now.

Mr. Carroll: No --

Mr. Hansen: Is that --

Mr. Carroll: -- sir.

Mr. Hansen: -- correct?

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Mr. Carroll: I can answer that, as having served as long as I have and dealt with many chaplains. The chaplains are -- when they're in the field, they are, in the area you're talking about, trained through these schools, and others, how to service to all faiths, so that when you have a single chaplain in the battlefield, or a single chaplain on a ship, he is responsible for the religious health of all faiths on that ship and in that unit. So, they are very good at that already.

Mr. Hansen: So, that's in what? You call that Chaplain School? Possibly, when they first come in the service, they're inducted into that and they, kind of, learn these things?

Mr. Carroll: Yes, sir. It begins there, and as, throughout their careers, they have other opportunities and they are brought together for that interfaith part, that's from the very beginning.

General Hill: This isn't about -- as Admiral Gehman said, this isn't about religious beliefs. This is about how to minister to service members. And there is some goodness in having jointness in this area, just as Mr. Carroll talked about, having service -- chaplains doing -- and they're -- doing different branches of the service, and there is some goodness in having some standardized programs in how to minister to families, in terms of family

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readiness issues. There's some goodness in that, and that's why I will vote for this school.

Admiral Gehman: Mr. Chairman?

Chairman Principi: Admiral Gehman?

Admiral Gehman: Thank you.

Well, I will introduce a motion here in a second, and we'll vote on it, but when I checked this out -- for my colleagues, I just want to make sure that you understand what you're voting on here -- when I examined this, I was told -- this is uncertified data, of course -- I was told, by -- informally by both services -- that if they lose their service-chaplain indoctrination school, they will recreate it. They've got to have it. You've got to have it. So, they will shorten it. It'll be shorter. It'll be, maybe, two weeks, or something. But they cannot send chaplains out into the services that have not gone to a service indoctrination school.

General Newton: I just fail -- Mr. Chairman, I'm sorry -- I just fail to understand that logic.

Admiral Gehman: Well, it's uncertified data, so we're not supposed to.

Chairman Principi: Okay.

General Turner?

General Turner: Mr. Chairman, this has been a really interesting discussion.

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[Laughter.]

General Turner: I'm reminded of the days, many years ago, when I was a young officer in the Air Force, and I heard, on more than one occasion -- sometimes directed to myself, sometimes directed by a superior to another officer or an enlisted person -- when we didn't like what was happening, we would be directed to go see the chaplain and get our card punched. In those days, we -- you know, I mean, nobody said, "Go see the Protestant chaplain." Nobody said, "Go see the Catholic chaplain." You know, the idea was, it really didn't make any difference.

And I support the comments made earlier by my colleagues that, in the case of a battlefield situation, when you feel the need for some religious support, it really doesn't make that much difference. If you're in the hospital and you get visited by the chaplain, it really doesn't make a whole lot of difference what flavor or what service that chaplain represents.

I do, however -- that being said -- appreciate the fact that it's important that service uniqueness be preserved. And I believe that that's possible in this scenario. And, therefore, I will support the original motion, to adopt it as presented.

Thank you.

Chairman Principi: Admiral Gehman?

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Admiral Gehman: Ready for the motion, sir?

Chairman Principi: Please, Admiral Gehman.

Oh, I'm sorry. Commission Coyle?

Mr. Coyle: Thank you, Mr. Chairman.

I think every member of this Commission supports jointness. And we were told, going into this BRAC round, that jointness was going to be a high principle. But, in fact, we've gotten -- we've received very few proposals from the DOD to produce jointness at the highest levels. And, in fact, some of the DOD proposals actually break up jointness at higher levels where it has existed. Instead, what we've mostly gotten from the DOD with respect to jointness in this round is a set of relatively small actions, some of which we've supported, some of which we haven't, such as the cooks and others we've already talked about. But jointness is not supposed to be about erasing the cultures of the services, and jointness is also not supposed to be about erasing the cultures of various religions. So, I just want to point out that, if we're doing this in the name of jointness, it's not the vision we all had.

Thank you.

Chairman Principi: Thank you.

Admiral Gehman?

Admiral Gehman: Mr. Chairman, I have no motion to

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add.

Chairman Principi: No motion?

Admiral Gehman: I have no -- no, I have no motion.

Chairman Principi: Thank you.

I trust the good Lord is looking down on all the --

[Laughter.]

Chairman Principi: -- serious consideration we're giving to this issue.

[Laughter.]

Chairman Principi: Okay. Hearing no motion to amend, we will vote whether to approve the Secretary's recommendation number 124 and find it consistent with the final selection criteria and force-structure plan.

Is there a second?

General Hill: Second.

Chairman Principi: Are there any recusals?

[No response.]

Chairman Principi: All in favor -- excuse me?

General Newton: I just want to be sure what we're voting on.

Chairman Principi: We're voting to approve the Secretary's recommendation to establish a Joint Center of Excellence for Religious Training and Education.

Mr. Skinner: I thought that Admiral Gehman said he had an amendment with a second.

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Chairman Principi: No amendment.

Mr. Skinner: He doesn't have a motion to strike, then?

Chairman Principi: No motion to strike.

Mr. Skinner: Okay, thank you.

Chairman Principi: We're voting to approve the Secretary's recommendation.

All in favor?

[A show of seven hands.]

Chairman Principi: All opposed?

[A show of two hands.]

Ms. Sarkar: Mr. Chairman, there are seven ayes, two nays, and no abstentions. The motion carries. Thank you.

Chairman Principi: Thank you.

Mr. Van Saun?

Mr. Van Saun: Yes, sir. Thank you, Mr. Chairman.

The next recommendation is section 125, Education and Training, number 10. This proposes establishment of an initial training site for the Joint Strike Fighter at Eglin Air Force Base, Florida. This one is one of those joint ones, by the way.

This recommendation provides for the relocation of instructor pilots and operation support personnel from Luke Air Force Base, Miramar Marine Air Corps Station, Oceana Naval Air Station, Sheppard Air Force Base, and Pensacola

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Naval Air Station.

I'd like to introduce Syd Carroll, that will give you the rest of the story on this one. And this is a good one, and we support it strongly.

Mr. Carroll: Mr. Chairman and Commissioners, the DOD justified this recommendation on the basis that an initial joint training site for the Strike Fighter Program will enhance safe operations, improve maintenance, and enhance joint use of a new aircraft.

The one-time cost to implement this recommendation is $199.1 million, which will never be repaid from savings. The net present value of the cost of this recommendation through the year 2025 is $226.3 million. A total of 811 personnel are affected by this recommendation.

Staff determined that the Secretary of Defense did not deviate from BRAC criteria in making this recommendation.

Mr. Chairman, this concludes my presentation. I'll try to answer any questions you might have.

Chairman Principi: We have before us Education and Training recommendation 10. Joint Strike Fighter, Initial Joint Training Site, chapter 4, section 125 of the bill is before the Commission.

Is there any discussion, any questions for staff?

General Newton: Mr. Chairman?

Chairman Principi: General Newton?

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General Newton: Yes, Mr. Chairman. I would just like to take a moment to make a statement.

I commend the Department for this visionary step in bringing on this new platform, which is a joint and coalition platform, as a matter of fact. We anticipate that this aircraft will be a part of coalition forces around the world, since there are, today, already eight partners, eight international partners, that are joining with the United States in building the Joint Strike Fighter, as well as others that are part of the program and are very much interested in this technology.

And I think this is a significant way to get started with this program, by bringing together all of our services. And I would think that, before long, we would even have our coalition partners as a part of this for that initial cadre of people that will train in this extraordinary technology that industry is bringing forth for our warfighters.

Thank you.

Chairman Principi: Earlier this morning, I had a conversation with Admiral Gehman, and he explained to me why Eglin was the right place -- if I may, Admiral -- for this training. I had queried him whether Cannon Air Force Base might be an appropriate site, an appropriate mission for this Joint Strike Fighter training, initial training,

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given its -- the open ranges, no encroachment, the fact that, you know, that part of our country has an increase in the number of troops coming back from Western Europe. This new generation of fighter is designed for joint operations.

And I would ask the question once again, "If Cannon had been considered and rejected?" Perhaps General Newton could share his perspective, from the Air Force, having learned it from the Navy's perspective from Admiral Gehman this morning.

General Newton: Well, with reference to if we were not thinking about the naval aspects of this training, clearly they needed to be close to sea level, as well as, I would think that there would be some involvement with the carrier. If we were only training, say, Air Force pilots, then Cannon would probably be an ideal location to do this. But, since this is a joint program, I can see, with this initial training, this is probably the right place.

Now, follow-on operational aircraft for, in this case, the United States Air Force, Cannon would certainly be an ideal location.

Chairman Principi: Do you have anything further to add on that?

Mr. Carroll: No, sir.

Chairman Principi: Is there any further discussion, questions? Are there any amendments?

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[No response.]

Chairman Principi: Hearing no motion to amend, we will vote on whether to approve the Secretary's recommendation number 125 and find it consistent with the final selection criteria and force-structure plan.

Are there any recusals?

Mr. Coyle: Yes.

Admiral Gehman: Yes.

Chairman Principi: There are two recusals.

Excuse me, is there a second?

Mr. Bilbray: Second.

Chairman Principi: All in favor?

[A show of seven hands.]

Chairman Principi: All opposed?

[No response.]

Ms. Sarkar: Mr. Chairman, the vote is seven yeas, no nays, two abstentions. The motion carries.

Chairman Principi: Thank you.

I'm advised that we need to hold on recommendation number 128. We'll do this recommendation later this morning and proceed with the Professional Development Education recommendations.

Mr. Van Saun: Yes, sir. Thank you, Mr. Chairman.

We will now move to the section 197, which is the additional item that we added on the July 19th hearing. It

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concerns postgraduate and language-education programs operated by the Departments of Navy, Air Force, and Army.

I'd like to introduce Syd Carroll again to discuss this additional item.

Syd?

Mr. Carroll: Thank you.

Mr. Chairman, Commissioners, this presentation provides the results of our analysis of the recommendation added by the Commission at its July 19th hearing concerning postgraduate and language-education programs operated by the Department of the Navy, Air Force, and Army.

This -- slide -- this recommendation proposes that a single board be established for the Naval Postgraduate School and Air Force Institute of Technology for curriculum and collaboration matters. This board would be empowered to direct changes at the schools.

Our analysis also included the Defense Language Institute. However, we do not believe that the curriculums or management operations at DLI lend themselves to consolidation with the postgraduate schools.

Slide.

This recommendation is justified on the basis that increased coordination and cooperation between the Naval Postgraduate School and the Air Force Institute of Technology would eliminate curriculum duplication, enhance

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cooperative agreements for instruction and research, and eliminate excess capacity.

There is no COBRA data to present for this recommendation. Its cost, we believe, however, will be modest and involve primarily travel expenses and honorarium fees. The benefits and savings in instructional, research, and operating costs, however, could be substantial.

In December of 2002, the Secretary of -- Secretaries of the Air Force and the Navy developed a memorandum of understanding, commonly called the Educational Alliance, to improve coordination between the Naval Postgraduate School and the Air Force Institute of Technology. Joint boards for meteorology, space, acquisition, and aeronautical engineering were established, and some programs in these areas were consolidated. However, primarily because the alliance has no enforcement powers, little else has been achieved, despite the fact that the group's studies identified significant duplication in curriculums between the schools, under-emphasized collaborative opportunities, research that could be shared, and significant unused capacity.

Under its present charter, the Joint-Service Educational Alliance has no authority to impose change, regardless of the findings of its study groups. As a result, the tough issues, curriculum duplication, under-

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emphasized collaboration opportunities, and excess capacity that could result in significant savings and improvements, remain.

Staff assessment found no deviation from the final selection criteria and force-structure plan for this recommendation.

Mr. Chairman, this concludes my presentation. I'll gladly address any questions that you might have.

Chairman Principi: Thank you.

This is a recommendation added for consideration to the Secretary's list. The recommendation is additional recommendation 7, Professional Development and Education, to appear at chapter 11, section 197 of the bill. I will present it as a motion, number 197, dash, 4(a).

Before doing so, are there any questions? Is there any discussion?

Mr. Coyle: Mr. Chairman, I just wanted to comment that, since the motion before neither adds or subtracts jobs from California, I will be voting on this.

Chairman Principi: Thank you.

Admiral Gehman?

Admiral Gehman: Thank you, Mr. Chairman.

As my colleagues know, the postgraduate-degree-granting institutions of the Air Force and the Navy are constantly being reviewed and constantly being second-

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guessed as to whether or not it's appropriate for them to stay into existence. So, we put this add-on here to enable -- to give the Commission a chance to look at this question once again.

After we heard sworn testimony, from the Chief of Staff of the Air Force and the CNO of the Navy, that these two schools are important, that they have a lot of benefits, besides just granting master's degrees and Ph.D.'s degrees -- for example, at the Naval Postgraduate School a very, very high number of students are foreign students; matter of fact, only 40 percent of the students at the Naval Postgraduate School are in the Navy -- that we reviewed all this and came to the conclusion to support the services in their position.

However, as we dug a little deeper and looked around, we found this memorandum of understanding between the two services, which seemed to be a step in the right direction toward rationalizing the curriculum, exchanging students, eliminating duplication, and all the kinds of things that we would all like to see happen. And we saw some modest forward steps in this area, which we were quite pleased to find. But we found that the terms of this alliance are purely voluntary. There's no enforcement mechanism. It has no authority. It's an advisory kind of a panel. And we thought that the initial steps that they had been taking

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were very good ones and that all this alliance needed was a little formality and a little structure, a little teeth, and the modest initiatives that they had started would be accelerated.

So, that -- I will propose a motion, then, that suggests that we institutionalize what the two service secretaries have already agreed to in writing.

Chairman Principi: I have a motion, as well.

Admiral Gehman: If you're going to do the motion, okay.

Chairman Principi: Yes, Secretary Skinner?

Mr. Skinner: It's my understanding that a motion will be made to provide a more coordinated process between the two institutions.

I have the honor of teaching at a graduate school in Chicago, in Evanston, at Kellogg, of Northwestern University, and, as I visited that school and other schools, I know there are -- there are really some very, very fine schools in the country that teach postgraduate education. And many of them are, kind of, standalone. And there's really no ability, other than voluntary sharing -- voluntarily sharing expertise and information, you know, and sometimes there's trading of faculty.

But this is a unique situation. These are two great postgraduate schools. They do excellent work. I had the

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opportunity to visit the Air Force Institute of Technology, in Ohio. And I think the recommendation that's going to be made will allow them to take and coordinate the curriculums at both schools, that they have more, you know, cross-training at each of the institutions, and encouragement by the board to do that, and hopefully some funding.

And so, I think what we're doing, by the recommendation that's going to be made, is, we're taking two great graduate schools and allowing them to, kind of, get the synergies of being great, and share their expertise, hopefully avoid some duplication. And I think this motion will raise the level and the quality, which is already excellent, of the graduate education at both of these institutions without breaking their autonomy or without micro-managing them so that we will lose their independence and their creativity. And I support the motion.

Mr. Bilbray: Mr. Chairman?

Chairman Principi: Yes?

Mr. Bilbray: Having served on three different governing boards of universities -- West Point, Air Force, and the University of Nevada system -- the University of Nevada system, they had teeth, they could actually make changes. The other two were just strictly advisory. And what I wanted to know from staff, this resolution, How much

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strength will this board have to be able to do what you're saying it wants to do? If they say we should combine these two courses, or something like that, do they have the ability to do that? And does the institution have any authority to say, "Hey, this is a bad idea. And if they say 'Do it,' we have to do it"?

