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DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

REGIONAL HEARING

HELD AT:

John F. Kennedy Library
Dorchester, Massachusetts

Saturday, June 3, 1995

8:30 a.m.

(Robin Gross, Registered Professional Reporter)

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Doris O. Wong Associates

Attorneys Notes

P R O C E E D I N G S

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2 CHAIRMAN DIXON: Good morning, ladies and
3 gentlemen, and welcome to this regional hearing of
4 the Defense Base Closure and Realignment
5 Commission. My name is Alan Dixon. I'm the
6 chairman of the commission charged with the task of
7 evaluating the recommendations of the Secretary of
8 Defense regarding the closure and realignment of
9 military installations in the United States. Also
10 here with us today are my colleagues, commissioners
11 Wendi Steele, Al Cornella, Joe Robles, J.B. Davis,
12 Rebecca Cox, Lee Kling and Ben Montoya.

13 The Commission is also authorized by law to
14 add bases to the list for review and possible
15 realignment or closure. On May 10th, we voted to
16 add 35 bases to the list. Today we will hear from
17 some of those newly affected communities. First let
18 me thank all the military and civilian personnel who
19 have assisted us so capably during our visits to the
20 many bases represented at this hearing.

21 We have spent several days looking at the
22 installations that we added to the list on May 10th,
23 and asking questions that will help us make our
24 decisions. The cooperation we've received has been

1 exemplary, and we thank you very much. The main
2 purpose of the base visits we have conducted is to
3 allow us to see the installation firsthand, and to
4 address with military personnel the all-important
5 question of the military value of the base.

6 In addition to the base visits, the
7 commission is conducting a total of five regional
8 hearings regarding added installations, of which
9 today's is the third. The main purpose of the
10 regional hearings is to give members of the
11 communities affected by these closure
12 recommendations a chance to express their views. We
13 consider this interaction with the community to be
14 one of the most important and valuable parts of our
15 review of the entire closure and realignment list.

16 Let me assure you that all of our
17 commissioners and staff are well aware of the huge
18 implication of the closures on local communities.
19 We are committed to openness in this process and we
20 are committed to fairness. All the material we
21 gather, all the information we get from the
22 Department of Defense, all of our correspondence is
23 open to the public. We are faced with an unpleasant
24 and a very painful task, which we intend to carry

1 out as sensitively as we can. Again, the kind of
2 assistance we've received here is greatly
3 appreciated.

4 Now let me tell you how we will proceed
5 here today. It's the same format as our eleven
6 previous regional hearings. The commission has
7 assigned a block of time to each state affected by
8 the base closure list. The overall amount of time
9 was determined by the number of installations on the
10 list and the amount of job loss. The time limits
11 will be enforced strictly. We notified the
12 appropriate elected officials of this procedure and
13 we left it up to them, working with the local
14 communities, to determine how to fill the block of
15 time. Today we will begin with testimony from the
16 State of Maine, for 60 minutes, followed by a
17 20-minute period for public comment regarding the
18 Maine installation on our list. Then we will hear
19 from Pennsylvania for 105 minutes, and New York for
20 25 minutes, followed by public comment of 34 minutes
21 for those two states.

22 The rules for the public comment part of
23 the hearing have been clearly outlined, and all
24 persons wishing to speak should have signed up by

1 now, so we urge you to do that. The hearing should
2 conclude about 1:10 p.m.

3 Let me also say that the base closure law
4 has been amended since 1993 to require that anyone
5 giving testimony before the commission must do so
6 under oath. And so I'll be swearing in witnesses,
7 and that will include individuals who speak in the
8 public comment portion of this hearing. With that,
9 ladies and gentlemen, I believe we are ready to
10 begin.

11 Now the State of Maine has 60 minutes.
12 According to my schedule, five minutes has been
13 assigned to Governor Merrill, five minutes to
14 Governor King, five minutes to Mr. McCarthy and
15 Mayor Foley, 20 minutes to a list of people with the
16 introduction by Captain Carl Strawbridge, 5 minutes
17 by Admiral Sterner, and a conclusion of 20 minutes
18 by the distinguished senior senator from Maine,
19 Senator Bill Cohen.

20 Would all of the ladies and gentlemen who
21 are going to testify for the great State of Maine,
22 please rise and raise your right hands.

23 (Witnesses sworn)

24 CHAIRMAN DIXON: I thank you very much,

1 ladies and gentlemen. Distinguished governor of the
2 state of New Hampshire, Governor Steven Merrill, for
3 five minutes. Delighted to have you up here.

4 GOVERNOR MERRILL: Thank you, Mr.
5 Chairman. There has been a change, and Governor
6 Angus King is going to go forward.

7 CHAIRMAN DIXON: Fine. Governor King,
8 we're delighted to have you, sir, Distinguished
9 governor of the State of Maine.

10 GOVERNOR KING: Mr. Chairman and members of
11 the Commission, it's a pleasure to be with you this
12 morning. I essentially have five minutes to try to
13 describe to you the economic impact to our region of
14 the closure of this base. I realize that the
15 principal focus of your attention will be on the
16 military and strategic importance of the base, but I
17 think it's important to understand the context, and
18 essentially I want to touch on three points.

19 Because of the relative size of our region,
20 the closure of this base would be absolutely
21 devastating. And I'll develop that in more detail.
22 Secondly, we've already taken an enormous hit in
23 terms of defense downsizing in the State of Maine
24 and the state of New Hampshire. And then finally,

1 the closure of this base in the Maine and New
2 Hampshire seacoast region would equal the cumulative
3 effects of the recession that we've just been
4 through.

5 As you drove into town yesterday, I'm sure
6 you saw a crowd of people along the road. I suspect
7 that that's not unusual when you go from one place
8 to the other. What may be unusual and what you may
9 not have realized is you were looking at a very
10 substantial portion of the population of the
11 region. And that's what's so important; that's the
12 context that I want to be sure that you understand.
13 The total population of Maine and New Hampshire is
14 only 2.3 million people, of both states together.

15 But more to the point, the metropolitan
16 area, and I smile when I say "metropolitan area,"
17 but that's the statistical way that they describe
18 it, the metropolitan area of southern Maine and New
19 Hampshire has a population of 218,000 people. We're
20 talking about direct job losses, if this base
21 closes, of about 4,000, a little over 4,000, out of
22 a total population metropolitan area of 218,000.

23 Now, to put that in perspective, this is as
24 if, for example, in St. Louis there was a direct

1 loss immediately overnight of 48,000 jobs, given the
2 comparative size of the metropolitan areas. In
3 Houston, 68,000 jobs, in one night. In Chicago,
4 160,000 jobs would be the equivalent hit to what we
5 would take if this base closed. And finally, in Los
6 Angeles, it would take a loss of 240,000 direct jobs
7 to equal this loss. And these are our best jobs.

8 The first overhead, if I could. As you
9 will see on this chart, if we can bring the lights
10 down, I don't know if that's possible; as you can
11 see, the jobs at Portsmouth Naval Shipyard, because
12 of the technical expertise necessary and the number
13 of years that people worked there, almost double the
14 average wages in New Hampshire and Maine. These
15 people have an 18-year average tenure, and this
16 yard, by the way, is the second largest employer in
17 the State of Maine, second only to Bath Ironworks.

18 Chart No. 2 shows us another way to look at
19 this. The closure of this base would represent a
20 loss of 13-1/2 percent of all wages in York County,
21 Maine, in one night. In a three-county seacoast
22 region, a 7 percent loss.

23 The third chart shows that we've already
24 taken a serious hit. If you'll see the Pease

1 closure of 7,000 jobs and then skip over to column
2 4, the layoffs already at the Portsmouth Naval
3 Shipyard, and if you added closure you'd see a
4 tremendous loss in this area, already 12,500 jobs,
5 before you even get to the jobs of the closure.
6 This loss combined, 43,000 jobs of defense
7 downsizing in Maine and New Hampshire, represents 4
8 percent of the entire population of the two states
9 combined.

10 And then finally, on chart 4, what we will
11 show you is that this closure would equal the
12 recession. In 1990 in York County, Maine, we had
13 85,000 jobs; in 1994, you can see the numbers
14 diminish; and the shipyard closure would equal the
15 recession itself.

16 Ladies and gentlemen, the people of this
17 region have served this nation for 200 years. They
18 have given during wars, they have given during the
19 base downsizing. I implore you, if the military
20 justification is not compelling for closure, to
21 consider the sacrifices that have already been made
22 in this region. Thank you very much for your time
23 and attention. And the materials that I have
24 presented of course will be in your briefing

1 materials.

2 CHAIRMAN DIXON: Thank you, Governor King.

3 GOVERNOR MERRILL: Good morning, Mr.

4 Chairman and members of the Commission. I'm Steven
5 Merrill, the Governor of New Hampshire, and I also
6 am going to speak not about the military importance
7 or the impact from a national security perspective,
8 but the economic impact.

9 I was the Attorney General of New Hampshire
10 during the opening of the Seabrook Nuclear Power
11 Plant, and I was the governor of New Hampshire when
12 Pease Air Force Base was converted to a civilian
13 facility; and I am now the Governor who is proud to
14 tell you that we receive national awards every year
15 from Pease Air Force base for its efficiency of
16 conversion, for the speed in which it is
17 converting. The dilemma is that not one person in
18 New Hampshire believes that.

19 New Hampshire and southern Maine
20 continually read stories about the difficulty of
21 converting military to civilian facilities. It was
22 a campaign issue in both of my campaigns. And if I
23 can see the first chart, I want to talk to you very
24 briefly about the cost savings of base closures to

1 taxpayers. You are well aware that the closure
2 costs are up, the expected savings are down, the
3 revenues to be generated from the sales are down,
4 and the strength of area businesses and economic
5 status has been hurt and would be hurt.

6 The Government Accounting Office and U.S.
7 News & World Report recently did a study from which
8 this information is taken. It shows that the
9 conversion impact has been much greater and the
10 redevelopment problems have been much greater. The
11 second chart will make the point again. Private
12 buyers are slow to purchase real estate on military
13 facilities. For one thing, the Department of
14 Defense does not spruce up the buildings that are
15 going to be sold, and the marketing of unrepaired
16 military structures has been very difficult.

17 No. 2, utilities are the greatest concern,
18 but there continue to be fixed costs for communities
19 in streets, in power, and water. Those costs must
20 be maintained if we're going to have realtors or
21 businesses interested in moving onto the structures;
22 and yet doing that, at a time of economic loss and
23 impact, compounds the problem.

24 Third, the environmental cleanup costs. In

1 Portsmouth, at the Portsmouth Naval Shipyard, we
2 have 13 sites that have been indicated by RCRA as
3 potential concerns of hazardous material. That
4 means that we have already placed Portsmouth Naval
5 Shipyard on the national priorities list for
6 CERCLA.

7 Let me give you an example by showing you
8 the third chart. The environmental costs at Pease
9 Air Force Base. In 1988 when we started talking
10 about conversion, the state of New Hampshire was
11 told the environmental cleanup costs would be \$1
12 million. Shortly after I became governor and the
13 conversion took place in late 1991, when we got on
14 the site we were told that it would be \$114
15 million. In 1995, it is \$236 million, \$140 million
16 Superfund, and the rest non-Superfund.

17 What these charts don't show you, and what
18 Governor King alluded to, is the size of the
19 region. Perhaps the most difficult part of military
20 to civilian conversion is the size of the region and
21 the fact that if we have the Pease Development
22 Authority, the former Pease Air Force Base, and the
23 Portsmouth Naval Shipyard Authority, they will be
24 competing for businesses just up the road. This is

1 not like having a business in Houston and a business
2 in Dallas. Or a business in Los Angeles and a
3 business in San Francisco.

4 Those would be difficult. And I appreciate
5 your concerns about any area, but you need to
6 understand that in New England, these will be two
7 competing civilian development authorities, former
8 military facilities, for which there is not
9 sufficient interest at the present time in filling
10 up one of them. Because in my business perception
11 is reality, and the perception is to go into Pease
12 Development Authority, you can't put a shovel in the
13 ground, because if you can get the land turned over
14 from the federal government, people believe there's
15 hazardous material there.

16 The utilities are a great concern. They
17 are not sure you can drink the water. And before we
18 can move business of 300 or 400 or 500 workers onto
19 a site, we have other non-military facilities
20 saying, "Don't go to Pease. We'll provide you
21 instant land. Our structures are available for
22 use."

23 Even if you knock the structures down on a
24 former military facility, there is a great concern

1 that there will be problems once you've knocked it
2 down. That's exactly why we've gone from \$11
3 million to \$114 million to \$236 million. Because a
4 military facility is unique, and the structures and
5 the realty have been used for specific purposes,
6 oftentimes involving compounds and materials that
7 wouldn't be used on civilian sites.

8 So while I'm proud to say that we are the
9 first in the nation, according to the federal
10 government, in terms of conversion of facilities,
11 all I can assure you, from my heart, is that I have
12 yet to meet one person in New Hampshire or southern
13 Maine who says "We're very proud of the PDA."
14 Everybody in fact says, "How come it's taking you so
15 long, and how come there aren't enough businesses on
16 there to generate the amount of money that you keep
17 giving to the facility to get it up and rolling?"

18 Once we can involve ourselves and resolve
19 the environmental concerns, you do need to
20 understand that we will be competing, literally, up
21 the road from one another. The final two charts,
22 and I'll speak about them just very briefly, the
23 Pease Air Force Base conversion costs are up to \$342
24 million dollars. You have these charts in your

1 folders.

2 And I simply want to show you last chart,
3 which shows you the difference between the income
4 generated at Pease and the income generated from the
5 Portsmouth Naval Shipyard. Obviously military
6 impact and concern is primary to you. I respect you
7 for that. We simply want to tell you, as the
8 Governor of Maine and the Governor of New Hampshire,
9 the economics impact is significant, it's enormous,
10 specifically because of where we are located in the
11 nation. Thank you very much for yesterday and thank
12 you for the opportunity to address you today.

13 CHAIRMAN DIXON: Thank you.

14 SENATOR COHEN: I would now like to
15 introduce Mayor Eileen Foley, the mayor of the town
16 of Portsmouth, New Hampshire; and Phil McCarthy, the
17 town manager of the town of Kittery, Maine.

18 MR. McCARTHY: Mr. Chairman, members of the
19 Commission, I'm Phil McCarthy, the town manager of
20 Kittery, Maine, and I'm with Eileen Foley, the mayor
21 of the City of Portsmouth, New Hampshire. Together
22 we are representing the communities of the Greater
23 Seacoast area, including a portion of both Maine and
24 New Hampshire.

1 All eight members of the Commission had an
2 opportunity to visit the shipyard. We very much
3 appreciate your efforts to include that in your busy
4 schedule; and I might add that I hope you appreciate
5 the support of the citizens that demonstrated
6 yesterday by their presence when you entered Gate 1
7 of the shipyard yesterday morning.

8 Inasmuch as you have seen the shipyard and
9 some of the surrounding communities, my remarks this
10 morning will be very brief. I would like to draw
11 your attention to the slide of community
12 characteristics, and these by the way are in your
13 book under the tab for Community Infrastructure.
14 You have the detailed information in the data column
15 California and I will not recite those numbers at
16 this time. It is sufficient to state that we have
17 adequate housing for both military and civilian
18 personnel. We have adequate schools for both
19 military and civilian personnel.

20 And we have ample recreational and cultural
21 activities. And we have a significant number of
22 military retirees in our area. This is in itself a
23 significant statement, and I would call it quality
24 of life. The quality of life available to the

1 military personnel in our area is exceptional. As
2 I'm sure you noticed when you left the shipyard, you
3 entered a residential community, not an extension of
4 an industrial complex.

5 We have a highly trained and very skilled
6 work force. We are at the hub of the interstate
7 highway system, as well as having the availability
8 of rail and water to meet our transportation needs.
9 Necessary public utilities, including natural gas,
10 as deemed to be economically and environmentally
11 viable, are in place. We have mutual aid agreements
12 between fire and police departments of local
13 communities and the shipyard.

14 In summary, history shows that we have met
15 the needs of the shipyard. We are currently meeting
16 the needs of the shipyard. In fact, if the needs
17 change in the future, requiring increased activity
18 at the shipyard, we have the infrastructure
19 necessary to meet those needs as well. As the slide
20 states, the growth can be accommodated with little
21 or no adverse impact on the community infrastructure
22 with little or no expense. I thank you.

23 CHAIRMAN DIXON: Thank you, Mr. McCarthy.

24 MAYOR FOLEY: Good morning to the members

1 of the Commission and to all our loyal friends. I
2 represent the human side of the Portsmouth Naval
3 Shipyard. The Portsmouth Naval Shipyard is and
4 always has been the heartbeat of this area. It is a
5 very special neighborhood. It would be difficult to
6 find any person who over the years has not been
7 touched in some way by this vibrant observe in the
8 Piscataqua River. Both service and shipyard
9 retirees stay in the area because they simply like
10 it here. They love to tell the stories of World War
11 II in the yard; the wives, the mothers, the sweet
12 hearts who became pipefitters helpers, machinist
13 helpers, electricians helpers, and painters
14 helpers. And I was one of those.

15 We welcomed the challenges of war years.
16 We broke every record in submarine building that we
17 had set, and then broke every new record that we
18 ourselves had created. And after the war was over,
19 like every business, industry, every household, we
20 adjusted to peace and to a peacetime schedule, yet
21 this yard has never stood still. It simply changed
22 gears and changed direction when necessary, changed
23 priorities as it looked to the future. And it
24 seemed to be saying, "We have learned zero defects

1 in quality control in planning for the future, but
2 we have new acquired great new equipment, a
3 wonderful machine shop, and over \$50-million-plus
4 huge drydock complex. We are surviving. We are
5 doing well. We want to continue. Please look at
6 us. We are not just computer software and time card
7 and employee number, we are shipyard people, all
8 ages, races and creeds. We're a closely knit group
9 and truly talented workers from the towns and cities
10 in the entire Seacoast area."

11 The shipyard has been a vital part of the
12 lives of thousands of citizens who have worked at
13 the yard, retired, their children followed the
14 tradition, as did their children. Through layoffs,
15 closure threats, bumping rights, tightening of
16 belts, the shipyard personnel has proven their
17 worth. They are always upbeat, they have maintained
18 their work excellence. Their performances in all
19 trades are superb. Their jobs are completed on time
20 and earlier. They are proud and they deserve to be
21 proud. Portsmouth Naval Shipyard is more than just
22 a public institution; it is a living, working,
23 wonderful part of all of our lives. It is truly the
24 heart of this area. Please do not separate us, for

1 our heart would indeed be truly broken. Thank you.

2 CHAIRMAN DIXON: Thank you.

3 SENATOR COHEN: Mr. Chairman, our next
4 speaker is Captain Carl Strawbridge, our commander,
5 who you heard from yesterday.

6 CHAIRMAN DIXON: Yes, of course, Captain
7 Strawbridge.

8 CAPTAIN STRAWBRIDGE: Good morning,
9 Chairman Dixon and members of the Commission.
10 Yesterday you saw firsthand the Portsmouth Naval
11 Shipyard's modernized facilities, the extensive
12 skills and experience that are in place to meet the
13 Navy's full-service maintenance needs now as well as
14 in the future. With special expertise in repairing,
15 refueling, and modernizing of the Los Angeles class
16 nuclear submarine. Throughout this base closure
17 process I am proud to say that the people of this
18 shipyard and the surrounding communities have
19 consistently focused on the merits of this shipyard,
20 and its essential role in the Navy maintenance
21 plan. We will continue that approach at this
22 hearing.

23 I would like now to introduce Ms. Nan
24 Stillman. Ms. Stillman has been a shipyard employee

1 for 26 years and is currently a senior shipyard
2 department head and a member of the Naval/Civilian
3 Managers and Shipyard Employees Associations. Ms.
4 Stillman will be assisted as required by several
5 other long-term employees of the shipyard seated at
6 the table. Ms. Stillman.

7 MS. STILLMAN: Thank you, Captain. Good
8 morning.

9 CHAIRMAN DIXON: Good morning, Ms.
10 Stillman.

11 MS. STILLMAN: Chairman Dixon,
12 Commissioners, our purpose today is to present
13 information to you supporting the Navy and the
14 Department of Defense decision to retain Portsmouth
15 Naval Shipyard. Our presentation provides
16 information in two general areas: First, that the
17 Navy and Department of Defense recommendations
18 produced the correct balance of capacity reduction
19 and risk; and secondly, that Portsmouth Naval
20 Shipyard capabilities match future needs of the
21 Navy.

22 Our presentation will support the
23 conclusions that there was no substantial deviation
24 in the Navy or DOD process; that Portsmouth is the

1 most capable shipyard to support the Navy's
2 strategy, roles, and mission.

3 Our rationale and conclusions are based on
4 an evaluation of the central factors including
5 military value and capacity; the fact that we play a
6 vital and necessary role in support the fleet's
7 needs for submarines; and our flexibility, in that
8 we not only can work on submarines, but in
9 performing the Navy's most complex work we are
10 therefore also able to perform less complex work.

11 On military value, the matrix assigned
12 points based on the questions asked. Seemingly
13 equivalent numerical scores can be arrived from
14 significantly different capabilities. The numerical
15 difference between the scores for Portsmouth and
16 Long Beach is statistically insignificant,
17 particularly when compared to the substantial
18 difference in the type of capability represented by
19 those numbers.

20 The significant capabilities reflected in
21 Portsmouth's military value score include nuclear
22 qualifications and proficiency, extensive submarine
23 work, and customized facilities for 688 class
24 overhauls and refuelings. These capabilities best

1 match the Navy's future needs.

2 The capacity numbers developed by Navy were
3 based on certified data, and reflect the guidance
4 used in the data columns. They are not absolute
5 values but rather are relative measures. The
6 realism of these numbers is the direct result of the
7 constraints or lack of constraints that were applied
8 as the numbers were developed. The capacity number
9 used by the Navy was unconstrained and assumed a
10 perfect world; that is, it assumed a sustainable
11 skill mix for the workload over time; support
12 facilities always available; an unlimited supply of
13 skilled workers; and that any shipyard was capable
14 of performing any type of work. While this number
15 provides a basis for evaluation, it cannot stand
16 alone.

17 The most significant factor in determining
18 whether capacity is excess or is not is the future
19 workload. The Navy determined, and I quote, "That
20 the size and nature of the future fleet is
21 particularly indefinite, and that there are
22 potential significant impacts on nuclear workload."
23 Workload impacts include military threats, changing
24 fleet needs, emergent work, and the uncertainty of

1 submarine new construction.

2 Also considered was what type of ships made
3 up the future nuclear workload, and the majority of
4 this future nuclear workload is submarines. This
5 chart shows the 2001 nuclear workload mix, shows 58
6 percent of that nuclear workload being on
7 submarines.

8 Additionally, the 688 class refuelings,
9 DNPs and regular overhauls will continue through the
10 year 2018. In BRAC '91 and '93 there was a larger
11 and therefore a more flexible industrial base. With
12 three of eight shipyards now closed, two of these
13 being nuclear shipyards, the risk of error in
14 closure decisions becomes a much greater concern.
15 This is particularly important when considering
16 future fleet nuclear workload requirements for
17 refueling 688 class submarines. The Navy used their
18 best judgment of these and other factors as they
19 came to their conclusions. Their conclusion is
20 clear: Further reduction of nuclear capacity is an
21 unacceptable risk.