Mr. Carroll: The motion, Commissioner, as it is drafted now, still retains individual boards at each of the schools to handle accreditation matters. There would be an overarching board that would have the power to coordinate curriculums between the two schools, the power to eliminate curriculums at some of the schools to avoid duplication, and the power to force the sharing of research and collaborative arrangements at the schools.

Mr. Bilbray: By the way, Mr. Chairman, I noticed earlier we referred to Mr. Coyle as "on the right." It took me all this time on this board to realize you put me on the far right of this board. And that is shocking to me, in my political philosophy.

[Laughter.]

Chairman Principi: Thank you, Congressman Bilbray. We're well aware of your political philosophy.

[Laughter.]

Mr. Skinner: But it's fair to say "he's on the left," if you're looking at him from --

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Chairman Principi: That's why we put him to the right.

Mr. Skinner: -- outside.

[Laughter.]

Chairman Principi: Is there any further discussion?

[No response.]

Chairman Principi: Hearing none, I move that the Commission find that when the Secretary of Defense failed to recommend the realignment of the Navy Postgraduate School Monterrey, California, and the Air Force Institute of Technology, Wright-Patterson Air Force Base, Ohio, he substantially deviated from final selection criteria 1 and 4 and the force-structure plan, that the Commission add to the list of installations to be closed or realigned the recommendation: realign the Naval Postgraduate School of Monterrey, California, and the Air Force Institute of Technology, Wright-Patterson Air Force Base, Ohio, by forming a new and permanent oversight board responsible for curriculum review and approval and program development for the resident and non-resident degree-granting programs at both schools;

This board, consisting of an equal number of members from the governing boards of each school, civilian education authorities recommended by the U.S. Secretary of Education, and other education officials as designated by

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the Secretary of Defense, will be chartered by the Office of the Secretary of Defense and will provide a formal report of its actions and accomplishments to that office biannually. The board's duties will consist of those actions listed as goals in the memorandum of agreement that formed an Educational Alliance between the Secretaries of the Air Force and Navy on December 4, 2002. This board will be located in the national Capitol region.

By this recommendation, the newly-formed board will also have the authority to take action to eliminate unnecessary curricula and program duplication, identify, approve, and implement programs of collaboration and research and instruction between the school, and expand non-resident programs and arrangements with private institutions of higher learning to meet common curriculum and non-Department-of-Defense-focused class requirements, at chapter 11, section 193 of the bill.

And that the Commission find this additional recommendation is consistent with the final selection criteria and force-structure plan.

Is there a second?

Mr. Coyle: Second.

Chairman Principi: Any further discussion?

[No response.]

Chairman Principi: Hearing none, all in favor?

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[A show of nine hands.)

Chairman Principi: All opposed?

[No response.]

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

Chairman Principi: Mr. Van Saun?

Mr. Van Saun: Thank you, Mr. Chairman.

I will come back a little later this morning with Education and Training section 128.

I'd like to proceed now into the medical group. And we will start with the Joint Cross-Service chapter 8 of the bill. We will consider the six recommendations shown on this slide.

Slide.

Mr. Chairman, the next recommendation for your consideration is found in chapter 8, section 169, Walter Reed National Medical Center, Bethesda, Maryland. This recommendation directs several moves, and closes the Walter Reed main post.

Slide.

Tertiary care at Walter Reed Army Medical Center, located in the District of Columbia, is relocated to the National Naval Medical Center, in Bethesda, Maryland, and the Bethesda facility is renamed the Walter National Military Medical Center. Non-tertiary care is relocated to

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Fort Belvoir, Virginia, where a new 147-bed hospital will be built.

The recommendation also calls for the disestablishment of the Armed Forces Institute of Pathology, AFIP, also located on the Walter Reed main post, with functions moving to Dover Air Force Base, Delaware, Bethesda, Maryland, and Fort Sam Houston, Texas.

Finally, some research components located at the Walter Reed Forest Glen Annex in Maryland will be moved to Aberdeen Proving Ground and Fort Detrick.

Slide.

I would like to now introduce Lesia Mandzia. She will give you the full rundown and our analysis.

Ms. Mandzia: Thank you, Mr. Van Saun.

DOD noted that closing the Walter Reed main post would transform the medical infrastructure into a premier modernized joint-operational medicine platform. It will also reduce excess capacity and relocate medical care into facilities with higher military value and capacity. Finally, it relocates healthcare in better proximity of the beneficiary base.

DOD's justification stated that relocating similar research activities and program management activities will promote research that can be rapidly applied to the delivery of healthcare and will provide opportunities to

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bring clinical insight to research through sharing of staff across the research and health delivery function, and promotes beneficial technical interaction in planning and oversight, creates opportunities for synergies and efficiencies, and fosters the development of common practices of DOD.

No specific justification was provided by DOD in its recommendation to disestablish AFIP. However, DOD noted that, as a result of this recommendation, in the future, the Department will rely on the civilian market for second-opinion pathology consults and initial diagnosis when local pathology labs' capabilities are exceeded.

Slide.

DOD's COBRA report showed a $988.8 million one-time cost to implement this recommendation, with a ten-year payback, and a net present value savings of $301.2 million over 20 years. This recommendation affects approximately 1300 people.

This slide summarizes key issues that were developed during analysis of this recommendation, and are grouped by their associated selection criteria.

Issues were raised about Walter Reed and AFIP. The Walter Reed community is concerned that realigning the present medical services provided at the Walter Reed Army Medical Center in D.C. to the Bethesda and Fort Belvoir

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locations will disrupt the mission of Walter Reed. However, according to DOD, it is the intent of this recommendation to transform the medical infrastructure within the National Capitol Region while maintaining the same level of care to the beneficiaries.

With regard to available space for the Walter Reed National Military Medical Center, there is some concern about the amount of buildable space at the National Naval Medical Center in Bethesda, Maryland, where Walter Reed's tertiary care will be relocated because available space at Bethesda is affected by this recommendation and two other BRAC recommendations.

In the case of AFIP, the disposition of a number of AFIP's functions are not specified in the recommendation, and it is not, one, known whether those functions will be retained, and, two, if they are retained, where they will be located. The Radiologic Pathology Program, with its associated tissue repository, veterinary pathology, and continuing medical education functions, are examples of AFIP programs that were not specified in this recommendation.

The professional community regards AFIP and the services it provides as an integral part of the military and civilian medical and research community, and they have stated that, among other things, they rely on AFIP for

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pathology consultations and the training of radiology residents.

Staff assessment reveals there was a deviation from selection criteria 1.

Mr. Chairman, this concludes my prepared remarks.

Chairman Principi: Thank you very, very much.

My question: the 989-million one-time cost, does that include the cost to construct a world-class medical center at -- on the grounds at Bethesda?

Ms. Mandzia: Yes, it does.

Chairman Principi: And what will happen with the Malone House and the Fisher House that are currently, I believe, very, very new, extraordinary homes for families of wounded service members? Will they remain at Walter Reed, or will they be building -- hopefully, building new ones at the -- on the grounds of Bethesda?

Ms. Mandzia: As they plan to implement this recommendation, they -- there are plans to build additional housing at the Bethesda campus. But the Malone House on Walter Reed would be closed. The Fisher Houses -- there are two of them currently at the Bethesda campus -- they potentially will get one other Fisher House. Walter Reed also has the Forest Glen Annex, which has one Fisher House, which will be used by the new Walter Reed.

Chairman Principi: Will the current operations at

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Walter Reed continue until a new medical center is built on the grounds at Bethesda?

Ms. Mandzia: As I understand it, that is the current plan, yes.

Chairman Principi: Okay. So, then they will do the necessary construction and then move over to the Bethesda grounds.

Ms. Mandzia: Correct.

Chairman Principi: There will be no disruption, obviously, in inpatient care.

Ms. Mandzia: As the plan currently states, yes.

Chairman Principi: Okay, thank you.

Secretary Skinner?

Mr. Skinner: I wonder if you could help me a little bit on the capacity. Can you tell me -- Walter Reed is a tertiary-care hospital now -- how many beds are they authorized and operating right now?

Ms. Mandzia: Currently, Walter Reed, on a daily basis, has approximately 185 beds occupied.

Mr. Skinner: Okay. And the new hospital will have --

Ms. Mandzia: The new hospital, at the Bethesda campus, the current plan calls for approximately 340 beds.

Mr. Skinner: Okay. Now, do you have a -- you talked a little bit about the numbers that are going to be required to build this new tertiary-care hospital. I know

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we've got numbers that are the total. But can you give me an idea as to the number that will be allocated for the building of the new hospital at the National Medical Center?

Ms. Mandzia: I don't have those numbers. However, the tertiary care is moving north to what they're calling the Bethesda campus, and there's also an additional hospital that will be built south at Fort Belvoir, a new hospital --

Mr. Skinner: Okay.

Ms. Mandzia: -- with approximately 140 beds.

Mr. Skinner: Well, I'm just -- oh, I guess Carl's got it. Go ahead.

Mr. Gingrich: Commissioner Skinner, according to the COBRA report, $200 million of military construction will take place at Bethesda.

Mr. Skinner: Well, I -- we just built a brand-new tertiary-care hospital in Chicago, the Northwestern, and it's state-of-the-art, and it's about the same size, a little bit bigger, than the one you're talking about, and I just wonder whether you stretched the numbers. To build a tertiary-care hospital of that magnitude in Chicago was close to $800 million. So, I really wonder if you've -- whether these numbers -- you know, where they got these numbers. Because it just doesn't connect. And, by the

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way, that project had no overruns and is held out as a model of what was done, efficient building of a hospital. So, that number sounds very low. What did they have in for the hospital in Virginia?

Mr. Gingrich: Sir, for the Medical Center at Bethesda, first, 325,000 square-foot facility, with a finished cost of $137 million. That's what's contained in the COBRA report. And COBRA typically uses standard factors, based on the type of construction that you're going to undertake, multiply that by the square footage, and then they apply --

Mr. Skinner: No --

Mr. Gingrich: -- some other figures to it.

Mr. Skinner: -- no, I understand. I just think -- and Chairman Principi has a lot of experience in healthcare and ran one of the most progressive healthcare systems in the United States, so maybe he can comment, as well -- but I know, you know, I've been around a lot of, and my wife practices healthcare, is involved in this business, and that number seems -- I'm not saying that it's not the right thing to do -- and Walter Reed is old and has to be done, and -- when we replace these hospitals, we don't retrofit them, we really build new -- it's too expensive to retrofit older buildings -- but I just wonder, when I saw that number, as to whether we stretched it and whether it's

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accurate. And it just -- if they can do it for that number, we ought to go into the -- build hospitals in the private sector, because we'd save a lot of people a lot of money.

I don't know what the Chairman -- you may have some --

Chairman Principi: No, I agree with you, Mr. Secretary. My experience is that you cannot build a world-class tertiary-care hospital for $200 million. And if that's the figure -- I would have thought that that nine -- almost $1 billion would have allocated a higher amount for the new construction. But I don't know what the plan is, in terms of the existing facility at Bethesda. So, perhaps it can be done with $200 million. I mean, that's still a sizeable amount of money. But it's something that, I think, needs to be -- needs to be considered.

And, also, as -- you know, as -- I strongly support this proposal. You know, the kids coming back from Iraq and Afghanistan, and all of them in harm's way, deserve to come back to 21st-century medical care. The care that's being provided at Walter Reed is extraordinary. It's not just bricks and mortar, it's the people who bring those facilities to life. And I think we can be very proud of the care that these young men and women are getting at Walter Reed. But the facility, as Secretary Skinner said, is old. It needs to be modernized.

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Medicine has changed, as so much that we've been discussing over the past day and a half has changed in the military, and medicine is no exception, and we need to ensure, in light of the changing technology and drug therapy and outpatient care and the whole spectrum, that we are keeping pace in the medical community, as well. And I think this is a step in the right direction. I think building a community hospital out at Fort Belvoir for those who live out in the suburbs of Virginia, can access, get good healthcare without having to come into the city, makes great sense. And I strongly support it, but I'd open it up to any further discussion.

Mr. Skinner: Well, I would just -- following up on that, I support it, also. I think it's -- it is really not a cost justification. There comes a time when sometimes you just have to upgrade it through the normal process and that's what needs to be done. So, the payback -- you know, it was ten years under their recommendation, in their initial recommendation, and this is not a, you know, payback issue. It's really what it takes to give quality care to our veterans and their families. And I'm going to support it. But I am disappointed, unless I'm missing something -- and I thought they were building a brand-new tertiary-care hospital on the campus at Bethesda. I didn't think they were rehabbing anything. Am I wrong there?

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Ms. Mandzia: The plan calls for rehabilitation of portions of the current facility and also adding on to the existing facility.

Mr. Skinner: Okay, a major addition. Okay. Well, anyway, I just -- we shouldn't miss -- I just want to make sure the Commission understands that the costs here are probably going to be substantially greater than what they've estimated, at least for the tertiary-care hospital. And I'm still going to vote for it. So --

Thank you.

Chairman Principi: And I agree. Whatever it costs, we need to incur that cost to provide that world-class care to an extraordinary group of men and women in harm's way.

General Turner?

General Turner: Mr. Chairman, I want to take this opportunity to applaud the Medical Joint Cross-Service Group for getting us to this point. I mean, this has been a major undertaking, and, while we may not agree with everything that they have put forward, I would say, in -- generally, I'm very supportive of, and agree with, what they have proposed to us. And, where not, I'll be putting forth an amendment to the recommendation.

This particular recommendation, however, is the first of two opportunities for us to look at an effort to basically leverage the medical capabilities that are

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available in two major metropolitan centers for military beneficiaries. And this is -- this is the first one in the National Capital Region.

In this particular case, a lot of conversation has centered around the perceived loss, if you will, of the Walter Reed heritage. I don't -- I understand where people are coming from in that regard, because I've -- it's the Army flagship -- Army medicine flagship medical center. We have one of those in the Air Force, as well, that we're going to deal with shortly. But I was very pleased to see that the legacy, in my opinion, of Walter Reed, and everything that that name represents, has been preserved in the recommendation to -- for the new facility.

So, in this particular case, I believe that the Secretary has made the correct recommendation, and -- with one exception that I will be offering in an amendment at the appropriate time.

Thank you.

Chairman Principi: Is there any further discussion?

Commissioner Coyle?

Mr. Coyle: Thank you, Mr. Chairman.

Ms. Mandzia, you've indicated that there is some uncertainty about what the costs will really be at Bethesda if this measure goes through. If you were to spend a billion dollars, or a billion and a half, or whatever the

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number will turn out to be at Bethesda, if you were to spend that exact same amount of money at Walter Reed, would it produce a medical facility of equal quality and capacity?

Ms. Mandzia: The Medical Joint Cross-Service Group did run an analysis of moving the National Naval Medical Center onto the Walter Reed campus, and that analysis showed that it would cost $400 million more than the current proposal to move Walter Reed to the Bethesda campus.

Mr. Coyle: And in terms of the end result, recognizing that there are differences in these numbers and how they were calculated, in terms of the end result of the quality of medical care and capacity, was there a difference?

Ms. Mandzia: From the plan that I saw, I could not make an assessment on whether the quality of care would be the same or different.

Mr. Coyle: Thank you.

Mr. Skinner: Mr. Chairman, I hate to --

Chairman Principi: Secretary Skinner?