22 Portsmouth plays a key role in supporting
23 the fleet's current and future needs. We have the
24 most extensive submarine refueling experience. We

1 have exhibited significant flexibility and
2 capability in supporting the fleet requirements.
3 We're assuming a lead role in the Northeast for
4 regional maintenance. And we have served a pivotal
5 role in development of submarine technology and our
6 position to support the fleet as the submarine
7 center of excellence.

8 On the refueling experience, this next
9 chart provides the distribution of nuclear submarine
10 overhauls completed at naval shipyards. As you can
11 see, the previous closure decisions have
12 substantially reduced the Navy's submarine refueling
13 experience and capability base, with the loss of
14 Mare Island and Charleston. Further, only Mare
15 Island and Portsmouth have done 688 class refueling
16 and overhauls. The data shown includes the start
17 date for the most recent submarine refueling
18 overhaul at each shipyard. As you can see,
19 Portsmouth's recent start was last year. Puget's
20 was in 1989, Pearl's in 1981, and Norfolk's in
21 1972. Portsmouth is the remaining shipyard with the
22 most submarine refueling experience, the most
23 current submarine refueling experience, and the only
24 shipyard with 688 class refueling experience. Our

1 nuclear refueling capability is essential to support
2 the Navy's future needs.

3 We're extremely flexible in responding to
4 the fleet's needs. We do major submarine work on
5 both coasts, not only in Maine but in New London,
6 Connecticut; in Norfolk, Virginia; and also in San
7 Diego, California. We respond to emergent requests
8 whenever and wherever we are called. This includes
9 Hawaii, Guam, and Italy, among others.

10 While our mission is primarily submarines,
11 we perform work on surface ships also, including
12 recent work on frigates, cruisers, Coast Guard
13 cutters and planned work on a destroyer.
14 Additionally, we have become the Navy's expert in
15 performing component repairs, such as propulsion
16 shafts and motor generator sets.

17 Given the large number of submarine
18 mission-related activities in the Northeast, shared
19 functional support makes good sense and should
20 provide for an easy transition. From what the
21 Northeast and other regions have experienced,
22 regional maintenance improves efficiency, and
23 reduces the cost to maintain irreplaceable defense
24 assets. Portsmouth is playing a vital and central

1 role in the Navy's development of regional
2 maintenance in the Northeast. When compared to
3 other industrial activities, Portsmouth clearly
4 enters the arena with the widest range of diverse
5 capabilities and the greatest capacity to support
6 regional maintenance consolidations.

7 Portsmouth is and will continue to be the
8 absolute key to successful implementation of
9 regional maintenance within the Northeast. We're
10 currently positioned as the submarine center of
11 excellence, based on our facilities, our people, and
12 our submarine work discipline. Our facilities are
13 modern, they are well maintained, and they are
14 customized for accomplishing submarine work. Our
15 drydock complex is the most modern and efficient in
16 the country for refueling and overhauling 688 class
17 submarines. Our environmental performance in
18 operating these facilities has been recognized both
19 by the State of Maine and the Secretary of the
20 Navy.

21 Our people carry forward experience in
22 submarine design, construction, overhauls,
23 modernization, and refueling going back to 1914,
24 over 80 years of experience on submarines. These

1 people, those you saw today, those up here on this
2 stage, and the large contingent seated before you,
3 are the source of the skills and capabilities
4 necessary to perform the Navy's most complex work:
5 Nuclear submarines. Each and every one of them
6 understands the discipline, the rigor, and the
7 values that are absolute requirements for work on
8 nuclear submarines.

9 As a result of this unique blend of
10 tradition, experience, facilities, and the
11 dedication of our people to submarine work, we are
12 moving into the future as the submarine center of
13 excellence. We are the shipyard to support the
14 submarine force. Thank you for this opportunity to
15 present this information.

16 (Applause)

17 SENATOR COHEN: Mr. Chairman, we're
18 extremely pleased to have with us today Vice-Admiral
19 George R. Sterner, who is the Commander of the Naval
20 Sea Systems Command, and his presence today I think,
21 once again, is an indication of the Navy's strong
22 interest in the Portsmouth Naval Shipyard. He would
23 like to say a few words on behalf of the Navy.

24 CHAIRMAN DIXON: Admiral Sterner, we're

1 delighted to have you, sir.

2 ADMIRAL STERNER: Thank you. Good morning,
3 Mr. Chairman, Commissioners, and I certainly
4 appreciate the opportunity to appear before you to
5 summarize my view of the critical military
6 importance of the Portsmouth Naval Shipyard.

7 I should open by saying as Commander Naval
8 Sea Systems Command, fundamentally I do ships. I
9 fix them, I build them, I modernize them. My job is
10 to meet the construction or the overhaul or the
11 repair schedule within the budget, get the ship back
12 to the fleet so it's ready for service. I'm not
13 only responsible for today's fleet, but I also have
14 to keep a sea eye on the future to ensure that we
15 have the core capabilities to move forward and
16 support the fleet in the future.

17 What you see depends largely on where you
18 stand. And from where I stand, Portsmouth Naval
19 Shipyard is a critical asset to the future. The
20 Navy shipyards are the cornerstone of the fleet
21 maintenance and readiness process. Of our eight
22 naval shipyards prior to BRAC, two nuclear-capable
23 shipyards and one non-nuclear shipyard were
24 identified for closure, as you know, in BRAC '91 and

1 '93. In BRAC '95, the department has proposed
2 closure of the only remaining non-nuclear shipyard.
3 We have been forward leaning in this closure
4 process. I personally believe in the BRAC process.
5 It provides a means to reduce our unneeded capacity,
6 as the ship, fleet size and the budgets get
7 smaller. But in rightsizing, we have an obligation
8 to ensure the shipyards we retain provide the best
9 investment and the most flexibility for fleet
10 readiness.

11 In preparing our BRAC '95 proposals, the
12 Navy carefully reviewed future shipyard requirements
13 and tried to consider the uncertainties of the
14 future. I believe it is essential that we retain
15 all four nuclear Navy shipyards. While non-nuclear
16 work can be done anywhere, nuclear work can only be
17 done in a nuclear-certified shipyard.

18 Nuclear-capable shipyards like Portsmouth, New
19 Hampshire, are really force multipliers. They
20 provide the Navy, they provide us the flexibility
21 for the greatest range of response for ship repair.

22 I understand three of you had an
23 opportunity to walk through a 688 class submarine in
24 overhaul yesterday in the shipyard, and I hope you

1 gained an appreciation for the complexity involved,
2 the special skills required, the special and
3 substantial facilities needed; to perform a nuclear
4 submarine overhaul is a difficult, complex
5 industrial undertaking.

6 Capacity metrics alone do not tell the
7 whole story. We like to believe when a ship comes
8 in overhaul that we understand the condition it's
9 arrived in. From the day it arrives we're dealing
10 with the unknown unknowns until we can get that ship
11 disassembled, look at her condition and see what the
12 way ahead is. Our commanders and the work force you
13 see assembled out here in the audience are working
14 on a day-to-day basis from event to event,
15 rescheduling work, accommodating material delivery
16 delays, looking at the conditions of these systems,
17 because they still have to meet the schedules and
18 the requirements. A nuclear shipyard overhaul is
19 probably the most complex industrial undertaking man
20 does today.

21 This is our thinking: As we strive to make
22 the most sensible adjustments to the size of our
23 infrastructure, the future with regard to nuclear
24 shipyard capacity hinges on two principles: The

1 Navy must retain organic capability to refuel or
2 defuel nuclear-powered submarines and ships, and
3 dispose of nuclear reactor components. The Navy
4 must retain the critical unique facilities and
5 capabilities which are not available elsewhere and
6 could only be replicated at great cost, if at all.
7 There is an enduring need for public nuclear
8 shipyard capabilities as national assets.

9 These are uncertain times, not only in
10 world events, but the current ongoing public and
11 congressional debate about the future submarine
12 building program, how many, which class, where, at
13 what cost, just magnifies the risk of closing
14 Portsmouth Naval Shipyard. Any delay in new
15 construction authority will affect the submarine
16 force loads. Our only alternative left will be to
17 refuel 688 submarines.

18 Closing Portsmouth Naval Shipyard will
19 result in the following: Reduce our total shipyard
20 capacity to a non-acceptable level, put us at
21 unacceptable risks, leave only a single nuclear
22 shipyard on the Atlantic fleet to respond to his
23 needs with virtually no flexibility to meet any
24 increase in nuclear shipyard requirements, and place

1 the Navy in an untenable situation if additional 688
2 class refuelings are required. Considering the
3 force structure, the budget, and the uncertainties,
4 the loss of Portsmouth Naval Shipyard could create
5 maintenance and repair backlogs which would disrupt
6 the Navy's ability to meet global dimensions.

7 In conclusion, Mr. Chairman and
8 Commissioners, when you're operating ships,
9 particularly warships, things happen, things we
10 can't always foresee. We have the best-trained
11 crews of any Navy in the world, but still things
12 happen. As the individual charged with repairing
13 our Navy ships and keeping them at sea, I need
14 Portsmouth's naval shipyard on the Navy team. I
15 urge you most strongly to remove Portsmouth Naval
16 Shipyard from your closure list. Again, thank you
17 for this opportunity.

18 (Applause)

19 SENATOR COHEN: Mr. Chairman, members of
20 the Commission, first let me thank you for the
21 opportunity to address you on this very important
22 occasion, and also to commend you for the dedication
23 and the diligence that I think all of you have shown
24 in this very difficult task. I'd also like to thank

1 my colleagues from Maine and New Hampshire, Senator
2 Smith, Senator Gregg, Senator Snowe, Congressman
3 Zeliff, Congressman Bass, and Congressman Baldacci
4 and Congressman Longley, for allowing me the
5 privilege of speaking on their behalf, so we'd like
6 to more efficiently present the arguments for what
7 is the finest shipyard dedicated to the overhaul and
8 repair of the 688 submarine. It's the backbone of
9 our Navy's fleet today; it will be for the future.
10 But everyone here, on the Commission, everyone in
11 this audience, should know this is an united
12 effort. We are from different states, we have a
13 range of different philosophies, but on this matter
14 we are united.

15 This is the third and final round of the
16 closure proceedings. Portsmouth Naval Shipyard has
17 been both an observer and a participant in past
18 deliberations. I should point out that Portsmouth
19 has never attempted to denigrate or challenge
20 another yard's existence in an effort to keep itself
21 off any closure list. We've always believed that
22 each case should be judged solely on its merits, and
23 that's the way we've always proceeded in the past.
24 I do feel compelled, however, in hearing some of the

1 testimony the Commission received on the West Coast,
2 to briefly respond to allegations which I believe to
3 be clearly erroneous. I doubt whether the
4 Commission has given very much credence to those
5 allegations, but for purposes of clarifying this
6 record I feel compelled to offer just a few points
7 of rebuttal.

8 Long Beach stated it had more or longer
9 dock space than Portsmouth and therefore the Navy
10 erred in seeking to reduce excess capacity by
11 placing Long Beach on the list and not Portsmouth.
12 In my judgment that's the equivalent of saying that
13 Long Beach has a 100 yard football field while
14 Portsmouth has only a 94 foot basketball court.
15 Long Beach and Portsmouth have completely different
16 missions, functions, capabilities, labor force and
17 management skills, and to compare the two would not
18 only be a matter of poor judgment but I think a
19 mistake of monumental proportions. Anyone who would
20 suggest that a labor force trained to overhaul and
21 repair conventional service ships is capable of
22 overhauling and repairing and refueling and
23 defueling nuclear submarines engages in an exercise
24 in folly.

1 It would be the equivalent of saying that
2 one who could repair a Rolls Royce automobile could
3 also repair a B-2 bomber. The skills are not
4 comparable. In fact, just the converse argument is
5 more valid. The aviation expert mechanic is far
6 more capable of repairing an automobile than an
7 automobile mechanic a B-2 bomber; and that's the
8 reason, as you heard just a moment ago, that
9 non-nuclear work is accomplished at all naval
10 shipyards, but nuclear work is accomplished only at
11 nuclear shipyards.

12 At your West Coast hearing, the Commission
13 heard testimony that indicated that Portsmouth's
14 docks were all 90 years old, and the implication was
15 they were in an advanced state of deterioration.
16 Well, I'll not take the time and could not take the
17 time this morning to rebut those allegations, other
18 than pointing out that Portsmouth has the most
19 modern drydock facility in the world, not just the
20 country, but the world, for refueling and
21 overhauling the 688 class submarine. And each of
22 its three docks have been maintained and certified
23 by the Navy to meet all of its standards; and in the
24 case of drydock No. 2, to exceed standards reached

1 by any other yard.

2 Yesterday all eight members, and I want to
3 commend the Commission, I think it's the first time
4 in the history of the BRAC process that every member
5 of the Commission has visited a single facility, but
6 all of you had an opportunity to view the
7 capabilities and state of the art equipment at
8 Portsmouth, and I need not dwell on this issue any
9 longer. Portsmouth can handle approximately 83
10 percent of all the active naval vessels. It has not
11 done so because the Navy has chosen to exploit its
12 specialty and to reap the benefits and the
13 efficiencies that come with being expert in the
14 field as Portsmouth has shown. This expertise saves
15 money, it saves time, and it produces quality work.

16 At this moment, as you heard, Portsmouth is
17 recognized by the Navy as being its crown jewel in
18 its refueling and overhaul work of the 688. It's
19 the only yard in the country that is specifically
20 and solely dedicated to repair and refuel and defuel
21 the 688. No other yard in the country has the
22 experience and the technical confidence that's been
23 demonstrated by Portsmouth.

24 As Nan Stillman testified just a moment

1 ago, it has been designated as a Navy center of
2 excellence in the 688 class depot maintenance. It's
3 the Navy's SSM planning yard. It's the hub of the
4 Northeast regional maintenance center. It has the
5 only drydock that includes a removable submarine
6 cover; and an integrated shop and office space that
7 is not practical to move or replicate. It's the
8 only East coast submarine sonar, hydrophone, and
9 total array depot facility; and 22 of the 57, some
10 39 percent, of the 688 major depot availabilities
11 are planned to be performed at Portsmouth for the
12 fiscal year 2005.

13 And when you look at the graphs, which I
14 believe you have in your books, representing the
15 nuclear submarine experience over the past 30 years,
16 you'll find that Portsmouth has substantially more
17 experience than the other public or private yards.
18 Only Mare Island, which was closed by BRAC in '93,
19 had comparable numbers. Additionally, Portsmouth is
20 the lead shipyard in the overhaul of the 688, with
21 two refuelings, and as you know the third is on its
22 way in October.

23 The people at Portsmouth know submarines.
24 Their knowledge and skills and abilities have been

1 handed down from generation to generation, and
2 they've been expanded upon to meet the highly
3 technical needs of a modern submarine fleet. Any
4 effort to close and dismantle this yard and then try
5 to reassemble such a management and labor force team
6 to achieve the levels of efficiency and productivity
7 that currently are held by Portsmouth might be
8 possible, but it would involve major delays in
9 overhaul work. It would cost the Defense Department
10 millions of dollars, a decision the Defense
11 Department has wisely chosen to reject.

12 Also during the West Coast hearings it was
13 suggested that much of the work currently being done
14 by Long Beach could be absorbed by private
15 shipyards. I know that some of you at the meeting
16 yesterday raised the question as to whether or not a
17 similar argument might not be advanced for
18 Portsmouth; namely, why not simply transfer all the
19 nuclear repair and overhaul work to private yards
20 and let them absorb whatever excess capacity
21 exists. First, I would point out that no 688
22 refueling workload has ever been shifted to the
23 private sector. Electric Boat has not refueled
24 submarines for 20 years. It's not facilitated to do

1 so. Newport News is not equipped for 688
2 refuelings, and its previous SSBM refuelings proved
3 to be more expensive than those done at public
4 yards.

5 Second, and more importantly, let me
6 respectfully suggest this decision is one the Navy
7 should and must make. It's not one for the
8 Commission. In fact, before the Navy could even
9 make such a proposal, it had to come before
10 Congress. The existing law requires that 60 percent
11 of all Navy repair work be performed in public
12 yards. And I would suggest there are very valid and
13 meritorious reasons for this existing policy that is
14 written into our law. And that is the recognition
15 that when public work is transferred to private
16 yards that there are additional risks incurred.
17 Risks to our national security interest.

18 Corporate conglomerates buy and sell
19 yards. In the event that they find a yard is
20 incapable of sustaining efficient production rates,
21 they simply choose to close them. General Dynamics,
22 by way of example, has closed every facet of its
23 defense business other than building submarines at
24 Electric Boat and building M1-A1 tanks.

1 Allowing corporations to make decisions
2 that might compromise our national security interest
3 is an issue that requires debate and deliberations
4 at the very highest levels of our government, both
5 in the executive and congressional branches. And
6 even if the Commission were to erroneously conclude
7 that there exists an unreasonable level of excess
8 shipyard capacity within the Navy, the Commission
9 could not recommend that that capacity be
10 transferred to private yards or take action that
11 would force the Navy to do so. It would violate the
12 Commission's charter and would violate existing
13 law.

14 I know that several Commissioners have
15 questioned whether an unreasonable level of excess
16 capacity exists, and I think the answer turns upon
17 whether you see a theoretical or notional excess
18 capacity, or whether what you see reflects the real
19 world day-to-day operations. The Navy's guidance to
20 shipyards requested that in developing its maximum
21 capacity level, the yards shouldn't take into
22 account any costs, cost overruns, work delays,
23 slippages as real-world constraints in developing
24 and trying to accomplish this work. The resulting

1 maximum capacity by virtue of this guidance was
2 intended to be theoretical. The reality of having
3 to execute such a workload in a sustained matter is
4 governed by how much time, money, and skilled people
5 are at the Navy's disposal. And given enough time,
6 money, people, good fortune, almost anything is
7 possible.

8 The present-day realities lay in stark
9 contrast to the potential for the grave and serious
10 consequences of decisions based on theoretical
11 capacity that require our military leaders to
12 exercise a realistic factor in operational
13 capacity. And only when you put this realism,
14 impose the realism on the theoretical, can there be
15 a fair and accurate assessment of excess capacity.
16 The Navy and the DOD exercised military judgment,
17 not theoretical maximum capacity, in their decision
18 to retain Portsmouth. They did this in 1991, they
19 did it again in 1993, and they've done it also in
20 1995.

21 In essence, the Navy is firmly convinced
22 that, having closed Mare Island, having closed
23 Charleston Naval Shipyard, there remains only a thin
24 margin of excess capacity to protect us against

1 future contingencies. And they concluded that in
2 closing Portsmouth, it would leave the Navy with
3 only 50 percent of its nuclear-capable shipyards, it
4 would leave the Atlantic fleet with only a single
5 yard providing dedicated support to its assets, it
6 would reduce total shipyard excess capacity to an
7 unacceptable 1 percent level. That's the number you
8 heard from Admiral Border yesterday. I know there
9 is a difference of opinion whether it's 27, 19
10 percent. Admiral Border said 20 percent. It would
11 also eliminate the necessary flexibility to meet
12 future uncertainties and avoid unreasonable risks.

13 The Navy has concluded if you were to
14 reverse its judgment it would have to spend millions
15 of dollars to come up with the capabilities to
16 replace Portsmouth. Not just eliminate it. They'd
17 have to replicate it elsewhere, spending millions of
18 dollars for the replication, not to mention the
19 millions more that would have to be spent in
20 training the work force to achieve the efficiencies
21 and productivity levels currently enjoyed by
22 Portsmouth. That is time and money that the Defense
23 Department doesn't have.

24 So in order for the Commission to overrule

1 this assessment, it would have to find that the
2 Commander of Naval Operations, Secretary of the
3 Navy, Secretary of Defense, all have made
4 substantial error, and that the General Accounting
5 Office, which analyzed and confirmed the methodology
6 employed by the Navy, also is in error.

7 During your confirmation hearings, I asked
8 each of you what weight you would give to the
9 Defense Department's recommendations. After all of
10 you on the Commission will only be in existence
11 roughly three and a half to four months, and each of
12 you I think brings rich and diverse experience from
13 both the military and private sectors. But your
14 experience is not meant to be a substitute and
15 cannot be a substitute for that of the military
16 establishment for a point after point decision. I
17 think all of you recognize that.

18 One commissioner said at the hearing, "I
19 think we have to give the Defense Department
20 enormous weight, just because that's the appropriate
21 thing to do. And also because the statute is very
22 clear that the Department of Defense's
23 recommendation should go forward unless they
24 substantially deviate from the Department's

1 guideline and regulatory criteria. So as a
2 practical matter, obviously the Department of
3 Defense's decisions have to be given the
4 preponderance of the doubt, not just the benefit of
5 doubt."

6 A second commissioner said, "The Navy is a
7 very complex organization. And one begins the
8 inquiries with looking at force structure. I think
9 in that area we grant almost total deference to the
10 Secretary of Defense and the heads of the Navy who
11 are planning the Navy of the future based on how
12 they see the world.

13 I also understand the need for industrial
14 capacity for the future, and the fact that there's
15 some danger in letting some very highly skilled
16 people die on the line, if you will. Or have major
17 facilities that are the future in our Navy collapse
18 from lack of use. But ultimately the Secretary of
19 Defense and his view of the world I think has to
20 have great deference." And each of you nodded your
21 affirmation in response to those particular
22 statements.

23 Mr. Chairman, members of the Commission,
24 I'd like to turn just briefly to the subject of

1 turbulence both in the international world and here
2 at home. I think it's a familiar axiom that whom
3 the gods would destroy, they first make euphoric. I
4 think with the collapse of the Berlin Wall and the
5 collapse of the Soviet empire we've all experienced
6 our share of euphoria. But two years ago, if we
7 looked, that Russia was viewed as a new partner for
8 peace and dedicated opponent of nuclear
9 proliferation; China was a new member of the nuclear
10 non-proliferation treaty and its military seemed to
11 be focused internally at maintaining internal
12 security. Iran was crippled by economic problems
13 that limited its ability to threaten its neighbors.
14 North Korea had just signed an agreement with South
15 Korea that opened itself up to international nuclear
16 inspections.

17 Today, while accepting the administration's
18 proposal of Partners for Peace, Russian troops are
19 turning Chechnya into a wasteland, while Russian
20 engineers are preparing to build nuclear reactors to
21 the terrorist nation of Iran; China plans to sell
22 nuclear reactors to Iran, and its military has
23 turned outward, claiming sovereignty over the
24 strategic South China Sea, extending its so-called

1 defense perimeter out to 2,000 miles and backing
2 these claims up with military deployments. Iran is
3 aggressively pursuing nuclear weapons while
4 deploying Russian-built submarines and Chinese-built
5 Silkworm missiles in order to gain control of the
6 Persian Gulf and to dominate its neighbors. North
7 Korea violated last October's nuclear agreement and
8 it continues to mass troops and artillery on the
9 DMZ. And, finally, according to the Defense
10 Department, the Russians have maintained a pace of
11 submarine construction that is undiminished from
12 cold war levels.

13 None of us, not anyone here in this room,
14 not anyone in the country, can predict how the
15 future will unfold for the United States in the way
16 of threats from prior enemies who are now friends,
17 or from present friends who might become enemies.
18 And just as there is turbulence throughout the world
19 which the Navy is determined to hedge against, there
20 is great uncertainty in the shipbuilding community
21 here at home.

22 As I mentioned to each of you yesterday
23 during our briefings, I know the Sea Power
24 Subcommittee hearings recently, and we are trying to

1 examine the issue of whether or not we are going to
2 build the third Sea Wolf submarine. There is
3 substantial disagreement as to whether a third Sea
4 Wolf is needed. There is substantial uncertainty as
5 to whether or not in fact it's going to be funded.
6 The president of Electric Boat testified in open
7 session that without the third Sea Wolf he will have
8 to close down the submarine shipbuilding
9 operations. That is his conclusion. He will close
10 it down. The Navy is seeking to keep Electric Boat
11 alive by allocating the follow-on nuclear submarine,
12 so-called Centurion, to Electric Boat, and then
13 allocating all future aircraft carrier construction
14 to Newport News.

15 During the very same period that Jim Turner
16 of Electric Boat said he would have to shut down
17 without the third Sea Wolf, the president of Newport
18 News indicated that if Newport News is unable to
19 compete up front in competition for the follow-on
20 attack submarine, it will shut down its nuclear
21 shipbuilding operations.

22 What I'm suggesting to you is there's a
23 great deal of turbulence throughout the world and
24 the great deal of turbulence in the private sector

1 in terms of available work and forthcoming
2 appropriations by Congress. And I mention all of
3 this today to highlight the importance of the
4 relationship between the global uncertainties which
5 the Navy and the Defense Department are trying to
6 hedge against, as well as the volatility and
7 domestic politics and policies the Navy is going to
8 be forced to confront. And I do this to reinforce
9 the argument that the Commission must give great
10 weight to the Defense Department under these
11 circumstances and not seek to supplant its judgment
12 as to how world events will unfold, how domestic
13 spending disputes are going to be resolved, or how
14 the Navy can keep in business of private shipyards.

15 Back in 1993 Charleston complained that
16 Portsmouth should be added to the closure list and
17 Charleston taken off because it had a higher
18 military value. And the Commission, in doing its
19 job, added Portsmouth to the list for
20 consideration. After a careful review, it concluded
21 unanimously -- unanimously -- that the Navy and
22 Defense Department made the right decision in
23 seeking to reduce excess capacity and maximizing
24 military value of its remaining yards.

1 Now here we are in 1995, and this
2 Commission has added Portsmouth to the list, not to
3 compare it to any other yard, because there's no
4 comparison to make in terms of the efficiencies and
5 productivity that Portsmouth has achieved; they've
6 added it to the list to determine if the Navy and
7 Defense Department should have reduced excess
8 capacity even further. It's the best judgment of
9 our top military officials that it would be
10 expensive, it would be time consuming and
11 unproductive to do so, and that given all the
12 uncertainties that exist abroad and here at home,
13 that closing Portsmouth would leave the Navy and the
14 nation with too thin a margin for error, not in a
15 notional world but in the real world of day-to-day
16 operations.

17 As Admiral Demorris stated to you very
18 directly yesterday, if the Navy is in error in its
19 judgment, future commissions can be established to
20 reduce any unnecessary capacity. But if this
21 Commission substitutes its judgment for that of the
22 Navy and the Defense Department and it is in error,
23 there's no way to easily or quickly restore that
24 margin of safety that the nation needs. Nuclear

1 shipyards are like endangered species: When they're
2 gone, they're gone.

3 Mr. Chairman and members of the Commission,
4 when you pack your bags and briefcases and return to
5 your families and businesses, the Navy is going to
6 be left to deal with your decision for years to
7 come. With so much uncertainty in the world, with
8 so much uncertainty in the congressional budgeting
9 and appropriation processes, I respectfully suggest
10 that you must give great deference to the decision
11 of our military and civilian leaders and resolve any
12 doubt in their favor, just as you testified you
13 would do so at the confirmation hearings.

14 The poet T.S. Eliot said that we're all
15 explorers; that we shall not cease from exploration,
16 but the end of all our exploring would be to arrive
17 at the place where we began and know it for the
18 first time. It has been your mission and mandate to
19 explore the recommendations of the Navy and Defense
20 Department, and now you must arrive at the place
21 where the Defense Department and Navy first began.
22 If you apply the standards of what is wise and safe
23 and prudent and affordable, indeed what is in the
24 best interest of the nation, you will conclude that

1 there's no basis for closing Portsmouth, there's no
2 military basis, there's no factual basis, there's no
3 legal basis. You will conclude that the Navy and
4 Defense Department, in their best judgment, made the
5 right decision for the right reason, and that
6 Portsmouth should continue to remain open as the
7 premier repair yard of what is and what will
8 continue to be the backbone of the Navy submarine
9 fleet well into the 21st century. Thank you very
10 much for your attention.

11 (Applause)

12 CHAIRMAN DIXON: We thank the distinguished
13 senior senator from Maine, Senator Cohen, and we
14 thank all of you for an excellent presentation of
15 your case. And at this time we'll go to the public
16 comment period. The chair has a list of ten names
17 of individuals who have signed up to testify during
18 the public comment period. Would those ten people
19 please come to the front of the room, and forgive
20 the chair if he mispronounces any of these names.
21 Gene Allmendinger. Ira Jackson. Peter
22 Kavalauskas. William Zowler. Jane Hirshberg. Neil
23 Rolde. Captain George Street. Clint Schoff. Peter
24 Bowman, a former distinguished member of the

1 Commission; and Captain Bill McDonough. Are you all
2 here, ladies and gentlemen? I'm required to ask
3 each of you to raise your right hand.

4 (Speakers sworn)

5 CHAIRMAN DIXON: Thank you very much, and I
6 say to each of you in advance, I apologize for the
7 fact that we're compelled to ring the bell when your
8 two minutes is up. We've found in the course of
9 these proceedings, over many months, that it's the
10 only way to get the job done. Please forgive us.
11 Mr. Gene Allmendinger.

12 MR. ALLMENDINGER: Thank you, Mr.
13 Chairman. My name is Gene Allmendinger. I'm a
14 retired professor of naval architecture with
15 professional experience in the design of submarines
16 and the submergents. My brief remarks this morning
17 are intended to call attention to the need for the
18 Portsmouth Naval Shipyard's expertise in supporting
19 the Navy's deep submergents program. I think this
20 may be an aspect that hasn't been dwelled on too
21 much before.

22 Many post-cold war missions for the fast
23 attack submarine focus on their operation in the
24 world's natatorial waters in close cooperation with

1 elements of battle fleet. In emphasizing natatorial
2 missions we must not neglect the deep ocean as a
3 potential arena for future submarine warfare. The
4 Russians continue to vigorously pursue science and
5 technology applicable to this arena and we must do
6 the same. The Navy's deep submergents program
7 provides essential knowledge and hard data necessary
8 for the safe and effective open and under ice, under
9 Arctic ice, water operations.

10 The shipyard supports the specialized
11 underwater vehicles that are used in this program.
12 Further, it has built one of these vehicles, the
13 Dolphin, and it has extensively overhauled and
14 refitted another, the NR-1. It is essential that
15 this support, backed by years of shipyard
16 experience, continue.

17 CHAIRMAN DIXON: Thank you, Mr.
18 Allmendinger.

19 Mr. Ira A. Jackson.

20 MR. JACKSON: Good morning, Mr. Chairman
21 and members of the Commission. My name is Ira
22 Jackson, I'm senior vice-president of the Bank of
23 Boston and chairman of the New England Council,
24 which is the region's voice for business. It's this

1 regional six-state economic perspective that I'd
2 like to share with you this morning. Let me make
3 three quick observations: First, the downsizing and
4 restructuring of our military has already had a
5 serious, severe, and disproportionate impact on the
6 New England region. Our share of the defense prime
7 contracts has fallen precipitously from 14 to 8
8 percent in just four years, a 40 percent smaller
9 slice of the shrinking pie; and a far greater
10 percentage of jobs have already been eliminated at
11 New England's military bases than elsewhere in the
12 country. New England employment at military bases
13 has fallen by some 31 percent since the '80s.

14 Second, this precipitous and dramatic
15 decline in defense-related employment has coincided
16 with and accelerated the most severe regional
17 recession that any region in the country has
18 experienced since the Great Depression. From '88 to
19 '92, New England lost some 13 percent of its total
20 job base. A region with barely 5 percent of the
21 nation's population accounted for some 20 percent of
22 the total job loss during our nation's most recent
23 recession. And while New England has begun to
24 recover, that recovery is still barely in its

1 infancy, and we have a very long row to hoe. The
2 114,000 defense-related jobs that we have already
3 lost accounts for more than 30 percent of the total
4 job loss that we have yet to reclaim.

5 Third, closing Portsmouth at this time
6 would clearly impede our region's recovery, it would
7 add to the already crippling effect of the
8 disproportionate load of the defense-related cost we
9 have already borne, and it would have a devastating
10 impact on the lives of thousands of workers, their
11 families, and related businesses.

12 We appreciate your role as tough but
13 necessary, as you said yesterday, Mr. Chairman, and
14 applaud your courage in performing a vital national
15 objective. We only ask that you evaluate Portsmouth
16 from the region's unique perspective and painful
17 economic experience to date, and that you consider
18 our judgment that closing Portsmouth is ill-advised
19 to the nation and ill-timed for the region. Thank
20 you.

21 CHAIRMAN DIXON: Thank you, Mr. Jackson.
22 Mr. Peter Kavalauskas.

23 MR. KAVALAUSKAS: Commissioners, our credit
24 union serves shipyard employees. We and our local

1 community has always supported the shipyard in
2 meeting their objectives. We have felt the
3 substantial economic burden of rightsizing our
4 national defense capabilities. Since the late '80s
5 our economy has experienced the closing of Pease
6 with 5,000 people, the downsizing of the shipyard
7 from 9,500 to 4,100 today.

8 In our relatively small credit union we
9 have experienced firsthand the impact of these
10 cutbacks. In 1989 over 6,000 shipyard employees had
11 their pay deposited into our credit union, amounting
12 to more than \$3 million every two weeks. Today
13 these numbers have dwindled to 3,000 employees and
14 \$2 million. This downsizing was painful. Many who
15 were laid off had to sell their homes and relocate
16 to find work. Others less fortunate lost their
17 homes to foreclosure and were forced to file for
18 bankruptcy. Our credit union went through two
19 layoffs to adjust our organization to the changed
20 environments. Many local businesses simply closed.

21 With all of the reductions we have
22 experienced, closure now would probably take our
23 economy a decade to recover from. The impact the
24 yard has on our economy is especially noticed every

1 time a reduction in force is announced or it is
2 considered for closure by BRAC. Because of the
3 uncertainty of these events, the effect on our
4 economy is immediate and seen by dramatic reductions
5 in borrowing and purchasing activity by shipyard
6 employees.

7 While others may talk about downsizing
8 government, the Navy and Portsmouth Naval Shipyard
9 have delivered. A recent Washington Post article
10 listed the number of laid off government workers in
11 1994 by area of the country. Norfolk, Virginia,
12 with 1,128, was number one, followed by Portsmouth,
13 New Hampshire, with 922. Both naval shipyards.

14 Surprisingly, Washington, D.C., with its
15 thousands and thousands of government workers, was
16 way down the list with only 546.

17 Our area and the Navy have clearly done our
18 share to reduce the deficit. The rightsizing of PNS
19 has fortunately left us with a very valuable asset:
20 PNS does what it does better than any other facility
21 in the country, very efficiently in terms of cost --

22 CHAIRMAN DIXON: Thank you, Mr.
23 Kavalasuskas. Mr. William Zowler.

24 MR. ZOWLER: Portsmouth Naval Shipyard has

1 the best environmental program in the Department of
2 Defense. I have worked and have visited many
3 government installations, but I have seen none to
4 compare with the Portsmouth Naval Shipyard Hazardous
5 Waste Storage Facility located on Jamaica Island.
6 The personnel who perform the everyday functions of
7 protecting the environment are highly trained and
8 are extremely dedicated to protecting the shipyard's
9 environment and that of all of its neighbors.
10 Portsmouth Naval Shipyard has a hazardous waste
11 storage facility that is more to advanced than any
12 other government facility I have visited.
13 Portsmouth Naval Shipyard should be a model for
14 environmental programs, not only for all government
15 facilities, but for civilian companies as well.

16 Personnel from the hazardous waste program
17 have put their expertise to work for the benefit of
18 other organizations, civilian and military. They
19 spent two weeks at Long Beach Naval Shipyard,
20 advising them about hazardous waste handling and
21 disposal. They work with such local groups as the
22 Coast Guard station at New Castle, the Air National
23 Guard at Pease, and New Hampshire Army National
24 Guard at Concord, advising their personnel and

1 handling their hazardous waste. They worked with
2 the EPA in cleaning up the Hooper Sands Superfund
3 site.

4 The hazardous waste facility has also been
5 a source of education to local, elementary and high
6 school and colleges. Several Earth Day programs
7 were presented in area elementary schools, and
8 students from local high schools and the Southern
9 Maine Technical College have benefited from
10 educational tours of the facility. To provide even
11 better service to the Navy and the community, a new
12 \$4.5 million hazardous waste facility is under
13 construction, to be operational in January 1996.

14 It is my recommendation, I mean I strongly
15 recommend, that Portsmouth should become a regional
16 facility for all government installations in the
17 Northeast. I also feel that Portsmouth should be a
18 training facility for other government
19 installations, to make even better use of the
20 expertise of its highly trained personnel. Save
21 Portsmouth shipyard and you will help save our
22 environment for years to come. Thank you,
23 Commissioners and Mr. Chairman.

24 CHAIRMAN DIXON: Thank you, Mr. Zowler.

1 Jane Hirshberg.

2 MS. HIRSHBERG: I'm the director of
3 development and education at the Music Hall,
4 Portsmouth's only remaining historic theater, which
5 presents a full season of performing arts events and
6 films from all over the world. Last summer the
7 Music Hall was awarded funding to plan a
8 collaborative project involving the Liz Lerman Dance
9 Exchange from Washington, D.C., and the Portsmouth
10 Naval Shipyard. This funding came from the Reader's
11 Digest Arts Partners Program administered by the
12 Performing Arts Presenters. Our project brings the
13 dance exchange to the Seacoast for several visits
14 next year, culminating in a series of events
15 featuring works based on stories collected from
16 people in the shipyard community.

17 Because the shipyard employs thousands of
18 military and civilian workers, it is a microcosm of
19 society, combining all characteristics that comprise
20 community. As we continue to establish contacts
21 with people who have work or lived at the yard, it
22 is apparent that there is a great deal of pride in
23 the past and present, pride in the craftsmanship of
24 workers, and pride in the accomplishments of the

1 yard. We are finding that in many families
2 throughout the Seacoast, several generations share
3 that pride.

4 A letter from the Portsmouth Chamber of
5 Commerce says it all: The Music Hall's project
6 recognizes that the economic life of a community
7 cannot be separated from its culture and history.
8 The work of the Liz Lerman Dance Exchange will
9 involve cooperation between many diverse groups.
10 This endeavor will enhance the sense of unification
11 and integration in the Seacoast community. The
12 stories and performances of this project have
13 created a deeper understanding of the yard's history
14 and its important place in the community. The
15 hundreds of people associated with this project are
16 seen as catalysts, creating a stronger relationship
17 between a vital and active shipyard and the
18 community, not merely a tribute to the glory of the
19 past. We all have a major stake in seeing the
20 Portsmouth Naval Shipyard remain open. Thank you.

21 CHAIRMAN DIXON: Thank you, Ms. Hirshberg.
22 Mr. Neil Rolde.

23 MR. ROLDE: I'm chairman of the Seacoast
24 Shipyard Association, but I'm also a local

1 historian. As Senator Cohen mentioned yesterday, I
2 have to tell you the more than 200-year-old history
3 of the Portsmouth Naval Shipyard in two minutes. So
4 here goes.

5 You have already heard that we are the
6 oldest naval shipyard in the country. We were
7 officially established in 1800. But even before
8 that, we were building warships, first for the
9 British Navy, as early as 1690, and then for the new
10 American Navy in the Revolution. John Paul Jones'
11 first ship, the RANGER, was built by us. The first
12 floating drydock authorized by Congress was
13 constructed at Portsmouth in 1857, just in time for
14 the Civil War, in which we built many ships,
15 including the famous KEARSARGE, which sank the
16 Confederate raider ALABAMA.

17 International history was written in our
18 yard in 1905 when President Teddy Roosevelt chose it
19 as the site for signing the treaty to end the
20 Russo-Japanese war.

21 Our first submarine construction was begun
22 in 1914, and we were designated a submarine yard by
23 the Navy in 1923. Between 1917 and 1941 we built 33
24 subs. During World War II, in one year alone, 1944,

1 we build 32 subs, one every 12 days. We were the
2 first public yard to build a nuclear submarine, the
3 Swordfish.

4 After 1971 our mission changed, and as
5 you've heard we've become experts in overhaul,
6 refueling and modernization. Yes, we have a long
7 and proud history, but our yard should not be saved
8 simply because of sentiment. We have built an
9 indispensable modern naval facility on our glorious
10 historic base, and yesterday two more important
11 events were added to our past. The first visit of
12 an entire BRAC Commission to a facility, we thank
13 you for that; and the personal visit of the Chief of
14 Naval Operations to plead the Navy's case that what
15 we do cannot be reproduced elsewhere except at
16 tremendous cost, in time and money; that our
17 continued existence is absolutely vital to the
18 Navy's mission.

19 CHAIRMAN DIXON: Thank you, Mr. Rolde. Any
20 man that can tell a 200-year history in two minutes
21 ought to be in the United States Senate.

22 SENATOR COHEN: I'd like to take exception
23 to that last statement.

24 CHAIRMAN DIXON: The exception is truly

1 noted.

2 Captain Street.

3 CAPTAIN STREET: I represent the point at
4 which all this ends. At sea. And I wish to remind
5 all of us that submarines fight deep in enemy
6 territory, alone, and surrounded by enemy forces.
7 If we need help we have to look to ourselves. I've
8 been in shipyard Portsmouth three times, just prior
9 to Pearl Harbor, and the submarine depth charge off
10 the Isle of Shoals, and the Portsmouth Naval
11 Shipyard expertly repaired all the things that
12 happened to us and I think saved at least 10 or 15
13 submarines.

14 During the course of World War II, I had
15 the privilege of making nine more patrols myself,
16 was out there the entire time in the Pacific in
17 World War II, except once to come back, one was to
18 launch as skipper one of the most successful
19 submarines from Portsmouth, thanks to the good
20 shipyard work -- this yard is outstanding -- the
21 TORRENTE. She's now razor blades. But this ship,
22 everything worked. Everything worked. And when you
23 are out there, two or three thousand miles in enemy
24 territory, against the expert Japanese forces in

1 World War II, everything had to work. We couldn't
2 fix it and still fight. We had to work and shoot
3 and hit and then submerge again and come back.

4 Also, at the end of World War II, I had the
5 privilege of being the skipper of a converted radar
6 submarine, again built by Portsmouth, and then
7 first-line work for the major task, guarding task
8 forces in the Atlantic and the Mediterranean and the
9 Pacific even. Portsmouth, gentleman and ladies,
10 please, keep it open. We forces afloat, we really
11 need it. Thank you.

12 CHAIRMAN DIXON: Thank you, Captain
13 Street.

14 Mr. Clint Schoff.

15 MR. SCHOFF: I'm Clint Schoff, president of
16 the Federation of Government Employees. I'd like to
17 take the opportunity today to introduce you in the
18 audience to the workers. The people who have made
19 this happen. They didn't have any say in setting
20 the standards and raising the bar, but they've
21 produced every time they were called upon. And we
22 have not been immune to sacrifice. We have lost
23 4,500 of our workers, and today we're here to answer
24 the question why should we be closed. I would like

1 to challenge each of you on that Commission that
2 unless there's a preponderance of the evidence that
3 can say that the demonstrations and the
4 presentations and the data that you have received,
5 that's been certified as full, that I would hope
6 that you would give us a unanimous vote and keep our
7 shipyard open.

8 CHAIRMAN DIXON: Thank you, Mr. Schoff.

9 Mr. Peter Bowman, a distinguished member of
10 the Commission on a past occasion, and the
11 Commission takes note of the fact, Mr. Bowman, that
12 you were smart enough to not sign up for another
13 Commission.

14 MR. BOWMAN: Mr. Chairman, I tried but I
15 didn't make it. Chairman Dixon, Commissioners, I
16 just want to give you a few brief comments on my
17 experience with the subject of military industrial
18 capacity, and I don't know for sure but my guess is
19 that you're facing the same issues and difficulties
20 that we had in 1993. I want to make three points:
21 The first is that even if you could define capacity
22 and get consensus upon it, it is a very difficult
23 thing to interpret and to use different assumptions,
24 so that the numbers you come up with are likely to

1 be very inexact.

2 Secondly, even if you could achieve that
3 consensus, different people often in the different
4 communities, the different services, use different
5 definitions; they come from different philosophies,
6 have different concepts. So even though that number
7 is, in my first point, inexact, secondly it becomes
8 difficult to compare because people are using, are
9 coming from different bases.

10 And even if that were easy, the third
11 problem that you face is how much capacity is
12 enough. Now, everybody has an opinion upon this,
13 but there are a few experts and I recommend that you
14 listen to those experts long and hard.

15 Finally, as H.D. Johnson said -- Rebecca,
16 you can remember this -- he said, "Subject to the
17 law, you play God for a few days and then you become
18 mortal people again on or about the first of July."
19 I think that's a good thing, because too much power
20 for too long gets to your head.

21 In your work, I want you to know that I'm
22 thinking good thoughts for you, that you have the
23 wisdom, the clarity of thought, the courage and the
24 sensitivity to do the work that you do. No one

1 appreciates what you do more than I do. Thank you.

2 CHAIRMAN DIXON: Thank you, Mr. Bowman.
3 Mr. McDonough, before you testify, may I make an
4 announcement. Ladies and gentlemen, I've been asked
5 to announce that at the conclusion of the last
6 remarks here by Mr. McDonough we will ask our
7 friends from Portsmouth to leave from that -- see
8 that exit back there, in the corner raising his
9 hand, see where it says "Keep our Shipyard," a green
10 sign, if you'll go out that way. The reason we make
11 that request is there's a large contingent from the
12 State of Pennsylvania that will be coming in these
13 doors over here, and it will facilitate things if
14 all of you fine ladies and gentlemen would go out
15 that back door back there. Would you be kind enough
16 to do that. Thank you very much.

17 Captain Bill McDonough.

18 CAPTAIN McDONOUGH: Good morning, Mr. Dixon
19 and Commissioners. I am Captain William D.
20 McDonough, U.S. Navy, retired. I live in Kittery,
21 Maine, virtually in the shadow of the yard. The
22 last eight years of my active duty were spent at
23 Portsmouth Naval Shipyard. Indeed, the last five
24 years as shipyard commander. Then it was the norm

1 to have four, five, or six boats in the yard. We
2 even reached seven. Significant off-yard work at
3 submarine bases was ongoing as well. In addition,
4 it seemed that hardly a month would pass without
5 some unanticipated, unplanned demand for our
6 submarine industrial support cropping up somewhere
7 in the world. Holy Loch Scotland; Rota, Spain; La
8 Madelana, Sicily; Agana, Guam were common locales
9 for Portsmouth Naval Shipyard teams.