Mr. Skinner: -- I hate to extend this, but I think it's important, because of the issues we talked about. I'm also trying to understand the staffing and the personnel that -- savings that are recommended in -- made in this

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recommendation. We're moving a lot of people out of the Walter Reed. We're realigning Walter Reed -- military, 2679; civilian, 2388. And we're -- it looks like we're saving a total change of -- north of 2,000 people.

Hospitals -- brick and mortar and technology is only part of a hospital, and the real core of the hospital and what we're all worrying about is the caregivers -- MDs, nurses, and staff -- at Walter Reed. And do you -- can you give us a feel for the staffing at Walter Reed Medical Center and then the -- the tertiary-care portion -- and then the staffing at the new hospital? Because what we don't want to do -- I understand some things can be saved through technology, but my experience has been that it still requires -- you're going to staff -- you're going to staff, actually, more beds at the new hospital than you are -- you had at the hold hospital. You're going to put some new technology in. But can you give us a feel for how they plan to take all these people away and still give the quality of medical care they're giving at Walter Reed?

Ms. Mandzia: I believe that the plan, since it calls for the campus north and then the campus south, that the medical personnel will be divided in order to provide the appropriate care at those locations.

Mr. Skinner: And do you know what happen -- how many people they take out when this realignment -- they've

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proposed not only spending the capital, but saving, you know, several thousand people, and -- as I look at the recommendation -- and I wonder how they're going to do that and continue -- that's a lot of people that they're taking out.

Mr. Gingrich: Yes, sir. According to the COBRA file, 286 military personnel are eliminated with this scenarios, as well as 1,090 civilian workers, the balance being realigned to the Medical Center at Bethesda.

Mr. Skinner: Yeah. So, they're going to take how many from Walter Reed, and move -- in the hospital, itself -- and move it to the new hospital? That goes to the question I think one of the other panel members asked, Are we going to have consistency? I've seen a move like this, and it, obviously, occurs over a weekend. And in the case -- you're moving patients, as well as equipment -- if you have a new hospital, you're putting new equipment in, you don't have to move nearly as much equipment. But it's a major logistical effort to shut down one and open the next one the next day if you have the same people.

Admiral Gehman: Yes, sir. Just under 3700 people will be realigned in and around the Walter Reed Bethesda/Fort Belvoir area.

Mr. Skinner: Okay. Thank you.

Chairman Principi: How many beds did you say they

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were operating? What's the average daily census at Walter Reed?

Ms. Mandzia: One hundred and eighty five.

Chairman Principi: And how many -- the hospital was built to house how many beds?

Ms. Mandzia: Originally --

Chairman Principi: I'm sorry?

Ms. Mandzia: Originally, it was built to house about a thousand.

Chairman Principi: A thousand beds.

Ms. Mandzia: That was originally.

Chairman Principi: Originally. About the same at Bethesda?

Ms. Mandzia: Daily census is about 128 at Bethesda.

Chairman Principi: And how many beds -- originally, what was it built to?

Ms. Mandzia: I believe it was around 300.

Chairman Principi: About 300 beds?

Ms. Mandzia: I believe.

Chairman Principi: Okay. I think there's part of the problem. As medicine has changed, we've done so much more in outpatient care, the number of beds that are used have come way down, so we're maintaining two large, relatively old hospitals, where now we have the opportunity to build a world-class state-of-the-art facility at one location, save

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dollars that can be used to build a community at Fort Belvoir, build more outpatient care. It seems to me to make sense. As General Hill would say, it's a no-brainer.

Are there any amendments?

General Turner?

General Turner: Yes, Mr. Chairman.

I'd like to offer the following amendment, which basically allows for the continuation of AFIP functions not identified in the recommendation.

Therefore, I move that the Commission find that when the Secretary of Defense made Medical Joint Cross-Service Group recommendation 4, Walter Reed National Military Medical Center Bethesda, Maryland, he substantially deviated from the final selection criteria 1 and the force-structure plan, that the Commission strike the language "accident investigation to Dover Air Force Base Delaware, relocate enlisted histology technician training," end quote, and insert in its place "accident investigation to Dover Air Force Base Delaware, Armed Forces Institute of Pathology capabilities not specified in this recommendation will be absorbed into other DOD federal and civilian facilities, as necessary, relocate Enlisted Histology Technician training," and that the Commission find that this change and the recommendation, as amended, are consistent with the final selection criteria and the force-

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structure plan.

Chairman Principi: Is there a second?

General Hill: Second.

Chairman Principi: Any discussion on the amendment?

[No response.]

Chairman Principi: Hearing none, we will vote on motion number 169, dash, 4(a).

Are there any recusals?

Admiral Gehman: I recuse.

Chairman Principi: All in favor of the motion?

[A show of eight hands.]

Chairman Principi: All opposed?

[No response.]

Ms. Sarkar: Mr. Chairman --

Chairman Principi: Are there any other amendments?

Ms. Sarkar: Mr. --

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

I'm sorry. Excuse me.

Ms. Sarkar: Excuse me, Mr. Chairman, let me just report out the vote for you. It was eight ayes, zero nays, and one abstention. The motion carries.

Thank you.

Chairman Principi: Thank you. I apologize.

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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.

Is there a second?

General Newton: Second.

Chairman Principi: Any recusals?

Admiral Gehman: I recuse.

Chairman Principi: All in favor?

[A show of eight hands.]

Chairman Principi: All opposed?

[No response.]

Ms. Sarkar: Mr. Chairman, the vote was eight yeas, zero nays, and one abstention. The vote carries.

Thank you.

Chairman Principi: Thank you.

Mr. Van Saun?

Mr. Van Saun: Thank you, Mr. Chairman.

The next recommendation for your consideration is found at section 170, Medical Joint Cross-Service number 6, Brooks City Base Texas. The recommendation has two components. The first is closing Brooks City Base, and the second is realigning Holloman Air Force Base.

Several relocations result from this recommendation to close Brooks City Base. Five components relocate to

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Wright-Patterson Air Force Base Ohio, eight components move to Lackland Air Force Base Texas, one component moves to Fort Sam Houston Texas, one component relocates to Aberdeen Proving Ground, and two components relocate to Randolph Air Force Base Texas. Additionally, the high-onset gravitational-force centrifuge at Holloman Air Force Base will be disestablished, and the physiological training unit will be relocated to Wright-Patt Air Force Base Ohio.

I will now turn it over to Lesia for further explanation.

Ms. Mandzia: Thank you.

The DOD stated that this recommendation enables technology synergy and positions the Department to exploit a center of Scientific, technical, and acquisition expertise required by the 20-year force-structure plan.

DOD's COBRA data estimated a $323 million one-time cost to implement this recommendation, with a net present value savings of $940 million over 20 years. This recommendation affects about 850 people.

This slide summarizes the key issues that were developed during analysis of this recommendation. The tri-service-directed energy laboratories at Brooks City Base conduct research on the biological effects of nonionizing radiation such as microwaves, lasers, and radiofrequency radiation on humans. This tri-service research capability

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was brought together at Brooks City Base in 1993 under a special project which seeks to co-locate similar research and development activities of the services. This recommendation splits apart the three services, breaking up the established research synergies created over more than ten years of co-location.

The community stated that relocating the directed energy research to two separate locations would lead to the loss of a national capability. Additionally, the community recommended retaining the functions of Brooks City Base in the San Antonio region to maintain and build upon already-established partnerships within the community.

Staff determined that the Secretary of Defense deviated from selection criteria 1.

Mr. Chairman, this concludes my prepared remarks.

Chairman Principi: Thank you.

Are there any questions or discussion on this issue? We have before us Brooks City Base Texas.

General Turner: Mr. Chairman, may we have a moment -- may I have a moment to confer with my colleague?

Chairman Principi: Absolutely.

[Pause.]

Chairman Principi: General Turner, are you ready to proceed?

General Turner: Yes. Thank you, Mr. Chairman.

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Let me just ask Ms. Mandzia for clarification on the directed energy research functions.

Ms. Mandzia: What the recommendation currently calls for is to take the Navy and Air Force component of the Directed Energy Laboratories and move that over to Wright-Patterson Air Force Base, and then take the Army portion of that laboratory and move it to Fort Sam Houston.

Chairman Principi: General Hill?

General Hill: Mr. Chairman, I had visited, along with General Turner, Brooks City Base, in San Antonio, and I'd -- what I would like to say is just to commend the city for a very forward-thinking operation they put into place years ago and for all the great work that goes on there today. I will also say that when -- if this recommendation is approved, Brooks City will continue to be an incredibly viable economic jewel for San Antonio, which they will continue to develop.

Chairman Principi: Is there any further discussion?

Mr. Coyle: Commissioner Coyle?

Mr. Coyle: Thank you, Mr. Chairman.

Ms. Mandzia, I've been concerned that the Air Force continue to invest in understanding GLOC and the effects of high accelerations on pilots, and that, in this proposal, by disestablishing the high-onset gravitational-force centrifuge at Holloman, that the Air Force would now have

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poorer capability, overall, than they have today for that kind of research.

Have you determined that -- a centrifuge is not a centrifuge is not a centrifuge; it depends on how they're constructed and the length of the arm and a number of different factors -- have you determined that the new centrifuge at Wright-Patterson would be truly equivalent to what's at Holloman today?

Ms. Mandzia: In my discussions with the Medical Joint Cross-Service Group at DOD, they said that they had gotten a group of scientific experts together to take look at whether that centrifuge that is going to be moved from Brooks City Base over to Wright-Patterson would be comparable to the work that takes place at Holloman. And those individuals stated that that work could be done on that centrifuge. And, currently, according to the data call that they received, the centrifuge was not used to -- the Brooks City Base centrifuge was not being used to its capacity, so they can do the pilot training at -- currently taking place at Holloman -- on that centrifuge that's at Brooks City Base that's being moved.

Mr. Coyle: I may have had a misunderstanding, but I thought that they were talking about building a new centrifuge at Wright-Patterson, not simply moving the existing one, at Brooks. Is that correct, or not?

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Ms. Mandzia: The plan calls for moving the Brooks City Base centrifuge to Wright-Patterson, at a cost of $30 million, 25 million for the move and 5 million for military construction.

Mr. Coyle: And they would not move the Holloman centrifuge also?

Ms. Mandzia: That is correct. They would mothball it.

Mr. Coyle: Thank you.

Chairman Principi: General Turner?

General Turner: Thank you, Mr. Chairman.

Let me make an effort to absolutely solidify this in my mind one more time before I make the motion.

Is it your sense that the -- that it's imperative that we keep the folks working on directed-energy research together in one location?

Ms. Mandzia: Based on the visit that we -- that the staff had there, that directed-energy work is all being done in one location, and it has -- they've been working together for about ten years. So, breaking them apart breaks apart the existing synergy that currently exists.

General Turner: Thank you very much.

I'm now prepared to make a motion.

Chairman Principi: General Turner?

General Turner: I move that the Commission find that

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when the Secretary of Defense made Medical Joint Cross-Service Group recommendation 6, Brooks City Base Texas, he substantially deviated from the final selection criteria 1 and 5 and the force-structure plan, that the Commission strike the word "occupational" and substitute in its place "operational" for one of the named organizations, and that this Commission find that this change and recommendation are amended as consistent with the force -- the final selection criteria and the force-structure plan.

Chairman Principi: General Turner, could you please explain what we've done here? Or perhaps --

General Turner: What would -- what this would do is leave the recommendation intact, except for changing the name of an organizational that's incorrectly labeled as "occupational" and should be "operational." It's a technical change. It would leave -- it would leave the directed-energy research effort together.

Chairman Principi: Where would it leave it together?

General Turner: It would take the directed-energy lab work that's being currently done at Brooks City Base by the Navy, Air Force, and Army, and move it all to Fort Sam Houston.

Chairman Principi: Okay.

Admiral Gehman?

Admiral Gehman: I think -- I'm sorry, but I'm

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confused. There are two amendments in my book. One amendment would do what you just said. Amendment number 170-4(b). The amendment which was read off, I believe, would not do that. The amendment that was read off was 170-4(a).

General Turner: That's correct. And that's what I'm trying to clarify.

Ms. Mandzia: There was one organization that was named incorrectly in the recommendation.

Admiral Gehman: That's okay.

General Turner: No, no, no. Directed-energy research.

Admiral Gehman: We're talking about directed energy research.

General Turner: Right.

Admiral Gehman: I mean, I'm agreeing with you, Commissioner Turner. I --

General Turner: Yeah.

Admiral Gehman: -- think we are --

General Turner: I -- yeah. We --

Admiral Gehman: -- we're on the wrong amendment.

General Turner: We need to amend it to state that -- where we want it to go. Is that correct? If that's the case, I want to rescind what I just said and say something else.

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Ms. Mandzia: The three functions at Brooks City Base that currently do directed energy are, according to the recommendation, the Naval Health Research Center Electromagnetic Energy Detachment, the Human Effectiveness Directorate of the Air Force Research Laboratory, and the Army Medical Research Detachment. Those three components would then move to Fort Sam Houston together.

Admiral Gehman: Not unless we amend this recommendation, they won't. And there's no amendment on the table to do that.

General Turner: So, we need the other amendment. It shouldn't be this difficult. But we're making it so.

Chairman Principi: Let's set this aside for a few minutes to draft the correct language to --

General Turner: Yeah.

Chairman Principi: -- effect General Turner and Admiral Gehman's intent, unless you feel we have that language --

Mr. Cook: Mr. Chairman, I think you have the language --

General Turner: We have it in --

Mr. Cook: -- in 170, dash, 4(b).

General Turner: -- in 170-4(b).

Chairman Principi: Do you have that language?

General Turner: I do.

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Chairman Principi: Well, why don't you -- we have not voted on your previous motion.

General Turner: Yeah.

Chairman Principi: We'll set that aside.

General Turner: Yes.

Chairman Principi: And if you will move with 170-4(b), that should take care of it.

General Turner: Thank you. I certainly hope so. Let's try this again.

I move that the Commission find that when the Secretary of Defense made Medical Joint Cross-Service recommendation 6, Brooks City Base Texas, he substantially deviated from the final selection criteria 1 and 5 and the force-structure plan, that the Commission strike the word "occupational" and substitute it -- in its place the word "operational," and that the Commission strike the language, quote, "the Naval Research Center Electromagnetic Energy Detachment, the Human Systems Development and Acquisitions Function, and the Human Effectiveness Directorate of the Air Force Research Laboratory to Wright-Patterson Air Force Base Ohio," end quote, and substitute in its place the language, quote, "and the Human Systems Development and Acquisition Function to Wright-Patterson Air Force Base Ohio, relocate the Naval Research Center Electromagnetic Energy Detachment and the Directed Energy Portion of the

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Human Effectiveness Directorate of the Air Force Research Laboratory to Fort Sam Houston Texas," end quote, and that the Commission find this change and the recommendation, as amended, are consistent with the final selection criteria and the force-structure plan.

Chairman Principi: That does it.

Okay, is there a second?

Admiral Gehman: I second.

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

[No response.]

Chairman Principi: Are there any recusals on --

General Newton: Mr. Chairman? Mr. Chairman? I just want to confirm with the analyst, this now keeps all three of the organizations together, and they are moved over to Fort Sam Houston. Is that correct?

Ms. Mandzia: That's correct.

General Newton: Thank you.

Chairman Principi: Okay.

Are there any recusals?

[No response.]

Chairman Principi: All in favor of the amendment, number 170, dash, 4(b), please indicate?

[A show of nine hands.]

Chairman Principi: All opposed.

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[No response.]

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

Chairman Principi: Are there any further amendments?

[No response.]

Chairman Principi: Hearing none, we will vote on whether to approve the Secretary's recommendation on Brooks City Base Texas 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: All in favor?

[A show of nine hands.]

Chairman Principi: All opposed?

[No response.]

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

Mr. Van Saun: Mr. Chairman, the next recommendation for your consideration is found in section 171, Joint Cross-Service Medical, number 9, McChord Air Force Base Washington.

This recommendation would realign McChord Air Force Base Washington by moving all medical functions at McChord Air Force Base Clinic to Madigan Army Medical Center at Fort Lewis, Washington. McChord Air Force Base and Fort

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Lewis share a fenceline, and the McChord Clinic is about eight miles from Madigan Army Medical Center.

Lesia will explain the rest of this recommendation.

Ms. Mandzia: The DOD justification for this realignment is that it would promote jointness and reduce excess capacity. It also locates military medical personnel in areas with enhanced opportunities for medical practice.

DOD's COBRA report shows that a one-time cost to DOD to implement this recommendation is $1.1 million. Payback is expected immediately. And the net present value over 20 years is a savings of $164.4 million. This recommendation affects about 50 people.

This slide summarizes the key issues that were developed during analysis of this recommendation.

The McChord Clinic is part of a two-story 100 square-foot medical and logistics building. It was built in 2000 and replaced buildings that housed the medical group. The clinic provides care to about 14,500 active-duty, active-duty family members, retirees, and their families.

The Madigan Army Medical Center, with a 172-bed capacity, serves a six-state area. It is located approximately eight miles from the McChord Clinic and is comprised of four buildings, occupying about one million square feet on 120 acres.

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The McChord community questioned whether Madigan Army Medical Center at Fort Lewis has the capacity to take on the McChord patient population. Though the recommendation calls for moving all medical functions to Fort Lewis, the Army, as the responsible management entity, could use the clinic to provide healthcare services if space is not available at Madigan.

Staff assessment reveals this issue -- these issues do not rise to the level of a deviation.

Mr. Chairman, this concludes my prepared remarks.

Chairman Principi: Thank you.

How far apart are McChord and Fort Lewis?

Ms. Mandzia: About eight miles, the clinic to the hospital.

Chairman Principi: All right.

General Hill: Mr. Chairman, I commanded Fort Lewis, Washington, during the time that this clinic was built. I attended the opening of the clinic at McChord. It is a world-class small clinic -- lovely clinic that will -- that has served McChord well. What this recommendation does is combine, correctly, the medical care for the airmen and the family members at McChord with the family and the service members at Lewis and with -- allows the Madigan, which is a world-class facility, both structurally and in staffing, to better manage the medical care for both the Air Force and

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the Army in that immediate vicinity.

It's misnomered, in the sense that they're going to, quote, "close the clinic," which gets -- everybody's, "Oh, my God, they're going to lock the doors." Madigan will make use of this clinic and the facility that -- it is good.

General Newton: Mr. Chairman?

Chairman Principi: Are there any questions?

General Newton: Mr. Chairman, I'd like to know, then, what is specifically in the recommendation. If the recommendation says "close the clinic," then that's what will happen, by law. So, I want to be those -- be sure that the words are not there that does that.

Ms. Mandzia: The words in the recommendation are "realign."

General Newton: Okay. Thank you.

General Hill: But -- and that was the concern of the folks at McChord, though. And, in fact, it's -- they're misplaced.

Chairman Principi: Is there any further discussion?

[No response.]

Chairman Principi: Are there any amendments?

Admiral Gehman: Admiral Gehman?

Admiral Gehman: With all due respect to my learned analyst, I think we'd better get the book out, because the

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recommendation says "realign McChord," but it says "relocate all medical functions to Fort Lewis." It does not suggest that you can leave the clinic open. So, I think we'd better get the book out.

Mr. Coyle: Mr. Chairman?

Chairman Principi: Yes, Commissioner Coyle?

Mr. Coyle: Thank you, Mr. Chairman. I think Mr. Bilbray has a question or a comment, also.

Mr. Bilbray and I visited McChord together and met with medical people there, and this proposal raises an issue we're going to confront several times today. I regard this proposal as, for all practical purposes, a joint-basing proposal. It doesn't happen to fall under the joint-basing category. It's falling under the medical category. But I think, essentially, what this proposal is asking McChord and Fort Lewis to do is to work together to see if there are efficiencies that can be achieved in medical service between the two bases. And I think everybody on this Commission supports the concept of joint basing. The issue is in the execution and the implementation. And where past joint-basing initiatives have failed, it's been in the implementation.

When we visited McChord, they told us, as it shows here in the book, that they were slated to lose about 200 people from their clinic, and that it was not to stay open.

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Quite the contrary, that it would be used for something else -- an office building or who knows what. And we toured the facility, and, as has already been pointed out by Ms. Mandzia, it's a brand-new, modern medical facility.

And we also heard that these supposed savings were directed, top down, in order to present a savings in this BRAC round. They were not derived by McChord and Fort Lewis people in the medical arena working together and trying to determine what savings realistically could be achieved. In fact, when we were there -- this was fairly early in the BRAC process -- McChord and Fort Lewis had never had a single meeting to discuss how, or even if, any of these savings might be achieved. And, while, when you look at the swings in this proposal net, they don't appear to affect a lot people, in fact, they do affect those 200 people at McChord. And I believe -- when you count the military service members who use that clinic, their families, and retirees, I believe this potentially affects a population of something like 34,000 people.

So, I have concern about this proposal, because the savings have been directed, and not derived. And I'm concerned that, if we pass this proposal without modification, that's exactly what will happen, is, these savings will be directed without further regard for the affected population.

Chairman Principi: As I read the justification here, it clearly states that approximately 169 people at the clinic will be reassigned to Fort Lewis to ensure that the level of effort is met, the level of need is met. There are certain contractor personnel and others in some overhead positions, military positions, that will be reassigned. It seems to me this is a very well-thought-out recommendation to consolidate two facilities that are very, very close together, so no one should be impacted, in terms of having to drive long distances to get care. Most of these folks are eligible for TRICARE, in any event, if they choose to go to the private sector for care. It saves dollars that can better used to buy equipment, better training, more healthcare, at a world-class facility. And I think there -- I can't find any substantial deviation here, as long as the people, as I indicate, are being reassigned -- military and civilian authorizations will be realigned to Fort Lewis, in order to maintain the current level of effort in providing care to these beneficiaries, to the McChord Air Force Base beneficiary population.

Are there -- is there any further discussion?

General Newton: Yes --

Chairman Principi: General Newton?

General Newton: -- Mr. Chairman.

There's a slightly different phenomenon of these two

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bases that we need to be aware of. With reference to -- and I understand your comment of, "These are very close together, so that it should not be a problem of someone just driving over to the other side and seeing the doc, or what have you"; however, in the flying arena, that's slightly different. What we really need is, over on the McChord side, a small clinic so that -- for instance, flyers, pilots, aviators may need to run by the doc, by the flight surgeon, before they go to work, or whatever. That really should be over on the McChord side, but controlled by Fort Lewis. So, instead of saying, "Move all of these medical functions to Lewis," it really should be at the discretion of the commander of the hospital at Lewis as to what he wants over on the McChord side and what he or she wants over on the Fort Lewis side. That is really, really important.

Chairman Principi: I would certainly agree with you, and I would assume that the Air Force would ensure that flight surgeons and medical personnel would be available at McChord to meet the very need that you articulated. It seems to me this proposal is just more for dependents, military retirees who are seeking care. They are a very, very large part of the population that are getting care. But an amendment to ensure that there is that type of medical care available at McChord to meet day-to-day

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operational needs, I certainly would support that amendment.

General Newton: Yes, sir. That's all I'm -- that's all we're speaking to, from my perspective, at least.

Chairman Principi: No, I --

Mr. Van Saun: Mr. Chairman, we -- excuse me -- we did look into that, and -- Lesia?

Ms. Mandzia: Commissioner Newton, all the -- all that medical stuff that's needed for the pilots does stay at McChord.

General Newton: My concern is, it's not stated in the language, and we have to put it in the language. So, I need a change to the language that allows us to do that. That's all. Once this Commission -- this BRAC gets approved, it's going to be -- someone is going to look here, and it says, "Nope, move it -- all of the functions," and that's what they will do.

Chairman Principi: Please provide us with clarifying language in the form of an amendment so that we can ensure that what's supposed to stay at McChord is -- will, in fact, stay, and that this is not a technical oversight. And we can do that. We can come back to this, and we should be able to dispose of it very, very quickly.

Does that -- is that -- does that meet everyone's satisfaction?

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Mr. Bilbray: Chairman, that's what I was going to bring up, about, you know, postponing it until they can get in a perfecting amendment, and --

Chairman Principi: Very well. We'll do that.

Mr. Bilbray: And I also am concerned about the situation.

Chairman Principi: Very well, Congressman.

Okay, let's move on to the next one.

Mr. Van Saun: Thank you, Mr. Chairman. We'll come back to that one.

The next recommendation for your consideration is found in Joint Cross-Service Medical, section 172, Medical, number 10. The recommendation has two components.

The first is relocating the inpatient medical function at Wilford Hall Medical Center, located at Lackland Air Force Base, to Brook Army Medical Center at Fort Sam Houston, and creating the San Antonio Regional Medical Center. Wilford Hall would become an ambulatory-care center.

The second component is the relocation of basic and specialty enlisted medical training from Naval Air Station Great Lakes, Sheppard Air Force Base Texas, Naval Medical Center Portsmouth, Virginia, and Naval Medical Center San Diego, California, to Fort Sam Houston, Texas.

I'd like to go back to Lesia to continue to explain

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this item.

Ms. Mandzia: The DOD stated that the primary rationale for realigning Wilford Hall Medical Center and Brook Army Medical Center is to transform the medical infrastructure into a modernized joint operational medicine platform. This recommendation reduces excess capacity within the San Antonio multi-service market while maintaining the level of care for the beneficiaries, enhancing opportunity for provider currency, and maintaining surge capacity. According to DOD, the co-location of medical basic and enlisted specialty training to Fort Sam Houston has the potential to transition to a joint training effort and will result in reduced infrastructure and excess system capacity. Additionally, the joint training center will result in standardized training for medical enlisted specialities, enhancing interoperability and joint deployability.

DOD's COBRA data estimates a $1 billion, one-time cost to implement this recommendation, with a ten-year payback. The net present value over 20 years is a savings of $476 million. This recommendation affects approximately 1100 people.

This slide summarizes the key issues that were developed during analysis of this recommendation.

Issues concerning the relocation of inpatient

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services. This recommendation directs the inpatient medical function, including the trauma center at Wilford Hall Medical Center, to be located at Brook Army Medical Center. Some community representatives expressed concern over the shifting of the level-one trauma center to Brook Army Medical Center, because the movement would leave the south side of San Antonio without a trauma center. Other community representatives, however, support this reallocation of inpatient medical functions in the San Antonio area.

Issues concerning the enlisted medical training. This recommendation also relocates enlisted medical training from four locations to Fort Sam Houston. Some communities questioned the relocation of all enlisted medical training to Fort Sam. Two locations believe that they either had better capacity than Fort Sam Houston to provide the training or that they would provide a more balanced approach to needed savings.

Staff assessment reveals these issues do not rise to the level of a deviation.

Mr. Chairman, this concludes my prepared remarks.

Chairman Principi: Thank you.

Are there any questions or discussion on this proposal?

General Turner: Mr. Chairman?

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Chairman Principi: Yes, General Turner?

General Turner: I think by now everybody knows that I served for 30 years in the Air Force, retiring as the chief of the Air Force Nurse Corps. I think everybody knows I live in San Antonio, Texas. I think everybody knows that I get my care at Wilford Hall Medical Center. In fact, I've been accused of having it tattooed on my chest, "If found on the loop, take me to Wilford Hall." I think everybody knows that I previously served at Sheppard Air Force Base, in charge of one of the enlisted medical training programs.

That being said, I think that this is a very good recommendation, for the following reasons:

San Antonio has been blessed for many years with the full up-and-running Wilford Hall Medical Center and Brook Army Medical Center. We have three -- currently have three level-one trauma centers in town. Two of them are military. In this proposal, one of them would, kinda sorta, go away, but not totally, given that the trauma capability at the Army facility would be considerably expanded. But -- that has caused a lot of consternation on the part of some of the citizens of San Antonio -- but I would say that, from what I've heard and what I've read, that has -- that leveled off fairly quickly. And it's not that I don't consider it an issue, but it did not remain a huge issue among the population for very long.

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The other thing that I think that is really important here is access to care for the tremendous military population in San Antonio -- a lot of it, active-duty; and a lot of it, retirees and dependents. We all appreciate being able to get an appointment when we feel that we have a need. And I think that this would facilitate that process, as well.

There will be a -- what appears to be a terrific new state-of-the-art ambulatory-care center with outpatient surgery facility constructed on the existing Wilford Hall campus. That would be a great enhancement to the facility.

Wilford was originally -- by the way, did I mention I was the chief nurse at Wilford Hall at one point, too.

[Laughter.]

General Turner: This is really difficult for me. But Wilford Hall was built originally as a thousand-bed medical treatment facility. It has not been a thousand beds for many years. It's now X-number of beds and lots of offices. It's a facility that, if it were continued in the inventory, would need a lot of renovation. But what we really need in San Antonio is more ambulatory care for the military population. That's what the profession is moving to, and that's what we need. And this recommendation would provide it.

On the issue of enlisted medical training, we did look

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at that. We looked at if this was the right place to do it. I visited Sheppard Air Force Base. I was very impressed with what they do there, and they are to be commended for the fine job that they've always done for Air Force enlisted medical training and officer training. And there's no doubt in my mind that they will continue to do so until this change, if approved, commences.

But for as long as I can remember, the combined medical services have been trying to find ways to bring enlisted medical -- enlisted training, period, but specifically enlisted training -- together in one place so that we could take advantage of the cross-service skills and capabilities among the instructor staff and yet, at the same time, create a -- an enlisted medical technician that would have -- that would bear the service-unique capabilities that we all want them to have. And I think that this proposal accomplishes that. Everybody will, kind of -- will get a broad initial orientation for whatever their career field is and will still then branch out into service-unique training, as well.

I'm satisfied with that, and I hope that my fellow Commissioners will be, as well. And, at the appropriate time, I will move that we adopt this recommendation in full.

Chairman Principi: Thank you.

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Is there any further discussion?

General Newton: Yes, Mr. Chairman.

I'd like to join Commission Turner and associate myself with her remarks. Clearly, this is an extraordinary, extraordinary move. Change is always hard. But I think this particular recommendation by the Secretary, when we look back in a few years, we will see that it was absolutely the right thing to do. It's located in a wonderful, wonderful city, and it will be at a great location, over at Fort Sam Houston.

In San Antonio, they've always provided extraordinary medical care and have always been very, very remindful to take care of our military folks that are there. That's why they are called Military City USA.

Sheppard, as was mentioned, provides extraordinary medical training. But bringing all of these soldiers, sailors, and airmen together in the fashion at which is forecast here, I think, is -- will be very beneficial and pay us great dividends in the future.

The new facility over at Wilford Hall and Lackland Air Force Base I'm ecstatic about, because it will be responsible for taking care of those 37,000-40,000 new airmen that come into the Air Force every single year, and they will need care as they're going through that rigorous training and changing their lifestyle completely.