10 What the foregoing says is that Portsmouth
11 was heavily involved in providing support to our
12 submarine forces. Yes, we have scaled down, and are
13 continuing in both ship numbers and capacity
14 numbers, we're going down, but the need to provide
15 essential industrial support to the still
16 significant numbers of submarines does not go away.
17 These ships operate in a most hostile environment;
18 needed support, repair, updating, overhaul and
19 refueling, cannot be neglected.

20 The Navy and the DOD have told you that
21 closure of Portsmouth Naval Shipyard would result in
22 an unacceptable situation with regards to essential
23 support of the planned submarine forces. You have
24 seen for yourselves the people and physical things

1 that make up this industrial facility. You can
2 visualize shutting down these assets will not
3 eliminate their requirement, and I expect that you
4 recognize the vast quantities of money for
5 facilities and training that will be required to
6 provide them elsewhere.

7 In a few weeks you'll be called upon to
8 make a very important decision. You should have no
9 trouble, because what you have seen and heard in
10 these past two days must lead you to a conclusion
11 that a vote to close Portsmouth is just plain
12 wrong.

13 (Applause)

14 CHAIRMAN DIXON: Thank you, Captain. And
15 we thank the fine people from the great states of
16 Maine and New Hampshire and their distinguished
17 leaders for their very valuable contribution. And
18 as you file out in the back of the room over in that
19 corner, thank you very much.

20 (Recess taken)

21 CHAIRMAN DIXON: Ladies and gentlemen, the
22 Base Closing and Realignment Commission welcomes the
23 fine people of the great state of Pennsylvania.
24 It's the state which leadership, and I say to the

1 distinguished governor and two senators from
2 Pennsylvania, it is my understanding, Governor Ridge
3 and Senators Specter and Santorum, your 105 minutes
4 will be divided as follows: Opening remarks by the
5 distinguished Governor and Senior Senator, 8
6 minutes; presentation for Letterkenny by the
7 distinguished Congressman for the 9th District,
8 Congressman Bud Shuster, for 8 minutes.

9 55 minutes then assigned to Tobyhanna, with
10 the distinguished Congressmen from the 10th and 11th
11 Districts, Joe McDade and Paul Kanjorski, and others
12 from that group, using the 55 minutes to be divided
13 according to their understanding of the matter; and
14 the conclusion by the distinguished Junior Senator
15 Rick Santorum. Is that correct? Thank you very
16 much.

17 Now, gentlemen, as you members of the
18 Congress know, in the wisdom of the Congress it has
19 been determined that you all have to be sworn. I
20 have always looked forward, Arlen, to swearing you
21 in. Everybody who is going to testify has to raise
22 their right hand.

23 (Witnesses sworn)

24 CHAIRMAN DIXON: Thank you very much,

1 gentlemen. You may be seated.

2 GOVERNOR RIDGE: Good morning, Chairman
3 Dixon, distinguished members of the Commission.
4 While I regret the need to speak to you, I am
5 honored to be here on behalf of all the
6 Pennsylvanians gathered in Boston today, and
7 thousands more who wait back home for word on their
8 community's fate. I come not empty handed, however,
9 but armed with great opportunity. An opportunity
10 for the Commission to discharge its mandate to
11 reduce excess capacity, to generate the optimum cost
12 savings, and to assure that the readiness of our
13 armed forces is not jeopardized. President
14 Eisenhower reminds us that history does not long
15 entrust the care of freedom to the weak or timid.
16 We must acquire proficiency in defense and display
17 stamina in purpose.

18 As Pennsylvanians, we've been proud to
19 serve and contribute in times of war and peace.
20 We've always accepted this responsibility and made
21 the necessary sacrifices. And we all understand
22 that we must never compromise our military
23 readiness. And so today I offer you one innovative
24 solution: Look to the Commonwealth of

1 Pennsylvania. For it is in Pennsylvania that you
2 have a unique opportunity to enhance the readiness
3 of our armed forces in peace, with the advantages
4 and benefits of interservicing.

5 My proposal is to create two innovative
6 interservice supercenters in the Commonwealth of
7 Pennsylvania. This proposal reflects the realities
8 of the post-cold war era, and best serves the
9 military readiness of the United States. The first,
10 an interservice supercenter for tactical missile
11 storage and maintenance at Letterkenny Army Depot.
12 The second, a ground communications and electronics
13 supercenter at Tobyhanna Army depot. Two
14 interservice supercenters, 170 miles apart. Only in
15 Pennsylvania can that be done. And when you take a
16 look at our state and what we have to offer, I
17 respectfully submit that it is an idea that just
18 makes sense. Economic sense, military sense, and
19 common sense.

20 Consider the advantages of placing the
21 majority of the Defense Department's electronic and
22 missile work within a uniquely close range; missile
23 and electronics functions, often dependent upon each
24 other, within a two and a half hour drive. This

1 creates a unique cost saving arrangement that allows
2 for cross-trained personnel, shared expertise,
3 techniques, and procedures, even troubleshooting;
4 and it assures our ability to fulfill our state of
5 readiness, allowing for a surge capacity if and when
6 needed.

7 Not only would the two supercenters be
8 located close to each other, they would also share a
9 central location for distribution to the field.
10 Centrally located, Pennsylvania offers prime real
11 estate as the keystone of east-west, north-south
12 railroads and national highway system. It allows
13 easy access to Europe, then Middle East and Africa.
14 Consider two of the benefits of interweaving or
15 bringing both bases under one command: Such a
16 venture allows depots to share common core functions
17 for planning and procurement to comptroller
18 operations.

19 This idea is not new or untested. We have
20 successfully saved millions and millions of dollars
21 in Pennsylvania with a similar arrangement between
22 Pennsylvania's shift parts control center in
23 Mechanicsburg, and the aviation supply office in
24 Philadelphia. With two interservice supercenters in

1 Pennsylvania, similar savings for the Army will be
2 an option as well. Match all of this with the
3 tremendous resources and assets of both Tobyhanna
4 and Letterkenny. I am confident that the
5 Commission's objectives will be met and our national
6 security substantially enhanced.

7 In 1993 the Base Realignment and Closure
8 Commission made a sensible and cost effective
9 recommendation: Consolidate tactical missile
10 storage and maintenance at Letterkenny. It was the
11 right decision. Letterkenny is a shining example of
12 successful innovation. They've proven that even
13 military depots can make public/private partnerships
14 work. Letterkenny has the facilities, the capacity,
15 and the ability to expand. Combined with the towed
16 vehicle line and the ammunition storage facility,
17 Letterkenny would be indispensable. Letterkenny
18 means, bottom line, the 1993 recommendation was
19 correct. It's a high-quality facility and it
20 deserves the affirmation of the previous
21 Commission's decision.

22 Your second interservice supercenter
23 belongs at Tobyhanna. Tobyhanna has been called
24 "simply the best." It ranks among the most

1 efficient among our armed forces. It is the most
2 logical and cost effective location for the
3 consolidation of defense ground communications and
4 electronic maintenance. You won't find a depot that
5 works better, harder or more efficiently.

6 The Department of Defense concluded, and I
7 quote: "It is the most reasonable and prudent
8 business decision to consolidate ground
9 communications and electronics at Tobyhanna."
10 Coopers & Lybrand proclaimed Tobyhanna to be, quote,
11 "best value," closed quote, in the Department of
12 Defense." At Tobyhanna you have high-skilled
13 workers combined with the greatest electronic
14 facility in the nation. It is simply the best
15 choice for the consolidation of electronics depot
16 maintenance.

17 As a former infantry staff sergeant who
18 fought a war on foreign soil, I have a compelling
19 personal interest in readiness, and this is a
20 readiness issue. It's a fact: A better equipped
21 unit is a better prepared one. Field soldiers need
22 their equipment repaired and returned on time. And
23 recent history speaks for itself, Kuwait, Somalia,
24 Grenada, the Middle East, and now possibly even

1 eastern Europe. That's where our troops have been,
2 that's where our troops are. Pennsylvania is where
3 our troops need their equipment to be. Shorter
4 communication and transportation line means higher
5 readiness. Pennsylvania is a solution. Take
6 advantage of our work force, the existing depots and
7 the management and consolidate these operations.
8 Pennsylvania is the solution.

9 If the 1995 Commission is to seize a unique
10 opportunity, the opportunity to end the
11 disproportionate treatment that has taken defense
12 jobs from our state, and take advantage of the
13 benefits of Letterkenny and Tobyhanna, I strongly
14 urge you to adopt the Pennsylvania solution. I turn
15 to my colleague and friend Senator Specter.

16 CHAIRMAN DIXON: Thank you, Governor.
17 We're delighted to have the senior senator from
18 Pennsylvania, my old friend, Arlen Specter.

19 SENATOR SPECTER: Thank you very much. I
20 begin my brief four minutes by congratulating this
21 very distinguished Commission for its very arduous
22 task on the very, very tight timetable established
23 by the Congress, with the leadership of then senator
24 Alan Dixon, who was part of the swearing-in process,

1 and this Commission has been sworn in, so we're all
2 here to do our best.

3 I urge the Commission to leave Letterkenny
4 and Tobyhanna, in alphabetical order, intact. The
5 representations here today from those two unique
6 installations show the determination, the
7 enthusiasm, and I suggest to you really the
8 competency of the fine operations which they carry
9 out. Letterkenny has a marvelous operation, one
10 which I have visited on many occasions, survived the
11 1993 base closing line, because it was able to prove
12 its worth militarily. And I would urge the
13 Commission to look on that as a form of res
14 judicata; it's already gone through the wars.

15 Tobyhanna has had \$110 million in increases
16 recently and has been consistently regarded for its
17 excellent performance across the board. There is a
18 military report which you have seen which I think
19 unfairly characterizes Letterkenny, and it is
20 specified in the documents, the military analysis,
21 that they were using old standards. And to judge by
22 current standards, Letterkenny and Tobyhanna stand
23 par excellence.

24 It is especially difficult for statewide

1 office holders who represent both installations to
2 make the cases, but I do so in the spirit of
3 objectivity and equality. And analogizing it to my
4 personal situation with my two sons, not showing
5 favoritism, but fighting for the rights of both of
6 them, I would urge the Commission especially to look
7 at this issue in the context of the world situation
8 today. We already have the military budget cut to
9 the bone, and we are considering the hypothesis of a
10 two-front war, hypothetically, North Korea, and the
11 Mideast with the emerging problems in Iran. But we
12 have already seen deployment to Somalia. We have
13 already seen deployment to Haiti. Today we have
14 2,400 U.S. soldiers in a U.N. force of 6,000. And
15 now we have Bosnia. And we should not go any lower
16 than where we are today.

17 And, finally, to allow my colleague his
18 time, let me say that on the economic level, and I
19 put this finally, it is a factor, economic impact;
20 first I emphasize the military component, but
21 economically there is a tremendous impact on
22 Pennsylvania.

23 Now, I cannot swear as to the exact
24 figures, being under oath, but the projections are

1 that Pennsylvania, having about 2 percent of the
2 military, has suffered about 11 percent of the
3 losses. And I would remind this Commission, and if
4 I could have corroboration from the distinguished
5 chairman, former Senator Dixon, that when the Navy
6 yard was closed, it was the expectation that we
7 would have a hearing in court. When I appeared
8 before the subcommittee of the Armed Services
9 Committee, with Senator Dixon, that was the
10 Senator's then expectation as well. And we were not
11 able to present the information that materials were
12 concealed which caused the closing of the
13 Philadelphia Navy yard.

14 And when you take a look at the
15 installations around the country, and I saw the
16 presentation for Portsmouth, there again, important
17 naval operation. And in conclusion, I would say
18 that from the exposure I have had in my 15th year in
19 the Senate on the appropriation subcommittee for
20 foreign operations, and on the defense appropriation
21 subcommittee, and more specifically as chairman of
22 the intelligence committee, and I know this
23 distinguished Commission will be briefed on
24 intelligence issues, things we cannot discuss

1 publicly here today, there are major worldwide
2 threats facing this country which I submit to you
3 mandate keeping open all the Pennsylvania
4 installations, including Letterkenny and Tobyhanna.
5 Thank you.

6 CHAIRMAN DIXON: I thank you, Senator
7 Specter, Governor Ridge. And we're delighted to
8 have here the distinguished Congressman from the 9th
9 Pennsylvania district, my old friend Bud Shuster, on
10 behalf of Letterkenny.

11 SENATOR SHUSTER: Thank you very much.
12 Good morning. Chairman Dixon, Commissioners and
13 Commission staff, we certainly appreciate the
14 opportunity to appear before you here today on
15 behalf of the employees and the tenants of
16 Letterkenny Army Depot, and the citizens of south
17 central Pennsylvania. We certainly appreciate your
18 efforts and the difficult task that's before you.

19 I'm Bud Shuster, chairman of the
20 Letterkenny Coalition. Accompanying me today are
21 Mr. David Shumata, president of the Greater
22 Chambersburg Chamber of Commerce; Mr. John Redding,
23 former Department of the Army employee; Mr. Claude
24 Easta, Letterkenny union representative; and Mr.

1 Dave Gooden, chief of the electronics commission.
2 Our team intends to prove to you today, beyond a
3 shadow of a doubt, that both the Army's
4 recommendation to realign Letterkenny and the BRAC
5 Commission's consideration to disestablish
6 Letterkenny are fundamentally flawed. The cost and
7 savings figures are totally unsupportable, and that
8 these recommendations should be soundly rejected.

9 We'll begin with a brief overview of the
10 Army recommendation to the Commission regarding
11 Letterkenny, and then discuss our analysis of this
12 recommendation. We'll highlight the history of the
13 Joint Tactical Missile Consolidation Project, the
14 Army's 1993 BRAC recommendation and subsequent
15 rejection, and the significant achievements that
16 have been realized at Letterkenny since the 1993
17 BRAC Commission cornerstone decision.

18 We'll present another program first
19 experienced at Letterkenny in the public/private
20 partnership. We'll then briefly review the COBRA
21 numbers, and then highlight the negative impact that
22 this recommendation will have on the military
23 readiness and our work force. Finally, we will
24 conclude with several alternatives that we believe

1 the Commission should seriously consider in its
2 deliberations.

3 The Army is recommending that the
4 Letterkenny Army Depot be realigned; that the 1993
5 BRAC decision to support consolidation of tactical
6 missiles at Letterkenny be overturned, and that the
7 missile guidance system workload be transferred to
8 Tobyhanna; that the missile ground support equipment
9 and towed and self-propelled combat vehicles be
10 transferred to Anniston; and finally, that an
11 enclave for conventional ammunition storage and
12 tactical missile disassembled storage be retained at
13 Letterkenny. As you know from your deliberations,
14 the Commission proposed that the closure of the
15 entire depot be evaluated. I assume this proposal
16 was made so as to give this Commission a better look
17 at the entire depot picture.

18 If all of this sounds familiar to some of
19 you, it's because these 1995 recommendations are, as
20 Yogi Berra used to say, deja vu all over again.
21 Once again the Army is recommending realigning
22 Letterkenny, moving the tactical missile workload to
23 Tobyhanna, and transferring the towed and
24 self-propelled combat vehicle maintenance to

1 Anniston. And both recommend leaving an enclave for
2 conventional ammunition storage at Letterkenny. The
3 BRAC '93 Commission voted unanimously, 7 to 0, to
4 deny the 1993 recommendation. So why are we looking
5 at this again in 1995?

6 This is our conclusion to recommendations
7 and we respectfully intend to prove it to you here
8 today. We urge the Commission to reject the
9 recommendation for ten specific reasons. First, the
10 recommendation reverses the 1993 BRAC decision which
11 has the force of law. After months of meetings,
12 hearings, visits, and deliberations, that Commission
13 rightfully concluded that this installation is
14 essential to the Department of Defense.

15 Second, this recommendation will destroy
16 the one true joint depot program that has taken five
17 years to implement and is just now beginning to reap
18 significant benefits to both the Department of
19 Defense and the U.S. taxpayer.

20 Third, this recommendation also failed to
21 properly recognize the enormous advantage associated
22 with the first public/private partnership at
23 Letterkenny, Palladin, which is one of the Army's
24 largest procurement programs.

1 Fourth, as it did in 1993, the Army again
2 violated military value criteria 1 and 4, and
3 created a playing field unfair in its method of
4 evaluating Letterkenny's mission.

5 Fifth, without question, this
6 recommendation will have a severe negative impact on
7 tactical missile and combat vehicle readiness.

8 Sixth and seventh, in our discussion of the
9 financial data we will show that the savings are
10 greatly overstated, and that the costs are
11 significantly understated.

12 Eighth, we too believe, as did the Army
13 materiel command, that the Army is scaling down its
14 depots too quickly, placing our surge capability at
15 risk, and our military forces in harm's way.

16 Ninth, in the COBRA data we found that the
17 15 tenant commands at Letterkenny were not
18 adequately assessed in the evaluation; some not
19 assessed at all.

20 And finally, these decisions, coupled with
21 the possible Fort Richey closure just down the road
22 a few miles, will have a devastating impact on our
23 work force and the local economy.

24 Let me begin briefly by explaining why

1 Letterkenny is truly a unique installation. Not
2 only is it the largest depot in the Army inventory,
3 it's the only one capable of maintaining any piece
4 of Army equipment, less aviation equipment. It's
5 also the only one in the DOD which can perform 100
6 percent integration of missile systems. And it has
7 over 30 years of interservicing experience working
8 with tactical missiles. It's the only depot in the
9 DOD inventory, and only one of two in the world,
10 with a 28-acre radar test site and a specifically
11 designed facility that simulates tactical
12 emplacement.

13 Also, it's the only depot within DOD with a
14 near field antenna and compact test pattern range to
15 provide year-around state of the art technology for
16 continuous wave acquisition radar, range only radar,
17 as well as high power illuminator antennas. And,
18 finally, it supports the largest number of tenants
19 within the Army depo system, 15 tenants. Also,
20 Letterkenny has the lowest overhead cost in the
21 depot system, in supports of the maintenance
22 mission.

23 Well, just how unique is Letterkenny Army
24 Depot? It was selected in 1990 over 19 other DOD

1 installations to be the first joint missile depo.
2 We've been climbing this mountain for five years now
3 trying to achieve the first truly joint DOD program,
4 as directed by the defense management review
5 decision, 908. Hopefully, with your help we will
6 achieve that goal this year. Allow me just a moment
7 to review how we arrived at this point.

8 In 1990, the Department of Defense directed
9 the Defense Depot Maintenance Council to look across
10 the 21 commodity groups and effect consolidation
11 wherever possible. It was also directed to increase
12 interservicing by a significant percentage. The
13 DDMC tasked the Navy as the lead service for
14 tactical missiles. The Navy established a joint
15 service task for working group comprised of
16 individuals from within DOD and each of the
17 services. The working group inspected and evaluated
18 19 separate installations in the United States to be
19 the site for the joint tactical missile
20 consolidation. As a result of their study, the
21 DDMC, representing the four services, selected
22 Letterkenny Army Depot over the other 18 sites. The
23 reasons Letterkenny was selected over the others was
24 that it was the only depot with the facilities,

1 support equipment, skilled labor, and the only one
2 which exceeded the necessary environmental
3 compliance standards.

4 In their analysis, the task force working
5 group evaluated four alternatives. First was simply
6 to continue the status quo and allow each service to
7 retain responsibility for their own work. The
8 second alternative to was to consolidate missile
9 maintenance at either Hill Air Force Base or
10 Norfolk, and to consolidate support equipment at Red
11 River Army Depot. The third alternative was to
12 complete the workload at Hill, Norfolk, Alameda and
13 Letterkenny. The fourth alternative was to
14 consolidate all tactical missile work at
15 Letterkenny. As you can see, they rejected the
16 first three alternatives and selected Letterkenny as
17 the single site for joint consolidation of missile
18 maintenance.

19 Now, the debate about the ability of Hill
20 Air Force Base as to efficiency and cost-effective
21 labor to absorb, vis-a-vis the tactical missile
22 workload demands, that we return to the original DOD
23 analysis and clearly state once and for all why Hill
24 cannot meet this charge. The Hill community has

1 forwarded this idea in a move to identify workload
2 to reduce their obvious excess capacity. Earlier
3 this week, we received the latest Hill
4 presentation. The Coalition has requested a meeting
5 with Commission staff to point by point debunk the
6 Hill community's ever-evolving proposal.

7 Frankly, it's been a little difficult for
8 us to lay this issue to rest, because every time we
9 believe we know what our friends in Utah are saying,
10 the story changes. We believe the story. However,
11 the bottom line is simple: Hill can't do the
12 missile job. As the DOD responds and the Hill
13 proposal shows, such a move is prohibitively
14 expensive. And let me share with you several slides
15 that reinforce this point.

16 \$303.9 million will be required to totally
17 transfer the Letterkenny operation. It's my
18 understanding that the Hill community presented
19 literally back-of-the-envelope calculations to
20 refute these auditable Army figures. So let's go to
21 the heart of these numbers.

22 Tactical missile consolidation only makes
23 sense if all missile workload can be maintained in
24 one location. That's the only way to maximize

1 facility, personnel, security, and transportation
2 efficiencies. I believe this Commission has concern
3 that the Letterkenny recommendation as it now stands
4 because it does not maintain all workload in one
5 location. In fact, it destroys consolidation.

6 The Hill presentation attempted to refute
7 the \$290 million and required storage to implement a
8 Hill consolidation. Their representation that
9 adequate storage exists in Utah is only valid if
10 this Commission chooses to either endorse off-site
11 storage or to endorse the expenditure of tremendous
12 MILCON. The DOD's proposal does at least have
13 experienced tactical missile technicians continue to
14 perform the workload, albeit in three different
15 locations. The Utah plan, but at great expense,
16 moves the workload, have inexperienced workers
17 assume the mission and have the work performed at a
18 minimum of three locations. The bottom line is that
19 Hill cannot maintain missile consolidation at one
20 site.

21 Now, there's a question about the ability
22 of Hill's present work forces to perform tactical
23 missile workload. Tactical missiles are not ICBMs.
24 We have never represented that our expert work force

1 could assume ICBM work, because we know such a
2 transition would not be an easy undertaking.
3 Tactical missiles and ICBMs are apples and oranges.

4 Again, the Army, the executive agent for
5 tactical missiles has set the requirement for
6 personnel transfers if a Hill consolidation were to
7 be implemented. Hill representatives have suggested
8 to this Commission that personnel and training
9 requirements are dramatically overstated. Their
10 experience working on only 7.5 percent of the
11 tactical missile workload at Hill does not give them
12 the experience to undermine the legitimate
13 requirements established by DOD's executive agent,
14 the Department of the Army. The bottom line:
15 Significant and costly personnel relocations and
16 retraining must be implemented if the Hill scenario
17 were to be directed.

18 To further support the requirement for a
19 minimum of three locations to implement the Hill
20 proposal, it's important to remember that Hill lacks
21 a ground support equipment capability. Just as in
22 the present Army recommendation, GSE workload would
23 have to be performed in a separate facility.

24 What is often forgotten by many people is

1 that there are zero -- zero -- additional costs to
2 sustaining the joint tactical missile operation at
3 Letterkenny. This slide paints an obvious picture.
4 It took years to bring Letterkenny to its current
5 level of technical capability. It will take not
6 only years to bring Hill Air Force Base to the same
7 level of capability, but a substantial amount of
8 unnecessary spending must occur to implement this
9 proposal. Again, the Hill proposal would move work
10 away from the recognized leader in tactical missile
11 expertise to a facility presently performing only
12 7.5 percent of the tactical missile workload. And
13 Hill presently only works on Air Force systems.