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And so, I'm very, very pleased with that, and I want to commend the Medical Cross-Service Group for this bold step.

Thank you.

Chairman Principi: Thank you.

Anything further?

[No response.]

Chairman Principi: Hearing none, I move that the Commission find that the Medical Joint Cross-Service Group recommendation 10, San Antonio Regional Medical Center Texas, is consistent --

Oh, General, would you like to make the motion?

Mr. Skinner: No, I just wanted to make a comment.

Chairman Principi: I'm sorry.

Mr. Skinner: I had the opportunity -- I want to make sure that everybody understands that this recommendation is to enhance the medical training that medics and corpsmen are receiving and that the quality of care that -- and quality of training that exists today -- I had the opportunity to visit the Navy's Medic Training Center at Great Lakes, Illinois, and they are doing an outstanding job, and an outstanding job is being done throughout this country, and has done for many years. And while medics and corpsmen training in the Navy has moved from time to time, they have never compromised their capability.

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And, as we make this move and it disrupts the training facilities that are going on in other parts of the country, these people are serving in our military in combat, as we speak. The quality of their training has been enhanced over a number of years. And we are saving more lives because of medics and corpsmen in the field. And it is hopeful that, with this consolidation, it will be the final consolidation, and it will be the Center of Excellence for combat medic training. And I support it.

Chairman Principi: Thank you.

Anything further?

[No response.]

Chairman Principi: I move that the Commission find the Medical Joint Cross-Service Group recommendation 10, San Antonio Regional Medical Center Texas, is consistent with the final selection criteria and force-structure plan.

Is there a second?

General Turner: Second.

Chairman Principi: Are there any recusals?

Admiral Gehman: I recuse.

Chairman Principi: All in favor?

[A show of eight hands.]

Chairman Principi: All opposed?

[No response.]

Ms. Sarkar: Mr. Chairman, the vote are eight yeas, no

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nays, one recusal. The motion passes.

Chairman Principi: Thank you.

The Commission will stand in recess for 15 minutes.

[Recess.] Chairman Principi: The Commission hearing will come to order, there's been some confusion about the schedule for the remainder of the day, we plan to move through the Joint Cross Service recommendations, hopefully finish them up by early afternoon, at which time we will proceed to Air Force recommendations, BRAC recommendations. I'm not confident we'll get through all of them, or even a majority of them, but we will certainly pick up, hopefully by mid-afternoon, and try to make decisions on several of those. So, it's a little uncertain, depending upon how long it takes us to complete our work on Joint Cross Service, so with that, I will turn it back over to Mr. Van Saun.

Mr. Van Saun: Thank you, Mr. Chairman. The next recommendation for your consideration is found at Chapter 8, Section 173, Medical Cross Service Team Number 12, Convert Inpatient Services to Clinics.

This recommendation closes the inpatient services at Marine Corp Air Station Cherry Point, North Carolina, Fort Eustis, Virginia, Andrews Air Force Base, Maryland, MacDill Air Force Base, Florida, Keesler Air Force Base, Mississippi, Scott Air Force Base, Illinois, Naval Station,

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Great Lakes, Illinois, and Fort Knox, Kentucky. This recommendation also relocated the U.S. Air Force Academy inpatient services to Fort Carson, Colorado.

The nine facilities affected by these recommendations will be converted to clinics, and ambulatory surgical centers. I would like to turn it back over to Lesia for her further analysis.

Ms. Mandzia: The DoD stated that the Department will rely on the civilian medical network, located within 40 miles of the reference facility for inpatient services. Additionally, the Department noted that this recommendation supports strategies for reducing excess capacity, and locating military personnel and activities with higher military value with the more diverse workload, providing them with enhanced opportunities to maintain their medical currency to meet Combatant Command requirements.

DoD COBRA report shows a one-time cost of $12.9 million to implement this recommendation with an immediate payback, and a 20 year net present value savings of $818 million. This slide summarizes the issues that were developed during the analysis of this recommendation. DoD did not make a detailed assessment of the available healthcare services within the referenced communities, and whether the civilian medical network will be able and willing to provide needed medical services. Additionally,

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GAO noted that in a quote, "While the Medical Group examined the capacity and proximity of Department of Veterans' Affairs hospitals to existing military medical facilities in its analysis, it did not coordinate with the V.A. to determine whether military beneficiaries, the normally received care at military medical facilities could also receive care at V.A. hospitals in the vicinity."

Service members and their dependent who use Fort Knox, may have difficulty obtaining services in the civilian medical network, particularly in obstetrical care. There are two hospitals within a 20 mile radius of Fort Knox, and only one provides obstetrical services. That hospital, however, has determined that it cannot reasonably accommodate the projected volume of deliveries if Ireland Hospital at Fort Knox were no longer an inpatient facility. The next two closest hospitals with obstetrical care are about one hour away. Additionally, Fort Knox is expected to gain a brigade from overseas, which would put greater demand on healthcare services at Fort Knox and surrounding area.

Keesler community representatives questioned whether healthcare for the active duty, their dependents, veterans and retirees would be reduced in the four-state area that Keesler serves if the medical center were downsized to a clinic. The U.S. Air Force stated that they had no contact

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with local hospitals to discuss the feasibility of the BRAC plan regarding Keesler. Additionally, not all services presently available at Keesler are available at the surrounding hospitals. According to the Air Force, several area hospitals, notably the nearest civilian hospital to Keesler Air Force Base, are not part of the TRICARE network. Staff assessment reveals that there was deviation from criteria one, three and seven.

Mr. Chairman, that concludes my prepared remarks.

Chairman Principi: Thank you. I want to support this recommendation, however, I have certain concerns, one of which you've mentioned, the ability of the surrounding communities, the TRICARE providers, to pick up the workload that would result from closing these inpatient facilities.

My second concern is the fact that these inpatient facilities provide a very important training environment for uniformed medical personnel to meet out military medical readiness and deployment to combat theatres.

With regard to the first issue I raised -- to what degree have we contacted, or has DoD contacted TRICARE providers to ensure that they have the network to meet this increased workload?

Ms. Mandzia: DoD had not contacted the TRICARE networks to make that kind of assessment.

Chairman Principi: Well that's, you know, I would be

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inclined to say that if we were to support this recommendation, that it would be based upon a certification by the Department of Defense that, or certification by the TRICARE providers in these regions that they can -- in fact -- address the workload, meet the workload, and without that certification, then the recommendation should be disapproved.

Can you address the medical-readiness aspect, the training, are we losing an important inpatient training base if we close these facilities down?

Ms. Mandzia: Keesler Air Force Base Hospital offers graduate medical education training, so it offers residency training, and also enlisted medical training, as do some of the, a few of the other locations for the Air Force.

Chairman Principi: Well, you know, I'm disappointed that the Department of Defense did not collaborate with my former Department, the Department of Veterans' Affairs, as we have V.A. medical centers in all of these areas -- large inpatient facilities in all of these areas, I believe -- which can engage in sharing agreements, much like we have at Kirkland, Elmendorf, Nellis and other parts of the country. But it's obvious they didn't do so, much like DoD did not cooperate with, or at least communicate with the Department of Homeland Security on some of the issues that we'll be addressing tomorrow.

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Those are my concerns, I'll just open it up to further questions and discussion by Commissioners. General Turner?

General Turner: Thank you, Mr. Chairman. This is another interesting recommendation, and actually in general, I support most parts of it. It's another effort in the continuing quest to modernize military medicine.

One of the things that does concern me, though, about the recommendation, well, two things, really. One relates to Keesler Medical Center, and again, by the disclaimer, that was my first assignment in the Air Force, many years ago -- it's changed a lot since then I would imagine -- but one of the things that bothers me about this recommendation with Keesler is that Keesler is still a designated medical center. And -- in the case of a couple of other facilities on the recommendation that were formerly Air Force Medical Centers who, in past years have been re-designated as hospital-size, community hospitals if you will -- that yet it astounds me that we would take an Air Force Medical Center directly down to an ambulatory care clinic. And so we have looked into that a little bit more, and I'll come back to that.

Mr. Skinner and I visited the hospital in Fort Knox, Kentucky, and that presented some other really interesting things which Ms. Mandzia referred to in terms of the obstetrical care, even today, much less if it becomes an

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ambulatory care clinic. One of the things we asked them when we were there had to do with, were there any other options besides the civilian network for obstetrical care? Such as, birthing centers, using a combination of obstetricians and nurse midwives, and that was one thing that was looked at.

The interesting thing about Fort Knox Hospital, is that if you've never been to Fort Knox, it's a very, very large military reservation, and getting from one side of it to the other side to get to the hospital when you're in labor, and perhaps your spouse is deployed, that could be a very -- not only a challenge -- but have some very bad outcomes. So, I found that that was a very big challenge for Fort Knox, which inclines me to not support that part of the recommendation.

A similar thing at Keesler Air Force Base, in terms of medical care available in the community, when you take something that's apparently a medical center -- now, granted, it's probably not operating at its former heyday capacity -- but it still is a medical center, and getting it down to an ambulatory care clinic, which by the way, I would assume would be larger and offer more specialties than some other clinics, still is a bit of a stretch for me, so I would be inclined not to support that part of the recommendation.

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In terms of the question the Chairman raised regarding training of Air Force medical personnel for potential deployment taskings, I had that same question. And, I've talked on several occasions with the Chairman of the Medical Joint Cross Service Group, and I'm convinced that those opportunities -- although not in the way that we're maybe used to thinking of them -- would still be abundantly available, and so I'm comfortable -- more comfortable -- with that aspect of it, thank you.

Chairman Principi: Secretary Skinner?

Mr. Skinner: Thank you, Mr. Chairman. I am going to make a motion that just the recommendations as it related to Keesler Air Force Base in Mississippi, and Fort Knox, Kentucky -- and it really goes to the point that you brought out earlier -- conceptually I believe that the Department of Defense is on the right direction. These huge tertiary care hospitals, just as we've seen in some of the other recommendations, are being replaced in many cases by community hospitals that include surgery centers, ambulatory surgery centers, clinics and some kind of inpatient capability, because when you have a huge population, such as Fort Knox, and at Keesler, and all of these facilities, if you don't have -- whether it be a Veterans' Affairs hospital or a hospital on the, you know, private sector hospital or a community-owned tertiary care

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hospital -- you don't have anyplace for them to go. And a good part of the decision is whether or not there's capacity in those other hospitals, and whether or not they accept, the physicians and practitioners accept TRICARE.

In the case of Fort Knox, which General Turner and I visited, it is clear that the hospital, which is a 1950's hospital, has served us well, but needs to be changed to meet the mission. It is clear, also, that the doctors and the nurses and others that are required, go to the V.A. hospital in Louisville, or in tertiary care hospital in Louisville, as well, but that still leaves a gap. And that gap is where you need some, other than 24-hour surgery care center, you need to stay one or two or three days, where are they going to stay, and if you don't have any capability at the hospital or the community center/clinic, surgery center/clinic, and you have no capacity in the community, you've left a hole that hasn't been plugged. I believe in the case of Keesler and Fort Knox, that clearly exists. So, after the discussions, I'm going to make a motion to change and delete and put in some language in 173 that deal with those two situations. In many of the other situations that are involved, it's my understanding that there is care in many cases, and these two really stuck out as those -- for example they surveyed the Elizabethtown area which is right around Fort Knox and basically got a

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report back that there really was no capacity to handle this kind of, what I call, intermediate care.

Chairman Principi: Thank you, General Turner?

General Turner: Mr. Chairman, I wanted to just ask one clarifying question of Ms. Mandzia. With respect to the Keesler facility if that -- if we were to change that recommendation, in terms of the MILCON that's associated with it, my recollection has something to do with a new inpatient tower?

Ms. Mandzia: Depending on what the recommendation would be, if that facility would become a community hospital, the Medical Joint Cross Service Group ran a COBRA which included $90 million for rehabilitation and construction at Keesler.

General Turner: Okay, thank you very much.

Mr. Skinner: I have a motion. I move that the Commission find that when the Secretary of Defense made Medical Joint Cross Service Recommendation 12, Convert Inpatient Services to Clinics, he substantially deviated from final selection criteria two, five and seven and the Force Structure Plan. That the Commission strike paragraphs F and I and convert the medical center into a community hospital; that the Commission find that this change in the recommendation, as amended, are consistent with the final selection criteria and Force Structure Plan.

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F and I are the two paragraphs in the bill that relate to the Keesler Air Force Base, Mississippi, and the Fort Knox, Kentucky hospital.

I would also say that both of these, in each of these cases, the Department of Defense would still have the ability -- rather than keeping these older facilities open -- if it makes sense economically as part of their plan to build not only a new clinic/ambulatory surgery center, but also take the additional funding necessary and make it a community hospital that could handle some of what I call the intermediate, overnight stays, and that might be no more than 10 or 15 beds, but it certainly gives them a capability, and that would be, after we make this recommendation, that would be their ability to do that, if they thought it was cost-effective and without coming back to a BRAC.

Chairman Principi: I certainly want to support the amendment, my question, perhaps, I'd like to ask General Turner, in a community hospital of that size, can you provide quality of care if you don't have the volume of workload to keep the skills of your practitioners or surgical teams -- or whatever is going to be provided at the community hospital -- at that high quality level. We all know that outcomes -- in large part -- are based upon the volume of procedures that are done by practitioners;

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the more procedures you do, the better the skills, the better the outcomes. Are we, in any way, compromising on the quality of care, or jeopardizing any of our patients that will go to those small, community hospitals with 10 or 15 beds?

General Turner: The community hospital bed size, do we have a range for that?

Ms. Mandzia: Currently, at Fort Knox, their average daily census is about 14, and at Keesler, it's 60. And there is no exact number -- the way they do it is that they size the facility to the demands of the services of the population that they serve.

General Turner: Mr. Chairman, the way that I would answer that question is, of course, we obviously don't want to create a situation that compromises care in any way. What I would say is -- and I've had this conversation with the Chairman of the Medical Joint Cross Service Group on a couple of occasions -- the expectation is, as much as possible, in these particular locations, but probably in other ones as well -- that the commander of the medical facility would take the opportunity to strike cooperative agreements with local medical facilities, I'm assuming in the TRICARE network, whereby medical and surgical and other specialty providers could keep their skills up, so to speak, in those local hospitals, if the through-put was not

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sufficient in the medical facility. So, a lot of that is Mike's and all of that, but I believe the opportunity is there, it would be greater or not depending on the geographic location, so, I can't answer your question any better than that.

Chairman Principi: I would like to explore just a little bit further, but I'd like to defer to Congressman Hansen.

Mr. Hansen: Thank you, Mr. Chairman, excuse my ignorance not knowing this, but what's the proximity between Kessler Hospital and the V.A. hospital? I've heard that they're right next door to each other, is that correct?

Ms. Mandzia: That's correct, I don't know the specific mileage, or the location, but Gulfport is very close to --

Mr. Hansen: Is there a corridor between the two?

Chairman Principi: I've been to both and they're very, very close. Certainly, I don't mean to interrupt you, but certainly an agreement can be reached between the Air Force, as we have done very, very well in Albuquerque, with Kirkland, and Nellis Air Force Base, in Elmendorf we have a joint facility, in Hawaii we have a joint facility with the Army, I mean, that's the wave of the future, bringing the V.A. and the Department of Defense much closer

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together, so there should not be any problem with that.