14 Finally, we offer this slide as
15 side-by-side installation capability comparison. It
16 clearly demonstrates why the DOD never seriously
17 considered Hill as a viable candidate for tactical
18 missile consolidation, and also why DOD's present
19 recommendation is flawed.

20 Following the June 30, 1990 decision,
21 little was actually accomplished regarding the
22 consolidation of tactical missiles until the 1993
23 BRAC decision was rendered. Here's that 1993 Army
24 recommendation to realign Letterkenny. As I pointed

1 out earlier, it is the same recommendation currently
2 being made to this Commission. The major difference
3 is that millions of dollars have already been spent
4 since 1993 to bring 13 joint service tactical
5 missile systems to Letterkenny, where they're
6 operational today.

7 After an extensive and detailed evaluation
8 process, identical to the process your Commission is
9 performing, the 1993 BRAC Commission concluded that
10 the Army had substantially deviated from DOD
11 criteria 1 and 4, and that the joint tactical
12 missile maintenance program originally planned by
13 DOD should be executed at Letterkenny. Nothing has
14 fundamentally changed.

15 Since that cornerstone decision in 1993,
16 the Army, the government, and the U.S. taxpayers
17 have benefited substantially. 13 of the 21 missile
18 systems have already successfully transferred to
19 Letterkenny, resulting in \$648 million of
20 construction cost avoidance. Letterkenny has
21 invested \$26 million in preparing for these systems
22 and in training personnel as well. Over \$100
23 million in specialized equipment has been shipped,
24 installed, and is operational at Letterkenny. And

1 three renovation projects in the amount of \$5
2 million have been completed.

3 Over the past two years, Letterkenny has
4 hired an additional 72 technical missile experts and
5 moved them and their families to the area, and
6 another 190 Letterkenny technicians have been
7 trained to perform this critical mission.

8 And finally, Letterkenny is presently in
9 the process of receiving 5 of the 8 remaining
10 missile systems. This consolidation is a
11 financially sound decision. The original
12 documentation stated that the government will
13 realize annual savings of \$32 million from this
14 joint program. Now, this may end up being 25 to 30
15 percent less due to workload reductions; however, it
16 still remains a significant savings to the
17 taxpayer. Without question, the tactical missile
18 consolidation program at Letterkenny is a joint
19 service success story.

20 More important than my saying it, here's a
21 statement made by the DOD IG in response to an
22 investigation requested this year by Hill Air Force
23 Base. As you can see, the DOD IG concluded less
24 than a month ago that the transition of tactical

1 missiles at Letterkenny is within budget and on
2 schedule.

3 Let me address another success story
4 concerning Letterkenny. That story is the result of
5 a public/private partnership effort between the
6 United Defense and Letterkenny. The first of its
7 kind, not just at Letterkenny, but in the entire
8 Department of Defense. In 1993, Letterkenny took
9 the initiative as the first DOD depot to seek to
10 preserve the industrial base of our country by
11 entering into a joint partnership with United
12 Defense under Palladin.

13 This initiative has provided Letterkenny
14 with a justifiable recognition as a model
15 installation. But more importantly, it saved the
16 taxpayer over 60 million verifiable dollars in those
17 two short years by returning \$46 million to the Army
18 budget, through Program Manager, and in saving
19 another \$15 million by eliminating bureaucracy and
20 waiving 27 Army and three DOD regulatory
21 requirements. This success has set the stage for
22 what can be accomplished at Letterkenny with other
23 expanded partnerships, like the M-113 and the M-2
24 Bradley fighting vehicles. Let's not lose this

1 opportunity by disbanding a unique visionary team.

2 Now, we're aware, the Commission has been
3 briefed on it, the supposed fact that the Palladin
4 program will be completed by fiscal 1997. Well,
5 that just isn't true. In fact, the Army has missed
6 the boat twice on this issue. First, the current
7 buy will not be complete until August 1998, not
8 1997. And second, there are definitive follow-up
9 buys, including more than 450 vehicles needed for
10 the National Guard. Of the 49 artillery battalions
11 of the National Guard, only three battalions will
12 receive Palladins from this purchase, leaving 46
13 battalions needing upgrading. And finally, of
14 course, there are major foreign military sales
15 projected.

16 Besides Palladin, there are over 2,000
17 Bradley fighting vehicles that will require
18 modification. Letterkenny is the natural place to
19 do this, as UDLP is moving their production facility
20 from San Jose, California, to York, Pennsylvania,
21 just down the road from Letterkenny. Coupled with
22 the current partnership agreement already in place,
23 and the DOD thrust to do modification in the private
24 sector, retaining this capability at Letterkenny

1 just makes plain common sense.

2 Even with these two great successes on the
3 books, here we go again, back to square one. With
4 all this success, it naturally begs the question:
5 Why then is Letterkenny BRAC again in 1995? Part of
6 the answer lies in looking at the method the Army
7 used to evaluate military value or criteria 1
8 through 4.

9 Now, you can readily see from this chart
10 Letterkenny was ranked fourth out of four depots by
11 the Army's calculation of military value. This
12 truly begs the question of how Letterkenny could
13 have more space, more land, more complete facility,
14 and the lowest overhead cost and the most diverse
15 mission, and be ranked four out of four. Well, the
16 answer is pretty simple if you look at how the Army
17 computes criteria 1 and 4. These two criteria
18 account for 65 percent of the total and are derived
19 from so-called capacity.

20 Here's how they calculate capacity: Both
21 work areas on this chart are identical in size; the
22 one on the left is the work space needed to maintain
23 the Patriot Launcher, and is the work position for
24 one employee, or one capacity. The same size space

1 on the right can fit eight work stations for
2 maintenance. Say for example, radios or mouse
3 traps; this gives a capacity of eight. Now, the
4 Army criteria directs that each installation
5 multiply capacity by 1,650 man-hours per year to
6 determine man-hours of capacity. Therefore, the
7 depot on the right has eight times more capacity
8 under this calculation than the depot on the left.
9 In sum, then, this bizarre methodology favors a
10 depot that works on smaller work packages or
11 workload mix, and not on the actual facilities
12 available or the missions assigned.

13 As in 1993, the Army has again
14 substantially deviated from its stationing
15 strategy. In their documents they argued to retain
16 only core workload. They identified ground-air and
17 electronic oriented maintenance as core workload,
18 but neglect to consider tactical missiles as core
19 workload or commodity group workload. By doing
20 this, the Army is saying that tactical missiles do
21 not match the battlefield functions of the future
22 and therefore should not be grouped with electronic
23 oriented core workload. Thereby, the Army has again
24 deviated substantially from criteria 1, which

1 states, and I quote, "The current and future mission
2 requirements and the impact on operational readiness
3 of DOD's total force."

4 In working with the Army, and later in my
5 presentation I will discuss submitting to the
6 Commission an alternate plan which will rightly
7 correct the Army's flawed stationing strategy, this
8 is our analysis of the Army military value
9 analysis. Capacity does not equate military value.
10 In their computation, interservicing and efficient
11 capacity utilization are not considered. Workload
12 parameters are the things measured, not operational
13 readiness. Actual mission performance is ignored,
14 and in fact not evaluated.

15 It should be noted that the Army was the
16 only service to use this methodology. Had
17 Letterkenny been reviewed under the Navy or the Air
18 Force methodology, due to its unique workload,
19 Letterkenny would have been excluded from BRAC
20 consideration altogether.

21 Now I'd like to turn your attention to
22 criteria 5, Return on Investment. Here are the
23 financial figures first reported by the Army to the
24 Commission. The Army states that its one-time cost

1 to realign the depot would be \$50.3 million, in
2 addition to claims to save \$77.8 million annually,
3 and achieve an immediate return on investment. Now
4 let's look at the real numbers.

5 In our review of their COBRA data, we
6 uncovered three major areas that the Army completely
7 failed to include. These are personnel, equipment
8 transfer, construction and relocation costs
9 associated with moving the tactical missile workload
10 to some other place or several other places. These
11 unreported but very real costs exceed 82 verifiable
12 million dollars. There's also another \$31.8 million
13 of unreported personnel costs and construction costs
14 to move the combat vehicles to Anniston. These
15 costs, interestingly, were used in the Army's 1993
16 COBRA run, but they were not included anywhere in
17 the Army's 1995 version.

18 And finally, the Army did not take all of
19 the tenants into account in their computations. It
20 conservatively will cost over \$64 million to move
21 the personnel and the equipment associated with
22 these tenants. These costs nowhere are included in
23 the numbers given to you by the Army.

24 Overall, we've clearly identified an

1 additional \$178.5 million of cost that were not
2 included anywhere in the figures reported by the
3 Army. We understand that new COBRA runs have been
4 forwarded in just the past few days by the Army in
5 an attempt to undercut this analysis. It's also our
6 understanding that a new Army personnel stationing
7 plan has been created to inflate the already suspect
8 personnel savings associated with the Letterkenny
9 recommendation. The Army should not be permitted to
10 use these last-minute budget smoke and mirrors to
11 justify a bad recommendation.

12 Now, a great deal has been made of what the
13 true workload situation is for tactical missiles.
14 We understand that the numbers offered throughout
15 this process to describe the accurate out-year
16 workload have not always helped to clarify this
17 issue. And once and for all, let's discuss the
18 out-year funded. Funded tactical missile workload,
19 utilizing validated DOD Army COBRA figures, the
20 workload is 1.798 million man-hours in fiscal 1999.
21 Some of the confusion surrounding this issue has
22 resulted from the Army decision to relocate only
23 core work. 523,000 hours of work in their
24 recommendation. Clearly, a million man-hours of

1 funded missile work was not relocated or accounted
2 for in the Army recommendation.

3 This Commission, respectfully, should not
4 allow the Army error to continue confusing what the
5 true funded missile workload is: 1.798 million
6 man-hours in fiscal 1999. This level of funded
7 workload more than justifies continued tactical
8 missile consolidation at Letterkenny.

9 Concerning savings, the Army based all of
10 its supposed savings on the elimination of 1,287
11 personnel spaces. These savings were reported to be
12 \$77.8 million per year. Incredibly, the Army has
13 just indicated an increased personnel elimination of
14 another 500 personnel, inflating their already
15 unsupportable savings. With these personnel
16 eliminations, who is going perform the 1.1 million
17 man-hours of additional funded workload? We urge
18 the Commission to investigate this.

19 Now, this chart summarizes the cost and the
20 savings data just addressed. As you can see, the
21 true figures are inserted into the COBRA model.
22 Then the return on investment is extended from the
23 Army's claim of an immediate return to well on past
24 100 years before a return on investment is

1 realized.

2 Now, Letterkenny's BRAC office ran the
3 COBRA model with the correct numbers, as noted on
4 this slide. The conclusion is that the net present
5 value changes from a \$952 million savings over 20
6 years to an actual cost of \$138 million over the
7 same period. Hardly a justification for a proposed
8 move.

9 Now, how could anything this complicated
10 achieve the magnitude of savings that the Army has
11 predicted? One of the major concerns regarding this
12 recommendation is that the Army may be scaling down
13 their depots too quickly, which will have a negative
14 effect on both tactical missiles and combat vehicle
15 readiness. We feel confident in reporting to the
16 Commission that there will be severe degradation in
17 operational readiness in both of these areas. The
18 Army stationing strategy states that the optimal
19 capacity utilization for peacetime depot operations
20 is 90 percent. This 10 percent buffer allows for
21 program modifications or surge capability.

22 The retention of both Red River and
23 Anniston maintains too much excess capacity. The
24 loss of both Red River and Letterkenny will place

1 the Army in a critical shortfall situation in any
2 wartime scenario. And the Army has stated that the
3 optimum solution for them is to have one and
4 one-third depots. Therefore, the best decision for
5 the Army is the retention of Letterkenny.

6 This chart includes quotes from the Army's
7 Tabs documents. As you can see, they state that
8 there's a risk in the Army stationing strategy, and
9 that the joint cross service working group failed to
10 consider the surge requirement in its recommendation
11 to close Letterkenny. Let me repeat that, because
12 it's so important. They state that there's a risk
13 to the Army stationing strategy and that the joint
14 cross service working group failed to consider the
15 surge requirement in its recommendation to close
16 Letterkenny.

17 Additionally, they state that the savings
18 from Letterkenny do not justify the operational
19 risk, and consequently Letterkenny's command
20 headquarters, AMC, did not support the closure.

21 Finally, there are several quotes from the
22 Undersecretary of the Army, Mr. Reeder, the Deputy
23 Undersecretary of Defense Statistics, regarding
24 Letterkenny. First, he stated, quote, "Arguments

1 for closure today do not seem to be any more
2 compelling than those previously rejected; secondly,
3 that closing Letterkenny would significantly
4 complicate ongoing consolidation of virtually all
5 tactical missile workload directed by BRAC '93."

6 Finally, regarding combat vehicle capacity,
7 closure of Letterkenny compounds the core
8 shortfall. We're aware that no community wants its
9 base realigned and closed, and that each questions
10 the validity of the COBRA model to their case. And
11 we're certainly sympathetic to your position when
12 that time comes for you to render your final
13 decision. In the case of Letterkenny, however, the
14 arguments against realigning that facility are
15 overwhelming and irrefutable. There's not a single
16 argument used by the Army to build their case that
17 holds water.

18 The easily verifiable facts we've presented
19 today lead to a single and irrefutable conclusion.
20 The recommendations to realign or close Letterkenny
21 should be categorically rejected. The real bottom
22 line proves that the 1993 BRAC Commission decision
23 was well thought out and sound. And that the
24 benefits to the government and the taxpayer prove it

1 out. There is no rational support for destroying
2 the successful joint tactical missile consolidation
3 agreement that is proceeding on schedule, within
4 budget, and creating annual savings for the
5 government.

6 The Army recommendation again deviates from
7 military criteria 1 and 4 by creating an unfair and
8 inequitable application of the scoring criteria, and
9 one that will create readiness shortfalls by scaling
10 down depots too quickly. Most importantly, the
11 actual numbers simply don't add up. Costs are
12 understated by \$178 million, or 79 percent; and
13 savings are overstated by at least \$70.5 million, or
14 93.8 percent, thereby pushing the return on
15 investment well out past 100 years.

16 Finally, this recommendation is going to
17 have a huge loss in a highly skilled and trained
18 work force, and will result in a grave impact on the
19 local and regional economy. The right decision for
20 Letterkenny Army Depot -- and for the government and
21 the taxpayer -- is to reject the 1995 Army
22 recommendation and to continue the completion of the
23 joint tactical missile consolidation program. In
24 protection of our critical surge capability, the

1 combat vehicle maintenance mission should remain at
2 Letterkenny. And finally, Letterkenny should be
3 encouraged to expand on its public/private
4 partnership.

5 Your Commission can complete what was begun
6 in 1990 and what the 1993 Commission sought to
7 accomplish as a result of their long and arduous
8 deliberations. As the previous chairman of this
9 distinguished commission, Jim Corder, stated in
10 1993, there won't be any interservicing unless BRAC
11 directs it because of the interservice rivalry.
12 Your support is essential in attaining this goal.

13 I've tried to walk in your shoes on this
14 decision-making process. It seems that with the
15 downsizing in the defense budget and the
16 corresponding reduction in the depot workload,
17 there's little argument that we have too much
18 capacity and depots need to be closed. But what's
19 the right decision and the best decision for the
20 military? I confess to a personal affinity for the
21 Army, having served as an Army officer and having
22 served as a ranking member of the Intelligence
23 Committee, where I continue to serve as a senior
24 member of that committee.

1 But I'm here to tell you that my former
2 service has for some reason been forced to, or has
3 chosen to completely sub-optimize its depot
4 operations. From my perspective, optimizing
5 readiness is absolutely essential. That perspective
6 is predicated on my very real concern, and I know
7 the concern of many of us, that somewhere, some day
8 in this turbulent world of ours, we're going to have
9 to go to war again. And none of us, none of us
10 predicted the Iraqi invasion. And who will predict
11 the next invasion? So to watch my Army move
12 backwards, destroy the critical joint consolidation
13 efforts and walk down a path that will truly
14 diminish readiness, is more than disconcerting, it's
15 a tragedy.

16 I respectfully request, then, that this
17 Commission once again exercise its authority to
18 effect the right decisions to ensure readiness. I
19 will submit for your examination an alternative plan
20 that is structured around common sense. Also I
21 would respectfully request that this Commission
22 submit this alternative to the Army for their
23 comments.

24 This slide presents a realistic plan which

1 deserves careful thought. We're dealing with the
2 issue of capacity, too much of it. There are three
3 depots involved in ground combat maintenance.
4 Anniston, Red River, and Letterkenny. You've seen
5 all the numbers. The simple fact is that Anniston,
6 the largest of the three, with its heavy
7 infrastructure, must remain in the Army inventory.
8 It's big, it's capable, but it's not enough by
9 itself. It needs a safety factor for surge. That's
10 essential for readiness. To retain Red River for
11 surge does not pass the common sense test, and in
12 fact exacerbates the excess capacity problem.

13 Retaining Letterkenny provides just the
14 right kind of safety margin for surge and fits
15 nicely into the Army's oft-stated requirement of one
16 and a third depots. We've seen the benefits of
17 consolidated tactical missiles at Letterkenny. We
18 should follow that lead by consolidating a
19 substantial amount of DOD ground communications and
20 electronic equipment at Tobyhanna, where the size
21 and the resident technical capabilities are a
22 perfect match.

23 Finally, we should continue with the DOD's
24 first true joint depot consolidation as a clear and

1 successful model for others to emulate in the
2 future. It's the clearest of all choices. To do
3 otherwise is to send a highly visible signal to all
4 the services, "Don't support joint missiles. Don't
5 support interservicing. Don't consolidate. Don't
6 pay attention to what BRAC says, as BRAC dictated in
7 1993."

8 The last two notes on this slide are
9 self-explanatory. The first is a plea to discourage
10 those who would attempt to convince you to fill up
11 small pockets of excess capacity at bases around the
12 country at the very real expense of readiness.
13 Sub-optimization is a significant problem and could
14 be truly destructive when applied to our military
15 readiness. And lastly, I encourage all
16 commissioners to demand to see the true economic
17 impact of all funded workload reflected in the COBRA
18 analysis. To ignore it because it's called above
19 core is misleading. It's unfair to this
20 Commission. This is funded workload we're talking
21 about and it should be included in the evaluation.

22 This concludes my presentation, and I thank
23 you very much for the opportunity to make it to you
24 today.

1 CHAIRMAN DIXON: We thank you, Congressman
2 Shuster. Thank you very much.

3 Ladies and gentlemen, we're going to take a
4 ten-minute intermission. We ask the fine folks that
5 are here from Letterkenny to please leave the room
6 back at the rear of the room where you see the man
7 waving his hand, in that corner over there where it
8 says "You saw the rest, now keep the best." Over in
9 that corner, if you'll all walk out that door.

10 CHAIRMAN DIXON: There will be a ten-minute
11 recess.

12 (Recess taken)

13 COMMISSIONER MONTOYA: The hearing is now
14 back in session. I'm Ben Montoya, and I will be
15 resuming the chair for Senator Alan Dixon. Senator
16 Santorum and rest of the delegation, I will assure
17 you that though four commissioners have left for
18 other duties, as with all testimony accorded before
19 they left, we will be equally attentive and the rest
20 of the presentation will not be handicapped at all
21 by their absence. We've had regional hearings
22 around the country where all of us were not there,
23 but we and our staff made sure that we share
24 testimony and share thoughts on your presentations.

1 So they have to go for their prior commitments, but
2 we will stay with you until we're done.

3 So with that, we may have some members who
4 have not been sworn yet for Tobyhanna so those that
5 have not been sworn, if anyone, please rise and I'll
6 swear you in, who are going to speak.

7 (Witnesses sworn) proceed.

8 SENATOR McDADE: Mr. Chairman, we can begin
9 the proceedings. Let me initiate this conversation
10 by expressing my deep gratitude to the Commission
11 for taking on this incredible task, which not only
12 interrupts your personal lives but causes you, I'm
13 sure, less than personal tranquility. The decisions
14 you have to make are enormous and we appreciate your
15 service to your country.

16 COMMISSIONER MONTOYA: Thank you.

17 SENATOR McDADE: Luckily, we were
18 privileged to have four commissioners at the depot
19 just the other day, and we want to thank them
20 specifically for being there, and the rest of the
21 Commission for taking great interest. As you can
22 see, the Tobyhanna Army family is here in full force
23 and are delighted to be with you.

24 (Applause)

1 SENATOR McDADE: Mr. Chairman, to my right
2 is my long-time colleague from the congressional
3 district adjacent to me. Together, both of us
4 represent the depot. One a republican, one a
5 democrat, unequalled in Tobyhanna, and never in all
6 the time we've been there, which is more than ten
7 years together, have we had a dissenting opinion. I
8 would like to introduce to you my great friend from
9 the City of Wilkes-Barre, Congressman Paul
10 Kanjorski.

11 CONGRESSMAN KANJORSKI: Thank you very
12 much, Joe. Mr. Chairman, members of the
13 Commission. As you can see, we have more than a
14 thousand people from the community of Northeastern
15 Pennsylvania that have traveled here to Boston today
16 to support the Tobyhanna depot, to support one of
17 the greatest work forces in our area and one of the
18 greatest work forces in the depot system of the
19 United States.

20 In order for the military to succeed, it
21 has to have the support of the civilian population.
22 And the four commissioners I think that visited our
23 area the earlier part of this week certainly
24 witnessed an outpouring in a support system that I

1 have never witnessed in my life, political life or
2 entire professional life. As a matter of fact, the
3 only thing I could think of as we entered the gates
4 of Tobyhanna on this last Wednesday was the fact
5 that I was so proud to be a part and to have the
6 honor to represent a good segment of these people.

7 We're not here pleading a case for mercy.
8 We're not here pleading a case for something that
9 doesn't stand on its own merits. Mr. McDade and I
10 are here today because we represent the very best,
11 the very best in the depot system of the United
12 States. The very best in efficiency and
13 effectiveness. To have a downsizing of the military
14 installations of this country with the best
15 efficiency, the best work force.

16 I thought a lot about what I want to talk
17 about today, and you're going to hear a lot of facts
18 and figures of the effect on the community, the
19 effect on the defense establishment; where would we
20 be if Tobyhanna is closed, or kept open, or
21 realigned, or receives additional work. I think one
22 of the commissioners in our travels earlier this
23 week gave me my topic. And that is when you enter
24 Tobyhanna, like you enter any industrial plant in

1 America, you can sense something special is there.
2 And it's just not the management or just not the
3 competency or skill of the work force, it's a
4 unified effort.

5 And with those Commissioners and myself and
6 the group that toured this week at Tobyhanna, we
7 witnessed that. We have at Tobyhanna the most
8 efficient, the most effective, and highest
9 thought-of depot in the United States military
10 system. It just didn't happen. It happened because
11 the community supports that depot, and because the
12 work force at that depot is second to none.

13 We have a work force that the average age
14 is 45. The average length of service at the depot
15 is more than 17 years. It is a depot that had 52
16 percent of the work force that has been involved in
17 electronics and electronics engineering. A high
18 proportion of that work force. It has many other
19 features. Two-thirds of the work force are veterans
20 of the United States military. They understand the
21 military, they understand the relationship now
22 between the civilian force in support of the
23 military, and over the years, in every war and every
24 crisis this country has faced, they've been there.

1 I tried to think of what you can do, what
2 makes Tobyhanna. Every year they have 345,000 hours
3 of special training. That's almost more than two
4 weeks for every employee in that depot. They have
5 one of the most advanced technical assistance
6 centers, with 15 faculty members and 15 curriculum
7 courses, that they not only train in that depot to
8 their workers, but to the Reserve and National Guard
9 forces of the United States that travel thousands of
10 miles to get the special training and the unique
11 training that is able to be attained at Tobyhanna
12 depot.

13 There are other special things that you
14 look at when you are looking at a work force. You
15 say, "How do other people judge it?" Well, we've
16 had one of the finest accounting firms in the United
17 States, Coopers & Lybrand, who have made a
18 judgment. They made a judgment that it uses the
19 best accounting practices and is judged against
20 private industry and comes out as the model in
21 America; that it has more in succinct relationship
22 to private industry than anything the Defense
23 Department, anything in the government. That's
24 their judgment. The Department of Labor of the

1 United States is held out to be a model of
2 relationships of labor and management, and on their
3 practices to keep a satisfied work force and an
4 injury-free work force.

5 There are a couple of rules that you look
6 at when you look at how a work force operates with
7 management. One of the things I want to point out
8 -- because I came from the private sector, I'm not
9 a professional politician, this is the first office
10 I've held -- when I looked at companies or evaluated
11 companies that I represented, I always looked at how
12 many injuries there are on the job. And workmen's
13 compensation is a real test. Here we have more than
14 3,500 workers, and over 15 years we have never had a
15 management/labor grievance filed. That is almost
16 unheard of in private sector business that I know
17 of. But that's the relationship of this work force
18 with this management and this government.

19 It has, in workmen's compensation, only 11
20 cents an hour cost for the employees that get
21 injured on the job, as compared to almost any other
22 depot system in the country that has a multidollar
23 per hour relationship of workmen's compensation.
24 How do you get people that are seriously injured,

1 and more than 60 percent of this work force is blue
2 collar, heavy industrial, how do these people not
3 get injured? Because they know the efficiency
4 that's necessary for the military, they work with
5 their leadership; it's a combined effort.

6 If ever we had a model in America that
7 compares ourselves with Japanese industrial
8 practices, it's at Tobyhanna depot. They meet on a
9 regular basis in councils of labor and management.
10 They work together, whether it's an injured
11 employee, to bring them back, to help them on, to
12 find a new job for them. Or whether it's a dispute
13 between labor and management. They work it out as a
14 family, with the support of the community. And
15 that's in spite of the fact, I may say, that
16 Northeastern Pennsylvania is the birthplace of
17 organized labor in the United States.

18 It is an area, and this depot is an example
19 that I can hold up to everyone in this country, that
20 we have the finest labor/management relationship in
21 the world, existing in the heart where organized
22 labor began, because of the unusual relationship
23 between the management of this depot and its work
24 force and the community.

1 Now, you could go on about what's great
2 about any installation, but it has been judged by
3 the vice-president's national performance review
4 again as the model for the federal government. It's
5 the best. You see that out there, "Keep the Best";
6 it is the best.

7 I worry about the message that we would
8 send to the rest of the federal work force and the
9 military and the rest of this country if, knowing
10 and identifying the best by the Defense Department,
11 by the Army, by the community, by all the statistics
12 and all the mathematics that we could assemble in
13 facts and figures, we were to jeopardize their
14 existence even though they have performed to the
15 highest standard possible, and are capable of
16 performing above that standard. And taking in any
17 mission this Commission may desire to put in its
18 place, they can perform that mission well and to the
19 highest standard as they have in the past.

20 I believe that what we have to do is
21 appreciate the tough position you are in in this
22 Commission. We in the Congress established this
23 Commission so that you could use your best judgment;
24 that you do the best thing for military preparedness

1 of this country, and you make tough decisions which
2 we in the Congress are incapable of making for many
3 reasons. The only thing I ask you is, I represent
4 the citizens that I have in Northeastern
5 Pennsylvania, what is the finest depot in the United
6 States, that you do not sacrifice their
7 accomplishment and their standard on any lesser
8 criteria than what has been judged best by the
9 Department of the Army and by the United States for
10 the highest efficiency and effectiveness so we can
11 maintain our forces.

12 And if you apply that standard to the
13 Tobyhanna depot, I'm absolutely certain that you
14 will not only keep it in existence, but you will not
15 reward other depots in the armed services, whether
16 they be the Air Force or others, by not offering for
17 closure, but that you will contribute any work that
18 they may perform, to send it to Tobyhanna, have it
19 done more efficiently, more cost effectively and at
20 a higher standard than they are having it done
21 today. So I urge you on behalf of my constituents
22 to keep Tobyhanna open and keep the best surviving.

23 (Applause)

24 COMMISSIONER MONTTOYA: Thank you,

1 Congressman.

2 SENATOR McDADE: Mr. Chairman, with your
3 permission I introduce my next witness, and we're
4 very pleased to have with us today General John
5 Coburn as the Deputy Commanding General of Army
6 Materiel Command. During his position in the Army
7 Materiel Command he served in virtually every
8 professional position that he could undertake. And
9 he's here today to testify on behalf of the
10 Tobyhanna Army Depot. General Coburn.

11 COMMISSIONER MONTOYA: Very well.

12 GENERAL COBURN: Thank you very much for
13 that kind introduction, Congressman McDade, and good
14 morning to all of you. I'm glad to be here. I'm
15 glad to be anywhere for that matter. You know what
16 I mean, Mr. Chairman. But Chairman Montoya and
17 members of the staff, I'm particularly glad to be
18 here to assist you in making what I know are some
19 very important, some very difficult, some very tough
20 decisions. A job that I must say that I don't envy
21 you for.

22 Now, my remarks today are directed at
23 keeping Tobyhanna Army Depot open and realigning
24 Letterkenny Army Depot. I sincerely believe that

1 both actions are in the best interest of our Army
2 and in the best interest of our taxpayers as well.
3 I'm very much aware that everywhere you go you are
4 told the same thing about other installations, and
5 that you have a tough job sorting out the facts.
6 Nevertheless, I'm obligated to tell you that those
7 actions are in all of our best interests, because I
8 sincerely believe that they are.

9 As you know, the Army has long recognized
10 that excess capacity exists in our depot structure.
11 And we've made hard, painful decisions to close
12 depots, such as Sacramento and Lexington, to the
13 point that we now only have five maintenance depots
14 left in the Army, counting Tobyhanna and counting
15 Letterkenny. Let's examine the Tobyhanna case for a
16 moment. If one thinks of Detroit, Michigan, one
17 thinks of the automobile industry. Likewise, when
18 one thinks of the Tobyhanna Army Depot, throughout
19 the Army and indeed throughout the Department of
20 Defense, one thinks about excellence in
21 communications electronics repair. Why is that?
22 Well, it's because over the years we've consolidated
23 our communications and electronics repair at
24 Tobyhanna to the point that today Tobyhanna is

1 indeed a center of excellence for that type of
2 repair throughout DOD.

3 This consolidation of communications
4 electronics workload at Tobyhanna was deliberate,
5 because the Army stationing strategy calls for the
6 retention of an electronics-oriented maintenance
7 depot to meet the battlefield demands of the future,
8 as we build our Army for the 21st century. To put
9 it another way, a fully digitized Army prepared to
10 exploit the information-age technology requires the
11 capability we have developed at Tobyhanna to service
12 and maintain our equipment.

13 Knowing that, we have invested heavily in
14 Tobyhanna facilities. Specifically, we've put over
15 a hundred million dollars in the past ten years into
16 Tobyhanna, to the point that today Tobyhanna is a
17 state-of-the-art installation with many new and
18 unique facilities. And to duplicate those
19 facilities anywhere would be very costly.
20 Tobyhanna's focus on repair of a single commodity,
21 i.e., ground communications electronics, has allowed
22 Tobyhanna to become the most cost effective,
23 efficient and competitive depot that we have. For
24 example, in the public-to-public competition for the

1 Sacramento Army depot workload, the depot won four
2 of five competitions against the Air Force.
3 Likewise, Tobyhanna has a winning record when
4 competing against the private sector.

5 And, Tobyhanna has the lowest maintenance
6 cost of any DOD depot and the highest productivity
7 rates. Now, these are not my conclusions. Rather,
8 as you already heard, these are conclusions
9 supported by the private accounting firm of Coopers
10 & Lybrand, and there are many other studies
11 available to you that support those conclusions.

12 So Tobyhanna is our newest depot, it's our
13 least costly to operate, and I would suggest to you
14 that it offers the best value to the Department of
15 Defense and to our country, not only because of cost
16 but because of its technical capabilities, and
17 because it has a work force with the largest
18 concentration of electronics skills in the
19 Department of Defense.

20 Now, all these things I've been talking
21 about of course play into the Army's military value
22 of assessment. To put it another way, how vital is
23 the depot to national defense? In that regard, our
24 military value assessment ranks Tobyhanna as the

1 number one Army depot in both '93 and '95. I say
2 again, it's the number one Army depot in '93 and
3 '95.

4 There are many other reasons why this
5 unique facility should not be considered for
6 closure. These are some of the more important
7 ones: Certainly it would seem to be prudent to not
8 close a depot where we have a significant capital
9 investment, a depot that is an essential element of
10 the Army stationing strategy, or a depot that is the
11 most cost effective. To do so would invalidate the
12 Army's military value methodology and eliminate the
13 depot with the highest ranking military value, to
14 preserve installations with much lower values.

15 Rather than be considered for closure,
16 Tobyhanna should be considered for increases in
17 workload, thereby allowing a reduction in associated
18 dollar savings in DOD's excess capacity in
19 communications electronics repair.

20 Now, let me shift gears just a little and
21 talk about Letterkenny. The DOD recommendation is,
22 as you know, to realign Letterkenny. And that
23 recommendation was made for a number of reasons.
24 First, a review of long-range operational

1 requirements supports consolidation of ground combat
2 workload as a single installation. Put another way,
3 our ground maintenance capacity exceeds our program
4 work requirements.

5 Second, when the dust settles, I believe
6 that the alternative to move missile maintenance to
7 Hill Air Force Base will result in costs from four
8 to nine times greater than DOD's recommendations,
9 with fewer savings. Even then, Letterkenny's
10 ammunition storage capacity is needed for DOD
11 requirements.

12 Third, having said all that, the importance
13 of Letterkenny is such that the worst possible
14 action would be to close Letterkenny, or move any
15 part of its workload to Hill Air Force Base.
16 Rather, the intent of the Department is to
17 consolidate the tactical missile workload in the
18 Pennsylvania corridor and take advantage of all the
19 synergies that that offers, so the Department's
20 proposal for Letterkenny achieves substantial
21 savings for reasonable investment and reduces our
22 capacity in ground equipment maintenance in the
23 depot maintenance system.

24 In closing, let me just say that the

1 Department of Defense recommendations before the
2 Commission on both Tobyhanna and Letterkenny were
3 designed to eliminate excess capacity and to save
4 dollars. The recommendations have earned the
5 support of the Secretary of Defense. They were not
6 made hastily. They are an integral part of the
7 foundation for the industry base of the future. And
8 they were designed to preserve and enhance the
9 readiness of America's Army.

10 For these reasons, I, the Army, and the
11 Department of Defense strongly urge you to retain
12 Tobyhanna as one of our premier installations, and
13 to realign Letterkenny as recommended. The Army
14 needs them both. More importantly, America needs
15 them both.

16 I thank you for allowing me the opportunity
17 to speak with you. Hopefully, something I have said
18 will help you in your most difficult task. And I
19 thank you for your attention.

20 (Applause)

21 SENATOR McDADE: Mr. Chairman, experience
22 has shown all of us that in every community across
23 this land there are great citizens who volunteer
24 their time and their effort to act as spark plugs to

1 make our communities go. Such a person will now
2 testify on behalf of our Economic Development
3 Council of Pennsylvania. I'm delighted to present
4 to the Commission Anna Cervanak, the President of
5 our Economic Development Council.

6 MS. CERVANAK: Good morning. I am proud to
7 be here representing Tobyhanna Army depot and the
8 Blue Ribbon Task Force of the Economic Development
9 Council of Northeastern Pennsylvania. I would like
10 to thank the Commissioners and the Commission staff
11 for your dedication and hard work, and I know the
12 personal commitment that you have as you perform
13 these challenging tasks.

14 We are aware, fully aware, that every
15 installation tells you how important that base is to
16 the local economy. In our case, however, we must
17 tell you Tobyhanna has a major regional influence,
18 throughout an entire corner of the northeast corner
19 of the state. In fact, Tobyhanna is the largest
20 employer in a seven-county Northeastern Pennsylvania
21 region. Recognizing Tobyhanna's importance, the
22 Economic Development Council of Northeastern
23 Pennsylvania formed the Blue Ribbon Task Force in
24 1993. We selected the theme of the blue ribbon

1 because it signifies the number one military value
2 ranking earned by Tobyhanna during BRAC '93, and
3 holds true for Tobyhanna's top ranking by the Army
4 in BRAC '95.

5 I am sorry that you could not all have
6 visited Tobyhanna this week, but I can tell you that
7 the people that you see here, most of them got up at
8 2:00 this morning, boarded buses to get here to
9 support us.

10 (Applause)

11 MS. CERVANAK: I would like to briefly
12 discuss what this region was like before Tobyhanna
13 was established in 1953. It was a region that was
14 built on the backs of immigrant laborers who toiled
15 in the anthracite mines and who built and maintained
16 the railroads which carried that coal to market. It
17 was their strong work ethic, tempered by recurrent
18 hard times, that have molded this region and the
19 people who live here. The coal mines started to
20 shut down in the 1940s. The railroads which hauled
21 that coal from the region also began to suffer. And
22 by the 1950s, both industries had failed and the
23 people in Northeastern Pennsylvania were in the
24 midst of hard times equivalent to the depression of

1 the 1930s. Unemployment percentages were in double
2 digits.

3 Unto this bleak scene in the early 1950s
4 enters the United States Army. Within a year of its
5 opening in 1953, Tobyhanna was the region's largest
6 single employer. The decision to build an Army
7 depot at Tobyhanna was one of the key turning points
8 in the history of this region. And since the 1950s,
9 Tobyhanna has been the backbone of the region. It
10 has been the backbone because it has helped the
11 regional economy.

12 The government's 45-year investment in the
13 facility, the equipment, and the personnel has
14 produced an outstanding military operation which, if
15 you hear about it today, and you're going to, has
16 the depot skilled technicians and the organization
17 that we have at Tobyhanna. These skilled
18 technicians are the children of those hard-working
19 miners and railroaders, better educated than their
20 parents, but with the same ethic, that hard-working
21 ethic, as the older generation.

22 In return for that hard work, Tobyhanna has
23 given us highly skilled professional and technical
24 residents, earning competitive wages for this

1 region, and one of the constant sources of
2 employment stability. Tobyhanna is truly the
3 cornerstone of our economy.

4 Because of the government's 45-year
5 investment and the stability of the work force
6 employed at Tobyhanna, we now have a region that is
7 consistently rated as one of the best places to live
8 and work in the entire nation. Our quality of life
9 is high; with affordable housing, excellent schools
10 and universities, easy access to outdoor recreation
11 and easy access to metropolitan cities. We are
12 particularly proud of our Montage complex, which
13 features a AAA baseball team, a ski resort,
14 championship golf course and several business
15 complexes. Recently the Pocono northeast region was
16 listed as one of the last 40 great places on earth
17 by the Nature Conservancy.

18 These developments would not have occurred
19 without the economic stability that Tobyhanna has
20 provided in this region for the past 45 years. And
21 here is why: Because of the high skills levels of
22 Tobyhanna technicians, engineers, professionals and
23 managers, salaries at Tobyhanna are significantly
24 above the regional average. It also means that when

1 Tobyhanna invests training dollars in an employee,
2 they are going to remain at Tobyhanna for many
3 years. So taxpayers again benefit from their
4 investment, because there is no comparable industry
5 to draw off that technician. With the salaries that
6 they earn, Tobyhanna employees create a ripple
7 effect through our seven-county region.

8 And I think I mentioned that back at
9 Tobyhanna in fact it's a big splash, it's not just a
10 ripple. Over \$600 million annually. Despite the
11 progress of the last 45 years, Northeastern
12 Pennsylvania must cope with several economic
13 vulnerabilities. The loss of Tobyhanna would turn
14 these vulnerabilities into mortal wounds for this
15 region. First, our unemployment is already higher
16 than both Pennsylvania and the national average. As
17 a result, our young people leave the area for
18 employment opportunities, resulting in a high
19 population of lower income elderly. These
20 fixed-income recipients simply cannot drive the
21 engine of our regional economy as the Tobyhanna work
22 force can drive it.

23 Furthermore, recent closure announcements
24 affecting some of our largest private employers,

1 such as 300 jobs at Trane Corporation; 600 jobs at
2 Consolidated Freight. We originally lost 600 jobs
3 at Leslie Fay, and unfortunately we just heard
4 another 600, for 1,200 at Leslie Fay. And another
5 175 jobs at Graham Allied to occur later this year.
6 This is further going to damage our economy.
7 Tobyhanna, of course, has not been unaffected by
8 military downsizing. There are now 1,200 fewer jobs
9 at Tobyhanna than in the mid-'80s. In effect, these
10 combined reductions and closings mean that this
11 region has already lost the equivalent of a
12 Tobyhanna Army depot.

13 Therefore, ladies and gentlemen of the
14 Commission, and I know you're going to work hard
15 over the next few weeks, but what you say is going
16 to present two diametrically opposed outcomes for
17 the future of Pennsylvania, Northeastern
18 Pennsylvania. For our region the economic impact of
19 a closure would be devastating. Such a decision
20 would increase the already high unemployment rate
21 that we have. You would also reduce a small tax
22 base even further by eliminating our best-paying
23 jobs.

24 In the long term, we would return to the

1 depressed economy of the 1950s. Tobyhanna's closure
2 would not mean a mere temporary downturn in the
3 business cycle; rather, we'd be thrust into
4 long-term economic devastation. Tobyhanna is
5 uniquely configured to perform its present mission
6 efficiently. But I do not know of any other private
7 firm out there that could fully utilize its
8 outstanding capabilities. And you and I both know,
9 faced with the emphasis of reduced federal spending,
10 that the money which gave rebirth to our area
11 several years ago, that money is not going to be
12 available in the future. And we know that.

13 Therefore, a closure at this time would
14 force 3,500 employees to leave Northeastern
15 Pennsylvania, ripping apart the social fabric of our
16 cities, towns, and rural communities. They would be
17 forced to leave because there are simply no other
18 comparable private sector businesses or large
19 federal agencies; there's nothing there to absorb
20 the talented and specialized work force that we
21 have.

22 I am confident that you will reach the
23 right choice later this month; that this choice will
24 be the one that concurs with the choice of the DOD

1 analysis that said that Tobyhanna is the outstanding
2 installation for communications electronics work and
3 that the depot is essential to our country's
4 readiness. You will retain it because it is the
5 backbone, not of a municipal or county economy, but
6 of an entire region. A region with great potential,
7 but still very dependent on its major employer.

8 Because of its size, and because of the
9 scope of the sophistication of the work done at
10 Tobyhanna, it serves as a magnet to attract new
11 businesses and new industries to our area, promising
12 an even brighter future for the region, which has a
13 history of struggle for secured employment. That
14 decision will also continue 45 years of
15 high-quality, cost-effective support delivered by
16 Tobyhanna workers to our armed forces.

17 For your children, your grandchildren's
18 safe and secure future, I hope in your heart of
19 hearts you know that you must keep the best:
20 Tobyhanna Army Depot. Thank you.

21 (Applause)

22 SENATOR McDADE: Mr. Chairman and members
23 of the Commission, our next witness is a gentleman
24 who has served this nation with distinction for

1 many, many, many years. He has done that primarily
2 by helping to make Tobyhanna what it is today: The
3 best. He knows every nook and cranny of the depot.
4 He is, in a word, Mr. Chairman and members of the
5 Commission, the consummate professional. Mr. Frank
6 Zardecki.

7 MR. ZARDECKI: Thank you. Thank you, and
8 thank all the employees, the families and friends
9 for coming today. Quickly, I'd like to tell you a
10 little bit about Tobyhanna, what we're going to do
11 today, their purpose, demonstrate the military value
12 of Tobyhanna and why we are the best; and look at
13 the military value, our mission, our facilities,
14 look at the DOD recommendations, and hopefully
15 summarize that for you.

16 All right, quickly, you know the criteria.
17 Military value, military worth. There are four
18 criteria that make that up -- the slide on the right
19 appears not to be working.

20 Our mission. We are an electronics depot.
21 We work on the total full spectrum of electronics
22 from hand-held radios, squad radios, to strategic
23 satellite systems and intelligence gathering systems
24 used by the National Command Authority. Our

1 mission, the traditional mission of repair and
2 overhaul. But what is unique about Tobyhanna and
3 our high technical skills is our engineering
4 services, the design engineering services,
5 manufacturing of high-tech communications
6 electronics systems.

7 As seen on the right, a tactical satellite
8 terminal. We are truly a full-service electronics
9 depot.

10 What is communications? As I mentioned,
11 the full spectrum: Radio, fire control, command and
12 control, satellite, air traffic control. On the
13 right you will see General Colin Powell in Saudi
14 Arabia with a PFC3 Command Pack Satellite Terminal.

15 Prior to the invasion of Kuwait there was a
16 significant problem with those radios in-country.
17 Tobyhanna deployed some people in-country, had them
18 all repaired prior to the invasion.

19 Interservicing. About 13 percent of our
20 workload is electronics. Over 400,000 hours. We do
21 work for the Air Force satellite systems, Navy
22 guidance systems, a lot of work for the Marine
23 Corps. We also do contingency planning travel for
24 the President with satellite communications. We do

1 forwarding patrol for NASA and the National Security
2 Agency. Our engineering services are certainly
3 unique within the Department of Defense. We have
4 the largest engineering organization within all the
5 Army depots.

6 Our systems integration, we have been doing
7 that for over 30 years, where we are in fact like a
8 major manufacturer.

9 We do a lot of reverse engineering. And
10 you can see the capabilities that we possess.

11 Electronics. What is electronics?
12 Obviously, the backbone of today's battlefield.
13 Communications systems, command and control,
14 intelligence gathering, all important to decisive
15 victory, all supported by Tobyhanna. If you look at
16 the 21st century warriors, what are the weapons
17 systems today? Those tanks, trucks, aircraft, they
18 are all platforms for electronics systems. That's
19 what makes the battlefield as effective as it is
20 today for the forces of the United States.

21 Reserve component training. We do about
22 25,000 man-days a year. The largest concentration
23 of Reserve and National Guard logisticians are in
24 the United States. We have the only specialized

1 high-tech reserve training center within the Army.
2 We bring in people from all over the country and
3 provide that hands-on training with the employees
4 you see out there today.

5 Power projection. We have a facility in
6 Panama. We have facilities in Fort Hood, Korea,
7 Germany, and we do a lot of crisis support. We had
8 over 120 people in Saudi Arabia for Desert Storm.
9 In '93, July of '93, when the 10th Mountain went
10 into Somalia, there was an emergency requirement.
11 They had some problems with their electronic
12 systems' message switches. We sent Tim and Mark
13 there, TDY, volunteer civilians out of Tobyhanna.
14 They were in a hostile zone, under fire. They were
15 issued flak jackets, weapons, worked with the
16 troops, repaired equipment and were in-country for
17 ten days.