Mr. Hansen: Thank you.

General Hill: Wasn’t there a discrepancy between -- I thought I heard you say -- that the V.A. Hospital near Keesler could not handle the workload? That's not what I heard?

Ms. Mandzia: What I said was that the DoD did not confer with the Department of Veterans' Affairs to see if there could be some agreements reached with these facilities.

Chairman Principi: I'm reasonably confident, General Hill, that the V.A. can have a sharing arrangement with the Air Force.

General Hill: As a veteran myself, I'm sure that that's correct, Mr. Chairman.

Mr. Skinner: Mr. Chairman, I have a question because as your expert as a V.A., it's my understanding that in some locations, because of the workload that the Veterans' Administration has, that they have adopted a new policy, and I don't know if this is nationwide, or just locality-wide, but they are either placing at the bottom of the priority, or they're not really handling, in some cases, not the active duty personnel, but retirees, and families of active duty personnel, and they're asking them to go to the TRICARE facilities in the area, and maybe that's just

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an individual location, you can answer that.

Chairman Principi: Clearly the workload at some of the V.A. hospitals is high, but the beauty of the relationship with the Department of Defense is that's on a cost-reimbursable basis, so the V.A. welcomes the resources from the Department of Defense that helps to increase the level of care.

I'm just very concerned about the amendment, I would prefer if we could structure an amendment that requires some type of certification from the Department of Defense that the workload can be met through a sharing arrangement with the Department of Veterans' Affairs, or through TRICARE or the private sector before we embark on a community hospital where the workload might be so low that the quality of care might be compromised, and the cost to maintain a small hospital is very, very high. I agree with you in concept -- I'm concerned that DoD did not go out and ensure that we had that network available. And I think we should agree with your amendment if that certification is not forthcoming.

General Newton: Mr. Chairman, I have a statement and probably a question as well. The areas, these two particular areas which we're speaking of -- Keesler and Fort Knox -- certainly has a large population of more junior military folks that are there, and that's where

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several of us are really concerned, to ensure that we can take care of them and their families as well as the other medical population that might be there. I know down in the Keesler area, there is a large population of veterans and retirees, as well. So, the question is, with reference to skill level and proficiency of skill level, do we have -- or have we heard -- that in Keesler and/or at Fort Knox that there is a problem with maintaining that skill level?

Mr. Skinner: Let me answer that, because I asked that very question at Fort Knox. And we talk about the skill levels we're using -- first of all, we ought to understand the concept that we're talking about here is already in use in the private sector in major communities. I'll take Chicago, because I'm familiar with it. We have several tertiary care, huge medical centers located in the downtown area of Chicago, and we have some outside, but many of the hospitals now that feed that are basically community hospitals, that can do trauma up to a certain level, or they Medivac them into the Trauma 1-Level hospital. They provide the services, their physicians are fully qualified, but when it comes to complex surgery, they move to either the Veterans' Administration or to those hospitals. And the doctors I asked that question at Fort Knox, and they told me that the doctors at Fort Knox, to keep their skill sets up, when they have a complicated case, go down to the

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Veterans' Hospital, which is 30 miles away in the case of Louisville, actually operate and use those facilities, and I think that would continue. What we're talking about is not duplicating what exists at the Veterans' Hospital, or the level of competence, we're talking about providing the troops and their families, with intermediate care, clinical work, outpatient, ambulatory surgery work, birthing in some cases, because birthing doesn't exist, if it doesn't exist in the community, and the capacity doesn't exist, and that calls for a small set of rooms. This is not a full-blown hospital that they currently operate, but it's more than just an ambulatory surgery center and a clinic, it does have some bed capacity for overnight and two-day stays, and it's within a few miles, rather than 30 miles away, and the community, in these cases, doesn't provide that. And that's why we have this amendment.

Chairman Principi: Would you be willing to just set it aside for a short time and see if there's a possibility of working out a perfected amendment and we'll come back to it, if we can not work it out, we'll vote it up or down?

Mr. Skinner: I certainly would be glad to do that.

Chairman Principi: Mr. Van Saun, we'll move on to the next item.

Mr. Van Saun: Thank you, Mr. Chairman, let me just reset my staff.

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Mr. Chairman, we're ready now to start on another Joint Cross Service Group -- Headquarters and Support Activity.

I'm sorry, sir, just a minute, we've got to get the slides, notebooks and my brain in the same alignment.

Chairman Principi: Section 174?

Mr. Van Saun: That's correct. Mr. Chairman, we now have got myself straight. We're on Section 174, and that's to create the Joint Centers of Excellence for Chemical, Biological and Medical Research and Development. It involves many moving pieces, as you can see on the slide, where we're going to realign, and what I'd like to do, because of the complexity of this one, just turn it directly to my analyst, Jim Durso, to give you an explanation.

Mr. Durso: Thank you, Mr. Van Saun. Mr. Chairman and Commissioners. DoD justified this recommendation on the basis that the Centers of Excellence will make best use of the Department's small number of medical and chemical and biological defense research specialists. It will foster closer collaboration across the services, and develop common practices for the Department's regulatory interactions with the U.S. Food and Drug Administration. Last, it will complete an effort, already underway, to consolidate the Services' chemical, biological defense

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efforts into a consolidated chemical/biological defense program.

The one-time cost to implement this recommendation is $55.2 million, with a payback in 6 years. The 20 year net present value of this recommendation is a savings of $39.5 million. Two hundred and sixty-four personnel will be affected by this recommendation.

This slide summarizes the key issues that were developed during analysis of this recommendation in our group by their associated selection criteria. We found that the functions of Naval Surface Warfare Center Crane, Indiana, Naval Surface Warfare Center Dahlgren, Virginia, and Tyndall Air Force Base, Florida, that the Department of Defense wants to move to Edgewood, will not contribute to the research and development conducted there. Operating forces would suffer from degraded engineering and logistic support in a time to reconstitute the capacity at Edgewood, at no apparent benefit to Edgewood's already critical work.

Mr. Chairman and Commissioners, I finish my remarks subject to your questions and any motions you may have.

Chairman Principi: Are there any questions or discussion?

Mr. Coyle: Mr. Chairman, I will have a modifying amendment here at the appropriate time, but Mr. Durso, would you explain the nature of the activities at Crane and

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Tyndall and Dahlgren, and why they are not appropriate to be contained within this proposal?

Mr. Durso: Yes, sir. First, with Naval Surface Warfare Center Crane, Indiana -- the technicians there provide engineering and logistics support to chemical/biological defense programs installed on Navy vessels. They in effect work with tech manuals, spare parts kits, and arrange for modifications to be made to equipment already installed in the fleet. They do not do research and development and moving to Edgewood would not contribute to Edgewood's work and in fact, it would cause a shortfall in support to the deployed fleet that the Navy would somehow have to make up in the time it takes to reconstitute the capability at Edgewood.

The people at Dahlgren, Virginia are involved in ship system integration of the chemical and biological defense systems on the ships. They help develop the systems, but then, more importantly, they integrate those systems into the ships, and in terms of integration, this is a system on the ship that involves the sensors, the chemical and biological defense equipment, propulsion, life support, and the weapons systems, so it's got tens of thousands of moving parts, and supporting software that all have to work very well. Developing it is an interim process, and having these people there will actually contribute to the process,

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you just can't, in effect, parachute the specialists in when a question comes up, they need to be there.

Last, in terms of Tyndall Air Force Base, we found that there was one junior officer and a handful of civilians involved in chemical/biological defense work a fraction of their time. So, in effect, it's going to cost more to move these people than it is to pay them where they are right now. And all of their work is reimbursed by Department of Defense agencies within the Air Force and outside the Air Force.

Mr. Coyle: Thank you.

Chairman Principi: Don't you create great synergy and expertise by creating the Center of Excellence in this area? Is there any reason why it can't be done at Aberdeen?

Mr. Van Saun: Yes, sir, Mr. Chairman, that is true, except that these people are unique in that they would, their function and job still has to be done, it is not research, that's the issue -- these are not involved, these are integrated logistic support people -- they pack and wrap and ship on the one hand, at Crane, at the other two hands, they only actually do a little bit of this, basically on a part-time basis, so really this is small numbers of people that do systems support engineering, and the best way to describe it when you build a ship, you have

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to have someone that knows how to shoot the missiles, shoot the guns, integrate the systems, one of those systems is this chem/bio. If you take all of the chem/bio people out of the systems engineering at the Navy, they still have to do the same work of integrating the chem/bio systems, which is what these people do at Dahlgren. And so that is the point, why they're not in the pure research and development, they need to do their systems engineering in place.

Chairman Principi: Is there anything further, Mr. Coyle, your amendment?

Excuse me, Mr. Coyle, General Newton?

General Newton: Yes, Mr. Chairman, just a question. So the work, let's take Tyndall, for instance, that work that is being done down at Tyndall, even though it's only part-time, if you move these people that work will still have to be done at Tyndall, I think is what you're telling me, as well as these other locations, is that correct?

Mr. Van Saun: Yes, sir, that is correct.

General Newton: Okay, thank you.

Chairman Principi: Commissioner Coyle?

Mr. Coyle: Thank you, Mr. Chairman. I think this is an example of something that we've run into a few times in the medical and technical areas, where -- because of what something is called, or how it's named or whatever, it can

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appear to be like something else, but when you really look at the nature of the medical or technical work that is being done, it is not quite what it might appear on the surface.

Mr. Chairman, I move that the Commission find that when the Secretary of Defense made Medical Joint Cross Service Group Recommendation 15, the Joint Centers of Excellence for Chemical, Biological and Medical Research and Development and Acquisition, he substantially deviated from final selection criteria one, and the Force Structure Plan; that the Commission strike paragraphs I, J and K that deal with Tyndall, Dahlgren and Crane, respectively, of Chapter 8, Section 174, as it appears in the bill; and that the Commission find this change and the recommendation, as amended, are consistent with the final selection criteria and Force Structure Plan.

Chairman Principi: Is there a second?

Mr. Bilbray: Second.

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

(No response.)

Chairman Principi: Hearing none, we will vote on motion number 174-3A, are there any recusals?

Admiral Gehman: I recuse.

Chairman Principi: All in favor?

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(Show of eight hands.)

Chairman Principi: All opposed?

(No response.)

Ms. Sarkar: Mr. Chairman, the vote is eight yeas, no nays, one recusal, the motion is approved.

Chairman Principi: Are there any further amendments?

(No response.)

Chairman Principi: Hearing none, 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?

General Newton: Second.

Chairman Principi: All in favor?

(Show of eight hands.)

Chairman Principi: All opposed?

(No response.)

Ms. Sarkar: Mr. Chairman, the vote is eight yeas, zero nays, one abstention, the motion passes.

Chairman Principi: Mr. Van Saun?

Mr. Van Saun: Thank you, Mr. Chairman. We will return to the two medical items and the education and training items later this afternoon. After that, we have already tabled --

Chairman Principi: This is the lease space issue

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we're going to?

Mr. Van Saun: Yes, sir, now we're going to Headquarters and Support.

Chairman Principi: I want to ask my fellow Commissioners, would they like to proceed or would they like to take a recess to discuss this issue?

Mr. Skinner: I'm comfortable with going ahead and digging into it, because we've all been briefed over the last couple of days, and I think we can go ahead.

Chairman Principi: Would you put your mike on, please?

Mr. Skinner: I think we have had a lot of discussion and we ought to go ahead and if we get stuck, we'll take a break.

Chairman Principi: Okay, proceed, if there's no objection. Mr. Coyle?

Mr. Coyle: I didn't have a comment, Mr. Chairman, I'm prepared to proceed.

Chairman Principi: Thank you.

Mr. Van Saun: Thank you, Mr. Chairman, we're now ready to proceed to the Headquarters and Support Activity for the Joint Cross Service Group. You see on the slide that there are a number of items from Chapter 5 of the bill, we'll consider these 13 items as shown.

First, we'll go to Section 129, Co-locate

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Miscellaneous Air Force and National Guard Headquarters Leased Locations in the Capital Region. This is Section 129, and it's Co-locate Miscellaneous Air Force and National Guard Headquarters Leased Locations, this recommendation affects various staff offices of the Secretary of the Air Force located in leased facilities in Arlington, Virginia. Additionally, this recommendation realigns the National Guard Bureau, the Air National Guard Headquarters and elements of the Army National Guard Headquarters located in a leased facility in Arlington, Virginia. Next slide.

The Air Force elements will move from leased space in Virginia to Andrews Air Force Base, Maryland. The National Guard Headquarters will move from leased space at Arlington, Virginia to DoD installations in Arlington, Virginia, and Andres Air Force Base. Now I'll turn it over to Tim Abrell, and he'll give you a continuing analysis on this item.

Mr. Abrell: The DoD justified this recommendation on the basis that it will improve force protection and reduce reliance on leased space. These moves will increase military value by moving the activities to installations with higher military value. Additionally, in the case of the National Guard Headquarters, there will be operational synergies and efficiencies gained by co-locating with

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subordinate command components.

The one year cost for implementation is $90 million, with a one year payback, the net present value is a savings of $308 million. This recommendation affects 1,730 personnel.

This slide summarizes the key issues that were developed during the analysis of this recommendation and are grouped by their association with selection criteria. Under criteria one, the community raised concerns that the DoD's military value model was unfairly biased against leased space, and that considering leased space as a criteria for closing facilities is outside the authority of the BRAC law.

Under criteria C2, the community has raised issues that the force protection standards were not consistent with the standards developed by the Interagency Security Committee tasked with developing and evaluating security standards for Federal facilities. Additionally, there were no force protection surveys actually conducted by DoD to quantify the extent that these facilities do or do not meet DoD standards, or what the actual cost for doing so would be.

Under criteria C5, the community and Government Accountability Office feel that DoD overestimated the cost of facilities and personnel. The models used in DoD's

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analysis to represent cost for leased expenses and force protection cost were inaccurate. Staff assessment reveals there were deviations from final criteria C1, C2 and C5. Next slide.

Mr. Chairman, this concludes my prepared preparation, I'm prepared to answer any questions you may have.

Chairman Principi: Thank you, are there any questions or discussion on Section 129?

Commissioner Coyle?

Mr. Coyle: Thank you, Mr. Chairman. Do the recommendations in this proposal naturally divide themselves into two categories, that is, proposed movements out of leased space where the Department of Defense just wants to move out of leased space, and proposals where they provide other justification, where they produce some new military value from the proposed move -- it enhances their operations, things of that sort. Does this proposal divide into that sort of way of looking at things?

Mr. Van Saun: Yes sir, Commissioner Coyle, as we look at all the leased items, and this is the very first one, there is a general category where it is simply a reason that looks, as a good reason to move out of leased space, and it gives the Department, in this case, the Air Force and Guard Bureau an opportunity to co-locate on a military installation. You also see some that have synergism driven

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by the co-location of like functions in the government facility. So, as we go through the leases, you can easily catalogue them into those groupings.

The issue on leased space alone is it's an opportunity for the Department of Defense, and in this case, the Air Force, to get spread out lease locations put together on an Air Force Base.

Mr. Coyle: With some people being moved out of leased space onto military bases, that carries the implication that the government thinks those people are not safe from a force protection point of view where they are, and so they're going to move them onto a military base, with the implication that people that don't move onto a military base, it's okay if they're not safe. Is that what is happening here?

Mr. Van Saun: Commissioner Coyle, in my opinion, there is a factor of that, but it is not the driving factor. And there's the other factor that exists, that as we've seen many times before, the activity creates leased location to grow their staff and put them in different facilities. For example, some of these, when we -- and the Pentagon has been reconstructed, that shrinks office space actually inside the Pentagon -- drives some of the functions into leased space as we have done this Pentagon renovation, this is an opportunity for the Services to get

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those people put together in what amounts, in this case, an Air Force building at Andrews Air Force Base, because they will not be going back into the Pentagon when its renovation is complete. And so, it can be looked at either way. Is it just for force protection? I would say no, sir. It's a strong part of it, but it's not the only reason.

Mr. Coyle: And has the Federal government made a policy decision to put all Federal government employees on U.S. military bases, so that they will be more strongly force protected?

Mr. Van Saun: No, sir, I don't believe that they have made that strict determination. There is a DoD policy which goes into effect in 2009, which will at that point lend itself to force protection of DoD personnel, either in a leased location, or on a Federal installation.

Mr. Coyle: And would everybody who works for the Department of Defense be able to get on military bases here in the Washington area and elsewhere?

Mr. Van Saun: Sir, there will be challenges with that, and obviously MILCON and those costs on each of the individual items are broken out in the COBRA runs and in the item itself, to show what the cost would be to perform that MILCON on the respective military installations.

Mr. Coyle: I'm aware that standards for force

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protection keep changing. Congress held a hearing about this matter recently, and I'm aware of some brand-new buildings just constructed, or nearly brand-new buildings that no longer meet the force protection requirements, even though they did meet those requirements at the time that they were built. How does a developer who wants to attract lessees, how does a developer stay ahead of this changing target?

Mr. Van Saun: Yes, sir, I don't know the answer to that.

Mr. Coyle: Thank you.

Chairman Principi: I don't believe that it's impossible or appropriate to move all civilian employees of the Department of Defense, and many uniformed members of the Department of Defense onto military installations and outside of leased space -- it's just not practical. At the same time, I believe that the Secretary of Defense should have the management flexibility to, in fact, manage his people to provide -- in our case he does not substantially deviate from the final selection criteria or the Force Structure Plan -- and that the actions enhance military value by providing a level of force protection for civilian employees as we do for most of our uniformed members on military bases. They deserve that level of protection, whether it can be in a leased facility or on a military

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installation or where it's much more cost-effective to have employees on military bases and out of leased space. That's one of the issues I faced as the Secretary of an agency with 230,000 people, many of whom were in leased facilities, and the cost to my agency through GSA was very, very high. And where I could build a building on a V.A. installation and have a return on investment in seven or eight years, which thereafter I would have no leased space cost to GSA, I attempted to do so.

Third, I think the Secretary should have the flexibility where he determines that by co-locating disparate or offices that have similar type functions and bring greater efficiency and effectiveness to their function, then we should certainly do so.

So, if in fact it meets one of those three criteria, I'd be inclined to support the Secretary. If it doesn't, just moving out of leased space doesn't accomplish any of those objectives and just costs money, then it doesn't seem like a strong business case where a military value case has been made. Secretary Skinner?

Mr. Skinner: Well, I think you've articulated correctly -- it appears to me that force protection is just one of the very important factors you consider. Number one, from a common sense viewpoint if we have vacant, and it can be converted economically for use by other Defense

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Department agencies, we should certainly do that, rather than going out on the street and renting building, or building to spec or doing whatever we're doing. I think that, in the past there's been a problem, in many cases, that secretaries in the Executive Branch have not been able to go out and make those kind of decisions, because they end up -- the military vacant space ends up competing with built commercial space -- and in a lot of cases, the commercial space doesn't make sense, but it ends up going there anyway, for reasons I don't think I have to explain to the people in this room. And so I think we have to give the Secretary the opportunity as a part of this process, to make sure that he is properly utilizing the assets that the Federal government already owns.

Number two, force protection is important, obviously, it's a critical issue, and it's a changing target. Many of the buildings that agencies that are now before us are now in buildings that will not meet force protection criteria, and probably cannot be converted to meet the force protection criteria. And so the Secretary, as he moves these agencies around, has to have the flexibility to do that as well, if we're going to meet and try to protect as many of our people as we can.

And then finally, my experience has been when you co-locate on Army space with your customers, in many of the

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cases these agencies we're talking about co-locating, they're enlisted and active duty organization are their customers, it helps solve problems and get through many of the things in the bureaucracy and the red tape that can exist when they're 30 miles away or 300 miles away, so co-location has proved valuable in the past, and so with those criteria in mind -- and I've seen it first hand as Secretary Principi has, and I'm sure Secretary Richardson who is in the room here has seen it as well -- that you really don't have the ability to do what's right for the taxpayers, and I think this will give the Secretary the ability to do that, and I think we have to assume that he is not going to do anything foolish, nor the other agencies in federal government that look at these transactions, are going to let him do anything foolish. I can guarantee you, the OMB looks at all these projects, and they're not afraid to speak up. And you don't win all of your battles with the OMB, but I think we ought to give the Secretary an opportunity to do what he thinks is in the best interest of the taxpayer of his troops, and his civilian staff that are working so hard, so I will support this recommendation.

Chairman Principi: General Hill?

General Hill: Philosophically I align myself with Chairman Principi and Secretary Skinner, but let's go back to the specific thing that's in front of us, which is

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number 129. Do the functions aligning on different bases, does this make military value sense, to put these organizations together? From my reading, the answer to that question is yes. Staff viewpoint?

Mr. Van Saun: Yes, sir, we agree strongly on the National Guard Bureau piece of this one, that that is a synergism that they're bringing themselves together in a joint fashion, and it makes good sense. The Air Force wants to get theirs located on an Air Force base, and put them all together, so from the Air Force's viewpoint it makes sense.

General Hill: As I read the recommendation, it's a one-time cost of $90 million, and it pays back over 20 year, and saves $308 million, is that correct?

Mr. Van Saun: Yes sir, that's correct.

General Hill: It pays back immediately, and saves over 20 years $308 million?

Mr. Van Saun: That's correct.

General Hill: I think this one passes the no-brainer test.

Chairman Principi: Is there any further discussion? Yes, Commissioner Coyle?

Mr. Coyle: Just a point of clarification, Mr. Abrell or Mr. Van Saun -- do I understand correctly that the Secretary of Defense has issued a policy that says, which

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will take effect in 2009, that all Department of Defense, military and civilian employees will not be in leased space, is that correct?

Mr. Abrell: The policy doesn't dictate that they vacate space, the policy in 2009 is a force protection standard that no leases will be renewed in buildings that do not meet DoD force protection standards.

Mr. Coyle: Thank you.

Chairman Principi: Is there any further discussion? There's one point I would like to clarify with regard to the BRAC statue, and the issue of whether leased facilities are appropriate for the Commission to consider to leased facility. I note that the term "military installation" in the law means a base camp, post, station, yard, home port facility for any ship or other activity under the jurisdiction of the Department of Defense, including any leased facility. Are there any amendments to this recommendation?

(No response.)

Chairman Principi: I move, hearing no motion to amend, we vote on whether to approve the Secretary's recommendation of the 129, and find that it is consistent with the final selection criteria and Force Structure Plan, is there a second?

General Newton: Second.

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Chairman Principi: Are there any recusals?

Admiral Gehman: I am recused.

Chairman Principi: All in favor?

(Show of seven hands.)

Chairman Principi: All opposed?

(Show of one hand.)

Ms. Sarkar: Mr. Chairman, the vote is seven yeas, one nay, one abstention, the motion passes.

Chairman Principi: Thank you.

Mr. Van Saun: Thank you, Mr. Chairman, we'll go onto the next item which is in Chapter 5, Section 130, Headquarters and Support Activities Number 5, Co-locate Thirteen Defense and Military Department Clearance and Adjudication and Appeals Activities at Fort Meade, Maryland. I would have addressed this recommendation with those previously considered, however, there is an error in the segment of the DoD recommendations that reads, in part, "Close 800 Elkridge Landing Road, a leased installation in Linthicum, Maryland, and re-locate all components of the National Security Agency Central Adjudication Facility." The National Security Agency's Adjudication Office is only a part of a larger NSA presence at 800 Elkridge Landing Road in Linthicum, Maryland, so the recommendation should realign, rather than close, that address. There are no other issues on this item.

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Mr. Bilbray: Mr. Chairman, I have an amendment.

Chairman Principi: Very well, are we finished? Are there any other questions or any discussion before proceeding to amendments?

Mr. Van Saun: I would say from our previous discussion, this one has strong military value to do this consolidation. They have just a missed word in the language, and if we correct that, we all support it.

Chairman Principi: Thank you, Congressman Bilbray?

Mr. Bilbray: Yes, my amendment is to correct that. I move that the Commission find that when the Secretary of Defense made Headquarters and Support Activities Joint Cross Service Recommendation 5, Co-locate the Defense Military Department Adjudication Activities, he substantially deviated from the final selection criteria one and seven, and the Force Structure Plan. Therefore, that the Commission strike the word "close" in Paragraph B, and replace it with the word "realign"; and that the Commission finds this change in the recommendation, as amended, are consistent with the final selection criteria and Force Structure Plan.

Chairman Principi: Is there a second?

General Newton: Second.

Chairman Principi: Any discussion? Are there any recusals?

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Admiral Gehman: I recuse.

Chairman Principi: Hearing no further discussion, all in favor?

(Show of eight hands.)

Chairman Principi: All opposed?

(No response.)

Ms. Sarkar: Mr. Chairman, the vote is eight yeas, no nays, one abstention, the motion passes.

Chairman Principi: Hearing no further motions to amend, we'll vote on whether to approve the Secretary's recommendation of the 130 and find that it is consistent with the final selection criteria, and Force Structure Plan is there a second?

General Newton: Second.

Chairman Principi: Any recusals? All in favor?

(Show of eight hands.)

Chairman Principi: All opposed?

(No response.)

Ms. Sarkar: Mr. Chairman, the vote is eight yeas, no nays, one recusal, the motion passes.

Mr. Van Saun: Thank you, Mr. Chairman. We're ready to proceed to the next HS&A, Number 8, the Recommendation Section Number 131, Proposes the Co-location of Military Services Investigation Agencies at Marine Corps Base Quantico, Virginia. You can see by this chart and the next

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chart that it's a lot of movement.

This recommendation will provide for the relocation of H&T staff from the offices at the National Capital Region and field offices in Ohio, Georgia and California to Marine Corps Base Quantico, Virginia. I would like to now introduce Jim Durso to further discuss this item.

Mr. Durso: Thank you, Mr. Van Saun.

Mr. Chairman and Commissioners, DoD has justified this recommendation on the basis that co-locating the Services Criminal Investigation Agencies will produce operational synergies. It consolidates the counter-intelligence field activity on the Defense Security Service into the Department of Defense Counterintelligence and Security Agency. It will also co-locate the counterintelligence component with the U.S. Northern Command for direct war fighting and homeland security support. The recommendation enables the Intelligence Reform and Terrorism Act of 2004, and the Remodeling Defense Intelligence Initiative. The gain in location will ensure compliance with anti-terrorism force protection standards, last, it will reduce reliance on leased space. Slide.

The one-time cost to implement this recommendation is $171.9 million with a payback in 7 years. The 20 year net present value of the recommendation is a savings of $166.4 million. Over 1800 personnel are affected by this

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recommendation. Slide.

This slide summarizes the key issues that were developed during analysis of this recommendation, and are grouped by their associated selection criteria.

Mr. Chairman and Commissioners, this is a complex issue and staff supports the DoD recommendation with one exception. The recommendation to disestablish the Counterintelligence Field Activity and the Defense Security Service, and to consolidate them via the BRAC process into the DoD Counterintelligence and Security Agency will drive a reorganization of counterintelligence and security organizations with unknown mission and manpower effects. This is not a capacity issue, and will best be addressed by the Department of Defense through the programmatic process.

Mr. Chairman and Commissioners, I finish my remarks, subject to your questions and any motions you may have.

Chairman Principi: Thank you, are there any questions, discussion? Mr. Coyle?

Mr. Coyle: Thank you, Mr. Chairman, I support this proposal in general, but I will have a motion, which I believe is just a technical correction.

Chairman Principi: Is there any further discussion? Mr. Coyle, your amendment?

Mr. Coyle: Thank you, Mr. Chairman. I move that the Commission find that when the Secretary of Defense made

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Headquarters and Support Activities Joint Cross Service Group Recommendation 131, Co-locate Military Department Investigation Agencies with DoD Counterintelligence and Security Agency, he substantially deviated from final selection criteria one and four, and the Force Structure Plan. That the Commission strike the language, "Disestablish CIFA and DSS and consolidate their components into the newly-created Department of Defense Counterintelligence and Security Agency," and insert in its place, "Disestablish Counterintelligence Field Activity and Defense Security Service, and consolidate their components into the Department of Defense Counterintelligence and Security Agency, if that Agency is established by law or directive."; and that the Commission find this change and the recommendation, as amended, are consistent with the final selection criteria and Force Structure Plan. Mr. Chairman, I make this motion because the DoD, CSA organization which is described in this proposal does not currently exist.

Chairman Principi: Thank you, is there a second?

Mr. Skinner: Second.

Chairman Principi: Is there any further discussion? Mr. Secretary?

Mr. Skinner: I just want to, in this case, compliment the Department of Defense, I think this is really an

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outstanding recommendation. I say that as a former prosecutor and United States Attorney, and having watched the other evening the two-hour show on 9/11. Quantico, as you know, is the FBI Academy Headquarters, and where they have some of the most sophisticated technology and cyber-crime expertise. By taking these agencies and combining them and co-locating them, we can't help but have better communication, it just makes all the sense in the world, and I applaud the Secretary, and I know each of these agencies has their own pride and they will continue to maintain it, but they will be right next to each other, working with each other, training with each other, and most importantly, sharing leads and intelligence with each other on all kinds of issues that these agencies face, so I think this is an outstanding recommendation.

Chairman Principi: If there's no further discussion, we will vote on the amendment by Commissioner Coyle, number 131-4A. Are there any recusals?

(Show of one hand.)

Chairman Principi: All in favor?

(Show of eight hands.)

Chairman Principi: All opposed?

(No response.)

Chairman Principi: Are there any further amendments? No further amendments -- oh, I'm sorry.

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Ms. Sarkar: Mr. Chairman, if I could just report the vote, it's eight yeas, zero nays, one abstention, the motion carries.

Chairman Principi: I apologize, thank you. Hearing no motion to amend, we'll vote on whether to approve the Secretary's recommendation and find that it is consistent with the final selection criteria, and Force Structure Plan is there a second?

General Newton: Second.

Chairman Principi: All in favor?

(Show of eight hands.)

Chairman Principi: All opposed?

(No response.)

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

Chairman Principi: Thank you.

Mr. Van Saun: Thank you, Mr. Chairman, we'll proceed to our next item, which is in Section 132, Headquarters and Support Activities Number 10, to Co-Locate Miscellaneous Army Leased Locations, this recommendation affects various staff offices of the Secretary of the Army located in leased facilities in Arlington, Virginia.

The Secretary and component offices will moved from leased office space in Arlington, Virginia to Fort Belvoir, Virginia. I'd like to re-introduce Tim Abrell to give you

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the rest of the analysis.

Mr. Abrell: DoD justified this recommendation on the basis that it will improve force protection and reduce reliance on leased space. Additionally, the military value is significantly improved, because the affected leased offices' military values range from 223 to 327, and Fort Belvoir, the gaining installation's military value score is 57.