18 Maintenance capacity. Everybody has talked
19 about maintenance capacity and what it is. It is a
20 standard measurement used within DOD and industry to
21 determine your throughput, your potential product
22 output and your readiness. It's not measured by
23 square footage. It's driven by your facilities,
24 your commodity, your ability to perform your

1 mission. It's the critical yardstick. It's the
2 consistent yardstick. If you look at the chart on
3 the right, it's the work positions, it's
4 throughput. It is not acreage.

5 If you look at what is the workload in the
6 proposal, Letterkenny's workload 99 is 1.9; 3.7 for
7 Tobyhanna. It just will not fit in that facility.
8 The same applies to supply. Available capacity at
9 both installations is approximately 1.2 million
10 square footage. That supply space, DLA at Tobyhanna
11 is in support of the maintenance mission, if that
12 were to move, that also must moved, and that is also
13 a cost to DLA.

14 Criterion 2 is the availability of land
15 facilities. As was mentioned earlier, Department of
16 Defense has put in over \$110 million in the last
17 five years for modernization of Tobyhanna. It's an
18 investment in the future. And you'll see some of
19 those diverse and distinct facilities that we have.

20 We are the center of excellence for DOD for
21 satellite communications. We maintain and support
22 all ground satellite communications for the
23 Department of Defense.

24 Our environmental stress screening is

1 unique, probably the only production facility within
2 the depot system within DOD. What we do is to
3 stress test equipment to improve reliability. If
4 you remember, in Desert Storm when the troops
5 deployed and the radios weren't working and they
6 were putting burlap and wetting them down to keep
7 the temperatures down, we processed over a thousand
8 radios for that facility to improve the reliability
9 of equipment the soldiers were using. We swapped
10 out over 400 radios for the 1st Cav before they went
11 into Saudi.

12 COMSEC was the result of BRAC '88. That
13 building is about a year and a half old now. It is
14 a large unique special facility for communications
15 security. That's the encryption of voice
16 communications and is fully operational and is by
17 far the largest within DOD.

18 We have an automated storage and retrieval
19 system that is also state of the art. A brand-new
20 building, tactical end item repair facility for
21 working in those assemblages, vans, trailers and
22 things like that that are big. As you can see, the
23 facility there has opened within the last month.
24 And that is one of the proposed locations for

1 missile workload if you decide that.

2 FSYS for unique facility. We actually
3 manufacture printed circuit cards for weapons
4 systems where there are no longer manufacturers for
5 those equipments. We can do that in 30 days on
6 demand.

7 The large, large organization of engineers,
8 software engineers, where we actually develop
9 diagnostics to test electronics equipment. Today it
10 is so sophisticated that you can no longer do it
11 manually, and requires extremely high-skilled
12 technicians and engineers to perform that mission.

13 Our facility. The most modern in the Army,
14 43 years old, but if you look at the results of the
15 significant investments, 86 percent of the facility
16 is less than 15 years old, and about half of it is
17 less than 50 years old. If you look at the chart on
18 the right, the red areas, that is the maintenance
19 operations at Tobyhanna. That is extremely unique
20 in that 76 percent of the facilities are under one
21 roof. That adds to the efficiencies of the
22 operation. There are no large costs for materials
23 handling and inner shops and things like that makes
24 it a very efficient operation.

1 Expandability. We have about 21,000 acres
2 with reversionary rights. We have no encroachment
3 problems, we're sized for future development, and
4 more importantly we have a significant
5 infrastructure and automated systems. The total
6 facility is automated. We have a LAN through it, we
7 have ADP and modern processing for our data complex
8 to add to the efficiencies of the operation.

9 Costs. A lot of talk about costs. In
10 fact, depots are like a business. We are a DBOF
11 installation. There is no money appropriated by
12 Congress for operation of Tobyhanna; all of our
13 money comes from customers, as a buyer/seller
14 relationship. If we don't perform, they can go
15 elsewhere. I think these are the most important
16 charts, when you're talking about Tobyhanna. Why
17 are we the best, why do we have the lowest cost of
18 operation in DOD? Because we operate like a
19 business. We're single commodity, all our focus and
20 energies are on high-tech electronics.

21 Because of a large concentration of
22 electronics skills, we can move people throughout
23 the organization to keep a high-yield productivity.
24 Labor rates are one of the lowest in the country.

1 We've made some significant investments in the plant
2 to help the efficiencies.

3 High direct labor yield. What this means
4 is the DOD norm is 1,615 hours per employee and
5 that's what you base your budget on. We have
6 continuously exceeded that; it lowers the operating
7 cost.

8 Our high direct/indirect labor ratios. We
9 have 64/36 throughout the whole plant, but in the
10 maintenance operations it's 80/20. We have an
11 extremely good labor relations relationship. Our
12 organization structure is flat. We have continually
13 reduced overhead costs.

14 As mentioned previously, in head to head
15 competition with the Air Force in BRAC '91 we won
16 four out of five of those competitions. As a result
17 of competitions in public-to-public and
18 public-to-private sector, Department of Defense
19 hired Coopers & Lybrand to do a study on the effects
20 of that, and they looked at six depots: two Air
21 Force, two Army and two Navy. The results were that
22 the only depot mentioned was Tobyhanna, and was
23 judged by far the best of the six depots reviewed.

24 Conclusion: We were rated number one.

1 It's a consistent analysis. We have the most modern
2 facilities in the Army, obviously the largest
3 maintenance capacity, we have extremely low
4 operating cost, transportation, all of our programs
5 are unique and efficient.

6 BRAC '95. We talked about what that is,
7 what is missile workload. The standard concept of
8 maintenance within DOD is that its platform
9 maintenance and electronics goes to a specialized
10 center. Workload is electronic. The tank that was
11 repaired at Anniston, if the electronics are bad, it
12 goes to Tobyhanna. If it's the helicopter, it goes
13 to Corpus, the electronics comes to Tobyhanna.

14 When we're talking about missiles
15 maintenance, it's guidance and control maintenance
16 only. It's not storage of missiles, and there's no
17 change to the storage philosophy. There are
18 multiple storage locations.

19 When you talk about missile workload, if
20 you look at the chart on the left, control and
21 guidance section is the workload we're talking to.
22 Missiles are not returned to depots for maintenance;
23 only the components return. If you look at the
24 system on the right, which is the Patriot, it's

1 obviously electronics workload. The rest would go
2 to Anniston. There's only about a half a dozen,
3 dozen a year, talking insignificant cost.

4 Tobyhanna has long had experience in the
5 area of missile workload. We've worked with the
6 Patriot, the Hawk systems, IFF, Missile Minders.
7 We've provided Tobyhanna employees for all of those
8 systems. We think the DOD recommendation for '95
9 sustains that interservicing success; more
10 importantly, we'll see greater cost savings. We
11 think realigning that workload sustains and enhances
12 the intent of the '93 recommendation.

13 BRAC '95, and what you're looking at,
14 moving Tobyhanna to Letterkenny, 2,400 people for a
15 reported cost of \$154 million. Much like
16 Congressman Shuster said, all the costs are not in
17 there. They were not including hidden costs, things
18 like that. If you look at what we're saying, BRAC
19 '95, moving 300 people to Tobyhanna for \$50 million
20 or moving 2,400 people to Letterkenny for \$360
21 million, does not make good business sense.

22 If you look at previous BRACs, BRAC '88,
23 BRAC '91, BRAC '93, in each of those Tobyhanna has
24 been a gainer, with a significant savings to

1 customers in the Department of Defense. We have had
2 seamless transitions. If we look at the proposal
3 today, you would reverse those decisions, for in
4 fact the '95 DOD recommendation maintains missile
5 consolidation.

6 Conclusion: Following the DOD
7 recommendations, you would reduce the excess
8 capacity within the department. But more
9 importantly, you would retain the Army's most
10 competitive, modern, cost-effective depot. If you
11 look at the chart on the right, it's all Tobyhanna.
12 Unequaled electronics capability.

13 Including, Mr. Klugh, the Undersecretary of
14 Defense, has said on numerous occasions, "Tobyhanna
15 is the most cost-effective and efficient depot
16 within the Department of Defense." There's been a
17 recent letter the sent to the Commission from
18 General Tilelli, Undersecretary Reeder, which talks
19 about why Tobyhanna should be retained. By any and
20 all measures, Tobyhanna is an installation we must
21 retain.

22 I thank you for your time.

23 (Applause)

24 COMMISSIONER MONTTOYA: Mr. Congressman, you

1 have left about seven minutes.

2 SENATOR McDADE: We'll do it as quickly as
3 we can.

4 This process we're involved in today
5 represents a tremendous opportunity for the
6 Commission to achieve significant savings and
7 enhance readiness through the interservicing of all
8 DOD ground communications electronics workload at
9 Tobyhanna Army depot. As you know, this process,
10 interservicing, can have significant benefits,
11 because directing all facilities to one site allows
12 us to maximize the technical expertise of the
13 particular special talents in one single commodity.

14 At this briefing, Mr. Chairman and members
15 of the Commission, we will show that this
16 experience, communications electronics experience,
17 modern facilities, maintenance capacity and the cost
18 effectiveness to perform all of these, the end
19 result is if you do that at Tobyhanna there will be
20 tremendous savings to the taxpayer and to the
21 nation. There will be a major achievement in the
22 overall drive which the Commission is interested in
23 for interservicing, and ultimately, your primary
24 goal perhaps, a reduction in the excess capacity of

1 the Department of Defense maintenance community.

2 Now, Mr. Chairman and members of the
3 Commission, despite the missions of the individual
4 services, there are striking similarities in some
5 areas. One area of course is the requirement for
6 depot maintenance level sections at every service.
7 And a common thread to all of those weapons systems
8 is a strong reliance on communications electronics
9 technology in general, and ground base
10 communications electronics systems in particular.

11 BRAC '93 challenges the Department to come
12 up with direct interservicing options and execute
13 those options in '95. This year, I submit to all of
14 you, there's a unique opportunity to have all of
15 that DOD ground communications and electronics
16 maintenance work performed by one service at one
17 site. It would eliminate, Mr. Chairman and members
18 of the Commission, redundant facilities and
19 capabilities that currently exist in each service,
20 and maximize the dollar savings to the taxpayers of
21 the nation.

22 Mr. Chairman, Tobyhanna already maintains
23 the full spectrum of the communications and
24 electronics capabilities. Today they range from

1 radio and radar, battlefield communications centers,
2 and that technology applies to all services because
3 it doesn't matter whether the person who receives
4 the work or the person who uses it, whether the
5 radio that's been overhauled is destined for a
6 Humvee, tank or aircraft. Thus the technology,
7 equipment and facilities and expertise already exist
8 at Tobyhanna to overhaul electronic weapons systems
9 for all the services. And since the Army is the
10 predominant user, Mr. Chairman, of the ground-based
11 electronics systems, we propose to the Commission
12 that all communications electronics be interserviced
13 at the Tobyhanna Army depot.

14 Let's ask ourselves why is it in the
15 national interest, Mr. Chairman, to interservice all
16 ground communications, electronics workload at
17 Tobyhanna. Because several attributes render it the
18 most cost effective and highest quality option.
19 Tobyhanna has been pointed out as a single-commodity
20 depot. All of its energy is focused on
21 communications electronics and its unique
22 requirements. Tobyhanna emphasizes technical
23 training for its people, and the result is an expert
24 work service able to overhaul systems quickly and

1 correctly. The high utilization of automated test
2 equipment allows Tobyhanna to do the job faster,
3 with higher quality than normal testing procedures,
4 and because the maintenance facilities are
5 essentially under one roof, as has been pointed out,
6 there are minimal problems of handling and maximum
7 operational efficiencies.

8 What is the Army's role in ground
9 communications? The Army is the predominant user,
10 they are the highest consumer of electronics
11 activities integral to all Army platforms, whether
12 it be helicopter, tank, missile. It's the future of
13 the Army. It is, in short, the digitized balancing
14 field, it is the base of Force 21 deployment of Army
15 communications, and Fort Monmouth is the manager of
16 ground communications electronics. The Air Force
17 itself recognized this when under the BRAC they
18 recommended the move to Fort Monmouth. And of
19 course, the Army is the major maintainer of ground
20 communications electronics with a single depot, as
21 has been pointed out, with Tobyhanna Army depot.

22 Now, it's critical that we understand that
23 Tobyhanna has consistently had an hourly rate that
24 is between 10 and 20 dollars an hour lower than its

1 competition at Sacramento. The sales rates that you
2 see on the chart are reflective only of ground
3 communications electronics, and, to make a complete
4 comparison, do not include other things that occur
5 at McClellan. It's limited to one fact. What's the
6 cost of the GCE maintenance. Tobyhanna is the
7 uniquely cost effective site in the DOD, that is in
8 comparison between Tobyhanna and Sacramento ALC, the
9 two major maintainers of GCE.

10 Tobyhanna's actual cost, actual cost for FY
11 94, was \$20 an hour less than Sacramento. The
12 hourly salary of an electronics technician at
13 Tobyhanna is \$4 less per hour than Sacramento.
14 Tobyhanna's average salary is almost \$7,000 a-year
15 less than that of Sacramento, and as has been point
16 out, Tobyhanna has much higher direct labor yield,
17 meaning more direct labor performed than
18 Sacramento. The high cost effectiveness of
19 Tobyhanna will yield great savings throughout the
20 future.

21 Tobyhanna's cost effectiveness has been
22 shown in many ways, including your 1991 mandate for
23 public and private competition for Sacramento Army
24 Depot workload. Tobyhanna bid on five of them and

1 won four of them in flat-out competition against the
2 others. As recommended by the BRAC Commission of
3 '91, competition successes has afforded Tobyhanna
4 the opportunity to demonstrate its ability to
5 transition many different types of workload. This
6 depot has a history of seamless transitions
7 invisible to the customer. The many years of
8 electronics experience of the Tobyhanna work force
9 makes this possible. Low-cost transitions are
10 achieved by facilities and equipment already in
11 place. Examples are the BRAC '88 took COMSEC from
12 Lexington and put it in Tobyhanna, as well as the
13 depot competition, mentions the true mandate, which
14 were requisitioned in record time.

15 One major key to Tobyhanna's success is of
16 course the work force. There are over 1,300
17 specialized electronics people at Tobyhanna. This
18 is the highest concentration of electronics
19 specialists within the DOD depot maintenance
20 community. And they train their own people as they
21 go along in the specific technical training center
22 with full-time instructors and dedicated
23 classrooms. This is the depot with the first
24 Department of Labor approved department

1 apprenticeship program for electronics, and it
2 consistently conducts graduate level programs for
3 many of the engineers of the depot.

4 And because Tobyhanna has such a high
5 productive yield, actual time spent on actual
6 production, Tobyhanna can do the same GCE work with
7 less people, far less people than would be required
8 at Sacramento. Tobyhanna also has, as they perform
9 contracts, a history of price reductions through
10 process improvements and through innovations.

11 Also adding to Tobyhanna's cost
12 effectiveness are their very unique facilities, all
13 dedicated to electronics technologies. Tobyhanna
14 has the only environmental stress screening
15 procedure within the DOD center for ground satellite
16 communications, with an essential complex dedicated
17 to that.

18 We have automated test equipment facilities
19 through the depot, as well as a high-tech reserve
20 training facility, providing hands-on electronics
21 training for Army Reserve components. And we also
22 have a computer integrated manufacturing site for
23 electronics in the department. All of these unique
24 facilities are dedicated to electronics technology

1 and allow a synergy of operations in electronics.

2 Let's look at capacity if we can for a
3 second.

4 COMMISSIONER MONTOYA: How much more do you
5 have, sir?

6 SENATOR McDADE: How many pages, sir?

7 COMMISSIONER MONTOYA: It's unfair to the
8 state of New York and those who have gone before you
9 these many weeks. We've tried to be very precise
10 with our time.

11 SENATOR McDADE: Sure.

12 COMMISSIONER MONTOYA: And we'd like to
13 save time for the Senator who is going to speak.

14 SENATOR SANTORUM: I'll be happy to yield
15 my time to the Congressman.

16 SENATOR McDADE: Thank you very much.
17 We're at the question of capacity. There's one
18 depot that can take GCE with no appropriation of
19 MILCON dollars. Only one. Tobyhanna. There would
20 be adjustment, but if you were to take the workload
21 at Sacramento and say it must be done at the lowest
22 cost depot in the United States of America, you
23 wouldn't have to see the Congress appropriate a
24 single dollar. There would be some changes in

1 facilities, but the capacity exists today to do it.

2 So let me say by whatever standard we judge
3 this depot, cost, efficiency, effectiveness of the
4 work force, ability to have the capacity and take
5 all the work, they all say, do it and do it now.

6 And I submit to the Commission you can make a major
7 mark in your achievements by deciding to put all
8 this work in Tobyhanna Army depot. Thank you very
9 much.

10 COMMISSIONER MONTOYA: Thank you, Senator.

11 SENATOR SANTORUM: Thank you, Mr.

12 Chairman. And I just want to state for the record
13 again, as I did in Baltimore, this process has been
14 an incredibly open and fair one, and the
15 Commissioners have done a truly outstanding job, as
16 well as their staff, and I want to commend them for
17 the great work that they're doing. This is a very,
18 very difficult round of BRAC closures, because
19 obviously every base that's there went through other
20 ones and proved that they were worthy. So you have
21 a very tough decision.

22 I'm going to start out by saying, I'm from
23 the government, I'm here to help. And I'm here to
24 help you in a very real sense, because you've got a

1 difficult mission of having to look at the Air
2 Force, and the Air Force punted when it came to
3 closing depots, as they have, frankly, in the past.
4 The Army has closed three major depots in the past.
5 The Air Force has closed one small one. Now the
6 Army is proposing basically to close two more, and
7 the Air Force has closed nothing. And so now they
8 are making pitches for what the Army has left over
9 to fill up their capacity.

10 That's not fair, it's not good for
11 business, and frankly, as a member of the Armed
12 Services Committee, I'm concerned about it
13 militarily as to whether the Army are not being good
14 soldiers and eating their seed corn at the same time
15 the Air Force is soaking up more capacity. You have
16 an opportunity, I believe, to solve that problem.
17 And what Congressman McDade suggested is in fact an
18 appropriate answer, and this is to take Sacramento's
19 mission and move it to Tobyhanna to accomplish what
20 you need to, which is to close an Air Force facility
21 and to keep the Army's military capability and
22 readiness in line with what their needs are.

23 I commend the Lieutenant General for his
24 openness and his willingness to come out and make

1 tough decisions, but he did say clearly that there
2 is more capacity at Tobyhanna, and we believe we can
3 solve your problem here in Pennsylvania.

4 I also believe what the Congressman from
5 the 9th District, Congressman Shuster, said is
6 absolutely accurate too. We have a success story in
7 Letterkenny, we have interservicing going on, we are
8 down to right now the Army has five depots, Red
9 River, I think the recommendation the Congressman
10 Shuster mentioned, by closing and moving to
11 Anniston, was an appropriate one; with Letterkenny
12 being open you still have only four Army depots left
13 if you close an Air Force, that's four Air Force
14 bases. That seems to be a fair balancing of the
15 missions of the two branches of the service.

16 Again, I would hope that you would look and
17 try to be fair to the services, as well as -- on the
18 military value of having adequate depot capacity in
19 both those services, as well as the obvious business
20 arguments that can be made for adding work to
21 Tobyhanna and maintaining the missile workload at
22 Letterkenny.

23 I want to thank you again for the
24 opportunity to testify and willingness to allow me

1 to testify at the end, and I congratulate all who
2 testified for both bases from Pennsylvania. Thank
3 you.

4 COMMISSIONER MONTTOYA: Let me cover the
5 order for the rest of the day. In just a couple
6 minutes, when I get through speaking, you may exit
7 by both doors, back in the back corner and also the
8 doors to your right. We will then listen to New
9 York, after we've cleared and reassembled, for about
10 25 minutes. After that, we will invite all the
11 Pennsylvania delegation to come back in -- and the
12 representatives -- to the extent you should get back
13 in the room, to listen to the public comment period
14 after the New York presentation. So with that,
15 thank you very much, good to see you, and please
16 empty the room for New York.

17 (Recess taken)

18 CHAIRMAN DIXON: Governor, you have the
19 floor.

20 GOVERNOR PATAKI: Thank you for this
21 opportunity to appear before you on behalf of the
22 Niagara Falls --

23 CHAIRMAN DIXON: Before we start, sir, I'm
24 going to start your time again, I forgot to swear

1 you in. This is one of those -- we keep telling
2 ourselves it's a new procedure this year. So if you
3 would raise your right hand for me.

4 (Witnesses sworn)

5 CHAIRMAN DIXON: Very well. And, Governor,
6 your time will start fresh.

7 GOVERNOR PATAKI: As you know, this is my
8 second appearance before the Commission. It was our
9 pleasure to host you aboard the USS INTREPID in New
10 York City on May 5th, where we presented an ironclad
11 case for keeping our own base and New York's other
12 military installations. Again, here today, there is
13 no doubt in my mind that speaking before this
14 Commission is far easier than serving on it.

15 President Kennedy once said that it is much
16 easier to make the speeches than to finally make the
17 judgments. I know you have some difficult judgments
18 ahead of you in the next few weeks. So our goal
19 this afternoon is to make one of those decisions
20 easier for you. The decision to keep the Niagara
21 Falls Air Reserve Base open.

22 Our brief presentation today follows
23 General Davis's visit to Niagara Falls earlier this
24 week. Hopefully you will see from our presentation

1 what General Davis witnessed firsthand. The Niagara
2 Falls Air Reserve Base plays a key role in training
3 Air Force reservists. This is the last surviving
4 Air Force flying mission open in New York. It
5 should remain open. The Defense Department wants to
6 keep Niagara Falls open. The Air Force wants to
7 keep Niagara Falls open.

8 There is strong support for the men and
9 women of the 914th Airlift Wing. And the base has
10 close ties to the community. This is a winning
11 team. The entire New York State congressional
12 delegation, led by Senators Moynihan and D'Amato,
13 stands behind this facility. I know that the
14 Commission added Niagara Falls to the base closure
15 list out of a sense of fairness. I can appreciate
16 your desire to hear all viewpoints and consider all
17 the facts when it comes to the C-130 bases. So
18 we'll stick to the facts here today, because the
19 facts show that Niagara Falls should stay open. The
20 facts show this is the premier C-130 base.

21 The 914th was called to duty in Somalia,
22 Bosnia, and Haiti. It was the only C-130 unit
23 activated in Operation Desert Storm. The facts show
24 that the 914th Airlift Wing is combat tested and

1 recognized for exceptional performance. No other
2 Air Force Reserve C-130 unit has received a higher
3 ranking during the last ten years.

4 The facts show that recruiting would suffer
5 if Niagara Falls were to shut down, because
6 reservists cannot make a quick trip to companion
7 installations like many of our competitors. The
8 facts show that Niagara Falls has no air traffic
9 encroachment problems. It also has more fuel
10 storage and off-base quarters. And is located 200
11 miles closer to Europe than any of the competing
12 institutions.

13 The facts shows that New York has been hit
14 hard by base closures in recent years. Since 1969,
15 New York has lost 40 military facilities and 70,000
16 jobs. We lost a greater percentage of our military
17 and civilian personnel than any other state except
18 South Carolina. The facts show that costs to run
19 the C-130 air reserve units are extremely close.
20 When coupled with the military value of the base and
21 its unit, this justifies its retention for the 1995
22 BRAC Commission.