The one-time cost for implementation is $44.1 million, with a one-year payback. The net present value is a savings of $322 million. This recommendation affects 2,197 personnel.

This slide summarizes the key issues developed during the analysis, and are similar to what I discussed before on leased space issues.

Under criteria one, the community has raised concern that the DoD's military value model was unfairly biased against leased space. The community also raised concern that using leased space as a criteria was against the BRAC law.

Under criteria five, the community feels DoD overestimated the cost concerning leased facilities, and the expenses representing lease costs or lease expenses and force protections were inaccurate. The staff's assessment reveals that there was deviation from the final criteria

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C1, C2, and C5. Next slide.

Mr. Chairman, this concludes my prepared presentation, I'm prepared to answer any questions you may have.

Chairman Principi: Is there a second?

General Newton: Second.

Chairman Principi: Thank you. Are there any questions, discussion on this Recommendation 132?

Mr. Bilbray: Mr. Chairman?

Chairman Principi: Yes, Congressman Bilbray?

Mr. Bilbray: Yes, Tim, how much do they say they save over the period of time? Was that like $340 million or something?

Mr. Abrell: $322 million, in net present value, sir.

Mr. Bilbray: Do you think these figures are accurate?

Mr. Abrell: Yes, sir, they're accurate. There is no military personnel loss, it's a one-for-one moving to Fort Belvoir.

Mr. Bilbray: What's the cost of the construction they have to do at Fort Belvoir?

Mr. Gingrich: Military construction costs for this recommendation total just under $25 million.

Mr. Bilbray: And it does take into consideration that many of the buildings that are leased, they pay for the heat, the cooling, the maintenance and that's all taken into consideration, because those expenses will now have to

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be picked up in the new buildings that are built.

Mr. Gingrich: That is a correct statement, sir.

Mr. Bilbray: They all are?

Mr. Gingrich: Yes, sir.

Chairman Principi: General Hill?

General Hill: Sir, I think this is the first of the recommendations that comes down to the philosophical issue of the pure lease issue as opposed to, for greater military value, you're going to co-locate, or percentages, am I correct in that Tim?

Mr. Abrell: Yes, sir.

General Hill: Having said all of that, many of us up here have grappled with this issue since the beginning, since the very first time we saw these recommendations. In the very first hearing we were at I raised that issue because I looked at all of this, and I said, "How are we all going to get in the gate at Belvoir?" That has bothered me, it continues to bother me, and then having said that, I don't believe that the Secretary violated the law when he put this in there, I think that he needs to have the ability to manage his force and his people as he sees fit, in fact it does save him a considerable amount of money. Will it, in fact, cause some people in their offices greater distances to deal with the Pentagon? Probably. But those are implementation issues that the

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Secretary ought to be allowed to deal with, and I'm in favor of all of these.

Chairman Principi: Mr. Coyle?

Mr. Coyle: Thank you, Mr. Chairman. Mr. Abrell, I live in Los Angeles, which may have the worst traffic in the whole world, but Fort Belvoir is getting to be a close second, and the proposal to move people onto Fort Belvoir is preventing other moves that the Army wanted to makes. For example, originally the Army wanted to move For Monmouth to Fort Belvoir, and so there are a number of conflicts on site at Fort Belvoir, and it looks like it's going to get worse.

If the Department of Defense never conducted assessments of the vulnerability of these 14 Army leased locations from a force protection point of view, how does the DoD know that the force protection at these 14 lease locations is inadequate?

Mr. Abrell: They do not, sir. It was an assumption made on DoD's part for cost analysis.

Mr. Coyle: Thank you.

Chairman Principi: Any further discussion? Are there any amendments on this Recommendation 132?

General Hill: Are there any of these issues that we absolutely take on? There is, in fact, an amendment in here that we could do, and at the risk -- I would like to

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be fair with everybody, because again, to the public that we have all grappled with, this is a very difficult issue for all of us, and I was scheduled to present this amendment, but does any of my other Commissioners -- I have, however, moved myself into the, for lack of a better term, in support of my good friend Tony Principi, does anybody else want to make this amendment?

(No response.)

Chairman Principi: Hearing no response we will vote on whether to approve the Secretary's Recommendation Number 10, Co-locate Miscellaneous Army Lease Locations, Chapter 5, Section 132 of the bill, and to 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?

(Show of seven hands.)

Chairman Principi: All opposed?

(Show of one hand.)

Ms. Sarkar: Mr. Chairman, the vote are seven ayes, one nay, one abstention, the motion is adopted.

Mr. Van Saun: Thank you, Mr. Chairman, we'll move on to the next item, it's in Chapter 5, Section 133,

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Headquarters and Support Activities Number 12, Co-locates Miscellaneous OSD Defense Agency and Field Activity Lease Locations to Fort Belvoir and Fort Lee, Virginia.

The effect of this recommendation closes nine and realigns 28 leased installations in Northern Virginia, relocating DoD offices agencies to Fort Belvoir, and it closes Metro Park III and IV and relocates Defense Contract Management Agency Headquarters to Fort Lee, Virginia. I would like to introduce Carol Schmidt to give you the further analysis.

Ms. Schmidt: Mr. Chairman, Commissioners, this is leased space, part three. I'm not going to repeat what Tim told you, if that's okay with you, I will add that with the Defense Contracting Agency Headquarters move to Fort Lee, it relocates a headquarters to an installation that is farther than 100 miles from the Pentagon, which provides dispersion of DoD activities away from dense concentration with the National Capital Region, and has the added benefit of allowing DCMA of combining its two facilities into one.

DoD's COBRA estimates a one-time implementation cost of $601.7 million, with a payback expected in nine years. The net present value over 20 years is a savings of $256.4 million. This recommendation affects approximately 8300 personnel.

This slide summarizes the key issues that were

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developed during the analysis of this recommendation and are grouped by their associated selection criteria, and they are the same as Mr. Abrell's. In addition, the community has expressed a concern that DoD's force protection standards are overly stringent, exceeding those developed by the Interagency Security Committee tasked with developing and evaluating security standards for Federal facilities.

Also, the effected communities claim their quality of life could be reduced because of transportation problems such as increased traffic, lack of public transportation, and increased commuting times, with the attendant issues of air pollution, the increased fuel consumption.

There are several recommendations before the Commission that relocate between 10 and 12,000 people to the Fort Belvoir area, therefore, it is intuitive that there will be an impact on the surrounding community, and on those whose place of employment changes because of the results of the combined recommendations.

Mr. Chairman, this concludes my prepared remarks.

Chairman Principi: Thank you. Discussion, questions?

Mr. Coyle: Thank you, Mr. Chairman, I guess I should know when to give up.

Did the Department of Defense conduct vulnerability assessments of the -- I don't know how many locations it is

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altogether here -- to determine that they are, that the force protection at those locations was inadequate?

Ms. Schmidt: No, sir, there were no vulnerability assessments conducted.

Mr. Coyle: Thank you, Mr. Chairman. I would like to propose a modifying amendment at the appropriate time.

Chairman Principi: Please proceed, Commissioner Coyle.

Mr. Coyle: Perhaps I should ask one more question, I'm sorry. Ms. Schmidt, do I understand that of the many relocations that are proposed here, there was one in particular -- namely, closing Metro Park III, both III and IV a leased installation in Alexandria by relocating the Defense Contract Management Agency to Fort Lee -- that that particular recommendation is much stronger than the others in this proposal?

Ms. Schmidt: That particular segment of the recommendation does provide other, additional justification for moving outside of leased space and outside of the National Capital Region.

Mr. Coyle: Thank you, Mr. Chairman, I move that the Commission find that when the Secretary of Defense made Headquarters and Support Activities Joint Cross Service Group Recommendation 3, Co-locate Miscellaneous OSD Defense Agency and Field Activity Leased Locations, he

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substantially deviated from final selection criteria one, two and five and the Force Structure Plan; that the Commission strike paragraphs A through D, and F through R of Chapter 5, Section 133 of the bill; and that the Commission find this change and the recommendation, as amended, are consistent with the final selection criteria, and Force Structure Plan.

Mr. Chairman, this motion would support the relocation of DCMA that we just discussed, thank you.

Chairman Principi: Thank you, is there a second?

Mr. Bilbray: Second.

Chairman Principi: Discussion on the amendment?

General Newton: Yes, Mr. Chairman, I would like to know what those areas of exclusion, who and what does that cover?

Mr. Coyle: I'm sorry?

Chairman Principi: Mr. Coyle, can you cite with specificity what your amendment includes? Those organization?

Mr. Coyle: I think Ms. Schmidt can do that better than I.

Ms. Schmidt: There are various references to the Offices of the Secretary of Defense. There is a reference to DoD Inspector General, Defense Human Resources, Pentagon renovation temporary space, this is to Fort Belvoir. I'm

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sorry, maybe I don't understand the question.

General Newton: In Mr. Coyle's amendment, he wanted to scratch, or strike as I understand it, A through D and F through R, and I think you are answering my question -- I wanted to know who were involved in those particular moves.

Ms. Schmidt: Yes, sir, those agencies I've indicated, Washington Headquarter Services, Defense Human Resources Activity, Department of Defense Education Activity.

General Newton: Okay, I understand, thank you, I appreciate it.

Ms. Schmidt: You're welcome.

Admiral Gehman: Do we have a slide on that?

Chairman Principi: I think in our bill. I think the effect of Mr. Coyle's amendment is to strike all of the moves with the exception of E, "Close Metro Park III and IV, leased installation in Alexandria, Virginia, by relocating the Defense Contract Management Agency Headquarters to Fort Lee, Virginia." All the others in the bill would be stricken, is that correct, Mr. Coyle?

Mr. Coyle: That is correct, Mr. Chairman.

Chairman Principi: Is there any further discussion?

(No response.)

Chairman Principi: Are there any recusals?

(Show of one hand.)

Chairman Principi: All in favor of the motion? All

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in favor of the Coyle motion, please indicate by raising your hand.

(Show of two hands.)

Chairman Principi: All opposed?

(Show of six hands.)

Ms. Sarkar: Mr. Chairman, the vote is two yeas, six nays, one abstention, the motion is not adopted.

Chairman Principi: We will vote on the underlying motion. Hearing no further motion to amend, we vote on whether to approve the Secretary's recommendation, as amended, I'm sorry, it was not amended, approve the Secretary's recommendation and find that it is consistent with the final selection criteria, and Force Structure Plan is there a second?

General Newton: Second.

Chairman Principi: All in favor?

(Show of six hands.)

Chairman Principi: All opposed?

(Show of two hands.)

Chairman Principi: Let's proceed to do one more and then we'll break for lunch.

Ms. Sarkar: Mr. Chairman, may I report the vote, please? The vote are six yeas, two nays, one abstention, the motion carries.

Mr. Van Saun: Thank you, Mr. Chairman, the next item

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for consideration is Recommendation Section 134, Headquarters and Support Activities Number 15, Proposes the Co-location of the Missile and Space Defense Agencies and Provides for the Relocation of the Staff from the National Capital Region and Huntsville, Alabama to Redstone Arsenal, Alabama.

The Recommendation also provides for a small headquarters office in the Washington, D.C. area for the Director of Missile Defense Agency, we'll reintroduce Jim Durso to give you the rest of the analysis.

Mr. Durso: Thank you, Mr. Van Saun. Mr. Chairman and Commissioners, the Department of Defense justified this recommendation on the basis that consolidating all ground base missile research and development and all missile-related test and evaluation in one location will ensure closer and more productive program coordination. It moves several activities within the military fence line and ensures immediate compliance with force protection standards while disbursing activities away from the Washington, D.C. area. The one-time cost to implement this recommendation is $178.2 million, with a payback in one year. The 20 year net present value of this recommendation is a savings of $359.1 million. This recommendation affects over 800 personnel. Next slide.

This slide summarizes the key issues that were

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developed during analysis of this recommendation, and are grouped by their associated selection criteria. We found that the Department of Defense recommendation is incorrectly worded regarding the action that the Space and Missile Defense Command Building in Huntsville, Alabama, the recommendation should be to realign the building, not close it, as the DoD activity will remain in the building.

Mr. Chairman and Commissioners, I've finished my remarks, subject to your questions and any motions you may have.

Chairman Principi: Mr. Coyle?

Mr. Coyle: Mr. Chairman, believe it or not, I support this proposal which involves moving out of leased space. This is a proposal that does add real military value, and brings together in Huntsville, people who currently work together at considerable distance. As Mr. Durso pointed out, there is a technical change that's required, and I would like to offer the motion with that change.

Chairman Principi: Is there any further discussion?

General Hill: Can I ask one question, Mr. Chairman?

Chairman Principi: Yes.

General Hill: Mr. Durso, as we've discussed this issue all along, there was a proposal in there for the residual headquarters liaison-type office for the Missile Defense Command up here in the D.C. area, is that correct?

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

General Hill: And what's the size of that?

Mr. Durso: It's been projected or recommended to be 150 people, sir.

General Hill: Is that a max number?

Mr. Durso: Well, sir, that's the number that the program model was based on and that's the number that was negotiated within the Department of Defense and recommended by the JCSG.

General Hill: And recommended by the JCS?

Mr. Durso: The JCSG, yes, sir.

Chairman Principi: Mr. Coyle?

Mr. Coyle: Thank you, Mr. Chairman. I move that the Commission find that when the Secretary of Defense made Headquarters and Support Activities Joint Cross Service Group Recommendation 15, Co-locate Missile and Space Defense Agencies, he substantially deviated from final selection criteria two and four, and the Force Structure Plan; that the Commission strike the word "close" where it appears in paragraph B, Chapter 5, Section 134, and inserts in its place "realign"; that the Commission find that this change, and the recommendation, as amended, are consistent with the final selection criteria and Force Structure Plan.

Mr. Bilbray: Second.

Chairman Principi: Any further discussion?

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(No response.)

Chairman Principi: Hearing none, are there any recusals?

(Show of one hand.)

Chairman Principi: All in favor of the amendment?

(Show of eight hands.)

Chairman Principi: All opposed?

(No response.)

Ms. Sarkar: Mr. Chairman, the vote is eight yeas, no nays, one abstention, the motion is approved.

Chairman Principi: Are there any further amendments?

(No response.)

Chairman Principi: Hearing no further motions to amend, we vote on whether to approve the Secretary's recommendation, as amended, to co-locate Missile Defense Agencies, Chapter 5, and find that it is consistent with the final selection criteria, and Force Structure Plan, is there a second?

General Hill: Second.

Chairman Principi: All in favor?

(Show of eight hands.)

Chairman Principi: All opposed?

(No response.)

Ms. Sarkar: Mr. Chairman, the vote is eight yeas, zero nays, one abstention, the motion is approved. Thank

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you.

Chairman Principi: Thank you. General Hill?

General Hill: Yes, Mr. Chairman, I raised the question earlier about the residual headquarters in the area, and I really don't want to let it pass without making a statement. I would like to have, in the report language, something to the effect of, that the Commission -- and there doesn't need to be, or require, an amendment, that's why I'm just saying it now -- there isn't a combatant commander, and I was a combatant commander, who's got a liaison office, and they've all got liaison offices in D.C., there isn't one of them, combatant commanders, with an officer of 150 people. So, what I would like to think is, and the Department can manage this themselves, but if they let themselves put 150 people up here, they've created another headquarters, which is exactly what they're trying to not create.

Chairman Principi: Without objection.

The Commission will stand in recess until 1:15.

(Lunch recess at 12:10 p.m.)

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