23 Finally, I want you to know the entire
24 community in Niagara Falls embraces this mission and

1 its people. This base has a bigger impact on the
2 lives and economy of the local community than any of
3 the C-130 bases you are considering.

4 In fact, this base is the second largest
5 employer in Niagara County. I understand that you
6 need to make a fair decision based on a level
7 playing field. I am confident once you hear the
8 facts from Congressman LaFalce, from General
9 McIntosh, Chief of the Air Force Reserves, and from
10 Dick DeWitt, former Deputy Base Commander at Niagara
11 Falls, you will vote to keep Niagara Falls open.

12 I want to thank State Senator George
13 Maciars for being with us here this afternoon. And
14 it is my pleasure to introduce Congressman John
15 LaFalce.

16 CHAIRMAN DIXON: Thank you, sir.
17 Congressman.

18 CONGRESSMAN LaFALCE: May it please the
19 honorable members of this Commission, I represent
20 the 29th Congressional District. That's all of
21 Niagara Falls and Niagara County, and good portions
22 of the City of Buffalo, extending all the way over
23 to a portion of the City of Rochester.

24 I want you to leave here today with just a

1 few thoughts. The first thought is that the
2 military, the Air Force, really wants and really
3 needs the 914th to stay at Niagara Falls Air Force
4 Base. And the second thought is, nobody wants their
5 airlift wing to stay more than the Greater Niagara
6 Falls community. And nobody needs their airlift
7 wing to stay more than the Niagara Falls community.
8 This convergence of military want and need and
9 community want and need makes what I consider to be
10 a great marriage.

11 Let me talk about why the Air Force wants
12 and needs our 914th so much. They want our 914th
13 because we've done the job, and we've done the job
14 magnificently. In the past five years we did the
15 job at Desert Shield, we did the job at Desert
16 Storm, more so than any other C-130 airlift wing.
17 We've done the job in Turkey, in Iraq, in Somalia,
18 and Haiti.

19 And how have we done that job? Well,
20 according to last year's ORI, we received, our
21 914th, a higher rating than any other unit has
22 received in the last nine years. Or at least no
23 other unit has received a greater rating than that
24 in the last nine years. And that's why the Air

1 Force wants us.

2 But the Air Force also needs us. And why
3 is that the case? Well, I want you to pay special
4 attention during the next presentation to slide No.
5 5, Recruitment Regions. I'm pinpointing that in
6 advance for you. That's going to show quite
7 graphically to you that if you were to close down
8 either Niagara Falls or Minneapolis, you'd lose not
9 only the bases, you'd lose the reservists, because
10 we'd have about a four- to five-hour drive from
11 Niagara Falls to the next closest base, Youngstown
12 or Pittsburgh. But there are four other bases. Any
13 one of those other bases is within a one-hour drive,
14 approximately, of the other. So if you were to
15 close any one of those four, the reservists would be
16 able to go within a one-hour drive to the other. So
17 you wouldn't lose the reservists.

18 So not only does the Air Force want us
19 because we've done the job so excellently, they need
20 us, because if they lose the base, they lose the
21 reservists. And they can't afford to lose the
22 reservists.

23 Now, our community wants and needs the
24 reserve unit, more so than any other. How can I

1 prove the want, the desire, more so than any other
2 community? There's a direct correlation between
3 want and need. And let me show to you that we need
4 the air reserve unit more so than any other
5 community. And in the next presentation I want you
6 to pay special presentation to slide 27, which talks
7 about economic impact. The percentage of jobs that
8 would be lost.

9 And in that slide you'll see that Niagara
10 Falls would have a 1.1 percent loss. Youngstown
11 would have .5 percent. Three other bases would then
12 have .1 percent, and one base, Chicago O'Hare, .0
13 percent. What does that mean? That means that the
14 adverse economic impact to us is more than twice as
15 great as Youngstown; eleven times as great as
16 Minneapolis, Milwaukee, Pittsburgh; and infinitely
17 greater than Chicago, which has a .0 economic
18 impact.

19 Because we need the 914th so much, that's
20 why our community wants to keep it more than any
21 other community. Mrs. Cox and gentlemen, when you
22 have such an unusual marriage between the wants and
23 needs of the Air Force and the wants and needs of
24 the local community, let no man and let no

1 Commission put that marriage asunder.

2 Thank you very much.

3 CHAIRMAN DIXON: Thank you very much,
4 Congressman.

5 GENERAL McINTOSH: Mr. Chairman, it is my
6 pleasure to present for you today, in representing
7 the Air Force and Air Force Reserves, a concern of
8 the Air Force and Air Force Reserve position. In
9 our analysis we saw an opportunity for savings
10 through consolidation. Yet we know the importance
11 of maintaining a delicate balance between
12 infrastructure reduction and demographic diversity.

13 Experience during Desert Shield and Desert
14 Storm validated the importance of a broad recruiting
15 base and key population centers such as Niagara
16 Falls, New York. Our high level of volunteer
17 activity since then has reinforced peacetime
18 reliance on having Air Force Reserve bases where our
19 experienced and dedicated citizen airmen and
20 airwomen live and work.

21 Later our presenters will further highlight
22 the importance of Niagara Falls relative to the
23 geographic issue. As we address recruiting, those
24 challenges in recruiting now and in the next

1 century, it is even more critical that the Air Force
2 Reserve maintain a presence in Niagara Falls. Our
3 operations there are affordable. The track record
4 of the unit is flawless. Excellent support of the
5 Air Force. The highest marks on inspections and
6 continued combat readiness. If the 914th Air Wing
7 is closed, we will lose numerous highly skilled,
8 experienced people. Once these people leave the Air
9 Force Reserve, our sum costs of training and
10 professional development are lost to the Air Force.

11 The Air Force continues to depend on the
12 Air Force Reserve to provide skilled reserve forces
13 on a daily basis. In addition, Air Force Reserve
14 bases provide Air Force uniform presence in key
15 grassroots communities across America. As a result,
16 millions of citizens stay aware of the U.S. military
17 mission as a national priority.

18 In your very difficult task, I strongly
19 urge the Base Closure and Realignment Commission to
20 not exceed the Air Force recommendation of no more
21 than one C-130 base per closure. As I said in my
22 opening remarks, all our bases are cost effective,
23 well manned, combat ready and productive. Niagara
24 Falls, New York, is certainly one of the best

1 locations, and its closure would be very
2 unfortunate.

3 Thank you.

4 CHAIRMAN DIXON: Thank you very much.
5 Before you start, Colonel, I'll give you a reading
6 on how much time you have left. We've got 16
7 minutes left in New York's time. But I think in the
8 interest of fairness, New York went over a little
9 bit on theirs -- I mean Pennsylvania did, so we'll
10 give you 18 minutes to finish your presentation.

11 Thank you, Colonel.

12 COLONEL DeWITT: Thank you. Mr. Chairman,
13 members of the Commission and Commission staff.
14 Good afternoon. On behalf of the men and women of
15 the 914th Airlift Wing, we welcome this opportunity
16 to make our presentation to you. I am Richard
17 DeWitt, and I am a retired reservist from the 914th
18 Airlift Wing.

19 Just as a little bit of background, I came
20 to the 914th in 1969 as a 2nd lieutenant, and
21 through more than 20 years I was privileged to
22 become a part of the command staff as a flight
23 commander, squadron commander and then deputy base
24 commander. And knowing them as I do, I am proud to

1 stand here and speak of these people and this unit.

2 Our briefing this afternoon will provide
3 key information we believe the BRAC Commission
4 should have in order to meet its objective and
5 retain the level of military capability necessary
6 for our country's defense. We will focus on Niagara
7 Falls Air Reserve Station and its military value,
8 cost and budget issues, economic and community
9 impact, and personnel training and retention.

10 The 914th Airlift Wing is located on 987
11 acres of land, six miles east of Niagara Falls, New
12 York. Eight C-130 H-3 aircraft, the newest in the
13 Air Force inventory, are assigned to the Wing. 340
14 full-time employees maintain the core structure,
15 which is responsible for the training of more than
16 1,200 reservists. In addition, 57 full-time
17 contract employees provide support services to the
18 base. Implemented under the guidelines of A76,
19 these contract employees are cost effective and
20 unique among the C-130 bases under consideration.

21 The six bases currently under consideration
22 are depicted on this map. As you can see, two pair
23 of the six bases are located in close proximity to
24 each other. Minneapolis and Niagara Falls are

1 widely separated from the other C-130 airlift
2 wings. The 914th Airlift Wing represents the only
3 Air Force reserve presence in New York state. Our
4 ties to the community, involvement in current
5 operations, tempo of DOD missions, and the
6 comprehensive training we provide, underscore the
7 military value we represent.

8 Niagara Falls Air Reserve Station is the
9 anchor of Air Force Reserve. Our roots extend deep
10 into the surrounding communities, from Niagara
11 Falls, to Buffalo, to Syracuse, from Rochester to
12 the Pennsylvania border.

13 The 107th Air Refueling Group of the Air
14 National Guard is a tenant and our partner on the
15 base. The Guard is assigned ten R Model KC-135s,
16 along with the equipment and personnel to support
17 them. While organizationally separate, the 914th
18 and 107th units share many resources and mutual
19 benefits of both organizations. Among these
20 resources are the fire department, communications
21 center, billeting, dining hall and security.

22 Commissioners, our wartime mission is to
23 provide trained combat personnel, ready to respond
24 to worldwide hostilities. In peacetime, it is

1 readiness of air crews, aircraft, and support
2 personnel.

3 In peacetime and war, the 914th Airlift
4 Wing has taken on the leadership role. We were
5 there in Desert Storm, Somalia, Bosnia and Turkey,
6 gaining valuable combat experience. While all the
7 bases under consideration served in the Gulf War,
8 the 914th had the most comprehensive presence,
9 deployed for more than seven months in that theater
10 of operations. Additionally, one of our crews was
11 selected as the lead crew for one of the planned air
12 drop missions in support of the initial Army forces
13 mission in the Operation to Restore Democracy in
14 Haiti.

15 Our operations' pace has remained at a high
16 level. DOD exercises and worldwide humanitarian
17 missions remain a key part of our ongoing training
18 regimen. The 914th Airlift Wing has a proven record
19 of performance. During Desert Storm we flew more
20 than 4,800 hours and 2,900 sorties, with 100 percent
21 mission effectiveness. This effort earned us the
22 Outstanding Unit award. The Wing's experience and
23 the talents of our members have long been recognized
24 by our command. The 914th Airlift Wing has

1 accumulated 32 years and more than 110,000 hours of
2 accident-free flying.

3 To underscore the significance of our
4 achievements, all of this was accomplished while
5 undergoing a major conversion. This complex
6 transition from the E Model C-130s to the H-3 Model
7 began in 1992 and took two and one-half years to
8 complete. We went from 1950s technology to 21st
9 century state-of-the-art capability.

10 As if this wasn't challenging enough, we
11 suspended our conversion for four months to take on
12 the further challenges of an Operational Readiness
13 Inspection in 1994. We performed at an exceptional
14 level in that inspection. In fact, no Air Force
15 Reserve C-130 unit has received a higher rating on
16 its ORI in the last nine years.

17 The 914th Airlift Wing provides valuable
18 joint service support in New York. We work closely
19 with the Army's 10th Mountain Division at Fort Drum,
20 as well as with units from the Navy, Marines, and
21 the National Guard. The 914th support for the 10th
22 Mountain Division is accomplished effectively and
23 efficiently because of our proximity and training
24 capability.

1 This chart highlights the ongoing
2 relationship we have with military units in New
3 York. Missions with the 10th Mountain Division
4 provide our crews with dirt landing zone and air
5 drop training. Army troops receive practical
6 experience in load rigging, aircraft loading, drop
7 zone and landing zone operations. The 109th Airlift
8 Group from Schenectady makes continuing use of our
9 on-base drop zone.

10 In addition, a number of other groups
11 benefit from their proximity to the 914th Airlift
12 Wing. The number and variety of drop zones and
13 landing zones available to the 914th Airlift Wing
14 provide significant training benefits. We have
15 access to seven drop zones on government property,
16 four within 40 nautical miles to the base, and two
17 on our installation. Fort Drum offers our air crews
18 access to the only dirt assault zone in the
19 Northeast.

20 The 914th Airlift Wing developed and
21 controls an approved low-altitude training
22 navigation area known as LATN. This entire area is
23 environmentally assessed down to 500 feet above
24 ground level, with several segments cleared for 300

1 feet. Land topography varies from mountainous to
2 flat, with sparsely populated, non-descript
3 terrain. Since we are not limited to severance
4 within this area, crews develop, plan, and execute
5 dynamic air drop scenarios, ensuring a well-trained
6 versatile force.

7 Another benefit of our unrestricted air
8 space is our ability to develop a variety of radar
9 station-keeping equipment training routes. These
10 procedures allow a formation of up to 36 aircraft to
11 operate in instrument conditions to a drop zone or
12 landing zone.

13 With no air traffic control restrictions to
14 limit our planning, we have virtually unlimited
15 latitude in developing low-level training routes.
16 Local weather patterns offer an excellent instrument
17 and visual training environment, and our crews
18 routinely fly instrument formations. This ensures
19 full training capability year-round.

20 Night vision goggle training is also
21 ideally suited for this locale. We make routine use
22 of Trenton Canadian Force Base in Canada. This
23 provides our crews with unique opportunities to stay
24 current with international flight procedures and has

1 opened the door for joint training with our Canadian
2 partners.

3 The expertise of the members of the 914th
4 Airlift Wing has been called upon by headquarters
5 AFRES time and time again. Our personnel have
6 trained other reserve units, as well as foreign
7 nations, undergoing conversion to the C-130.

8 The Wing standardization and evaluation
9 section has been a major contributor in flight
10 manual updates, playing a significant role in
11 writing the H-3 operations manual.

12 Our selection as lead unit for development
13 of night vision goggle training continues a pattern
14 of leading edge involvement.

15 The 914th Airlift Wing has a unique mix of
16 training and base resources to meet routine as well
17 as continuing requirements. This chart highlights
18 those key areas which demonstrate our capability.
19 As you can plainly see, Niagara has the largest fuel
20 storage capacity; the most extensive AeroMed unit on
21 base; assault training capabilities on base; two
22 drop zones on the airfield, while the other bases
23 have none. The ability to make a non-stop flight to
24 Europe, 200 miles closer than the next closest base.

1 The base currently supports eight C-130 and
2 ten KC-135 aircraft. Existing ramp space will allow
3 us to expand up to sixteen C-130s. Our strategic
4 location makes us an excellent resource in any
5 contingency. Including ramp space provided by the
6 Niagara Frontier Transportation Authority on the
7 south side of the field, the 914th Airlift Wing is
8 capable of supporting up to 57 aircraft and crews
9 and service six planes every hour with 40,000 pounds
10 of fuel.

11 This slide summarizes key economic factors
12 associated with the realignment or closure of the
13 six C-130 bases under consideration. The data is
14 taken from a run of the latest COBRA model dated May
15 26, 1995, and was provided by the Air Force to the
16 Commission. It reflects a four-year average of base
17 operating support costs. This new information shows
18 that the closing of the Niagara Falls Air Reserve
19 Base would generate one of the smallest savings to
20 the government. Five out of the six reserve C-130
21 bases support eight aircraft, so the operating costs
22 should be similar. But Niagara Falls, with the
23 highest reported support budget, has the lowest
24 mission budget. On the other hand, the base with

1 the lowest support budget has the highest mission
2 budget.

3 We raise the question whether some
4 support-related costs have been reported erroneously
5 as mission expenses. The Air National Guard would
6 be the host in the event of closure and realignment
7 of the 914th Airlift Wing. This action would cost
8 the Air Guard support budget \$2 million. The
9 additional cost borne by the federal government
10 would be in support of fire and crash rescue
11 services, security police, vehicle maintenance, and
12 POL services. As a result of the additional cost,
13 the savings to the government would decrease and the
14 return on investment would increase from one to two
15 years.

16 The Niagara Falls Air Reserve Station is an
17 integral part of the Niagara community. Its closure
18 would have a devastating impact on the area.
19 Western New York has suffered from a continuous
20 downslope in its industrial base. In Niagara County
21 alone, more than 11,000 manufacturing jobs have been
22 lost in just the last 12 years.

23 According to the chart on this slide, the
24 impact of the base closing would be twice as great

1 on Niagara's economy as it would be on our nearest
2 counterparts. In real world terms, that translates
3 to \$64.9 million per year. We are in the infancy of
4 an economic recovery, with a shift to service-based
5 employment. As the second largest payroll provider
6 in the county, removal of the Niagara Air Reserve
7 Station and its employee base would cripple recovery
8 efforts.

9 The Niagara Falls Air Reserve Station and
10 its personnel are closely tied to the community in
11 many different ways, from the fire service to the
12 DARE Program. There is daily interaction and a
13 cordial and cooperative attitude. Reservists and
14 civilian employees provide leadership in the
15 community. They are leaders in business and
16 industry, and they are involved in activities that
17 range from labor relations training to human
18 services programs. They are truly the embodiment of
19 a citizen soldier.

20 The primary recruiting area of the 914th
21 Airlift Wing is the entire western New York region.
22 The reservists we draw from the region share the
23 common characteristics of commitment,
24 professionalism and availability. We meet or exceed

1 manning levels with quality, dedicated and skilled
2 personnel. This is proven mission capable
3 performance.

4 75 percent of our members have less than a
5 50 mile commute to reserve duty. 93 percent are
6 within 75 miles. A relocation to the next closest
7 base would increase that commuting distance by a
8 factor of four to five, a distance of more than 200
9 miles, and would jeopardize the reservist's ability
10 to participate in a Reserve program.

11 As this map clearly illustrates, two pair
12 of the bases under review enjoy overlapping
13 commuting areas within a 50 mile radius. The
14 closure of any one of those four bases would have
15 significantly less impact on the reservist's
16 commuting distance.

17 Conversely, a reservist at a unit such as
18 Niagara would be severely affected. A commute from
19 the Niagara region to the next nearest reserve base
20 is lengthy and costly. Just imagine cost of travel
21 estimated at \$740 a year, with an 8- to 10-hour
22 commute, increased time away from home and family
23 and reduced opportunities to participate in reserve
24 activities. Commissioners, the bottom line is that

1 the 914th has great people. And the Reserve program
2 will lose its most valuable resource, the people of
3 western New York.

4 In summary, we trust that we have
5 demonstrated that Niagara Falls Air Reserve Station
6 is in fact the premier Air Force Reserve C-130 base
7 in the country. We have demonstrated that we are
8 both first in war and first in peace. The expertise
9 of our personnel in war and peacetime humanitarian
10 missions, combined with our key location in the
11 Northeast, makes the 914th Airlift Wing an essential
12 and irreplaceable asset.

13 The closure of the Niagara Falls Air
14 Reserve Station would disperse our tactical airlift
15 assets of combat proven resources. Our key location
16 in the Northeast makes us a strategically placed
17 airlift resource for war and peacetime missions.
18 However, as a unit that is not located near any
19 other, the closure of the 914th would eliminate the
20 continued involvement of most of our reservists in
21 this critical Reserve program. Most of the
22 reservists could no longer financially afford or
23 logistically accommodate their involvement.

24 We have demonstrated to you today that

1 Niagara Falls has one of the lowest operating costs,
2 superior military value, and experienced highly
3 skilled personnel. Given the 914th's exceptional
4 record of performance and its value to the Air Force
5 Reserve, its retention by the 1995 BRAC Commission
6 is fully justified.

7 Commissioners, this concludes our
8 briefing. We are proud of our people and our unit.
9 And I would extend a warm welcome for you and all,
10 Mr. Chairman, to visit us in Niagara Falls in the
11 future. Thank you very much.

12 CHAIRMAN DIXON: Thank you very much. We
13 appreciate all of your presence here today. Thank
14 you for coming, Governor and Congressman. I don't
15 see him for the moment, but good to see you.

16 Now, we will take a few moments. If
17 someone on our staff will advise the Pennsylvania
18 delegation, we'll start the public comment period in
19 just a few moments.

20 (Recess taken)

21 COMMISSIONER MONTOYA: I've got from
22 Letterkenny nine, and three from Niagara Falls. I
23 believe you're all there. I will try to memorize
24 your faces.

1 (Witnesses sworn)

2 COMMISSIONER MONTROYA: We will begin first
3 in the order that we heard testimony today. So we
4 will hear from Letterkenny, and we'll start with Mr.
5 David Goodman. There's a microphone down below that
6 will make it easier and quicker for all of us.
7 Thank you.

8 MR. GOODMAN: Chairman Montoya,
9 distinguished Commissioners. My name is David
10 Goodman. I am chief of the electronic shops
11 division of Letterkenny Army Depot. In 1990 I
12 participated in the joint services study of tactical
13 missile maintenance for the defense part of the
14 maintenance council which identified Letterkenny as
15 the only site which provided the necessary
16 infrastructure to accommodate tactical missile
17 maintenance.

18 The merits of this study were based on a
19 recognized and incorporated plan associated with the
20 business plan of 1991 for the consolidation of
21 tactical missiles.

22 In 1993 the Commission validated the need
23 for consolidation throughout the services and gave
24 renewed emphasis to the ongoing efforts at

1 Letterkenny. Letterkenny has successfully
2 transitioned 13 of 21 designated systems. This
3 effort has been timely. It's within budgetary
4 requirements. The current 1995 recommendation for
5 realignment will fragment, through consolidation, to
6 increase cost, delay the organic capability, and
7 substantially reduce the readiness due to the loss
8 of artisan-trained personnel. I caution you that
9 this recommendation could end all consolidation
10 efforts as the PEOs and PMS tire of the continual
11 costs and interruptions to their programs.

12 Letterkenny provides a unique opportunity
13 to the DOD community. One-stop shopping. It can
14 store, repair, overhaul, and test its current and
15 future workloads efficiently. The 1993 BRAC
16 Commission recognized the merit of consolidation
17 while in the planning phase. I ask you, the
18 Commissioners of the 1995 BRAC Commission, to
19 sustain your vote of confidence in Letterkenny, as
20 the plan has been executed on time and on cost. In
21 short, DOD residents --

22 COMMISSIONER MONTROYA: Thank you very much,
23 Mr. Goodman. Mr. Allan Juba.

24 MR. JUBA: Mr. Chairman, Commissioners,

1 thank you for the opportunity to address you this
2 afternoon. I am Allan Juba from Letterkenny Army
3 Depot. I am the program manager for Letterkenny's
4 Palladin Center for Technical Excellence. In my
5 capacity, I've been a member of the diverse team
6 responsible for the development of the Palladin
7 enterprise effort to produce the world-class
8 Palladin self-propelled Howitzer. The Palladin
9 enterprise is the premier Army teaming effort of
10 government and industry. It produces the best
11 possible Howitzer system for our fighting forces.

12 Letterkenny's expertise in the artillery
13 overhaul and production processes are responsible
14 for the quality of this system. I believe quality
15 is largely a function of skill and stability. Your
16 votes to keep Letterkenny open will help ensure that
17 this stability and these skills continue into the
18 21st century.

19 The instability of reversing the 1993 BRAC
20 decision to keep the artillery missions and to
21 consolidate the tactical missile missions at
22 Letterkenny will invoke great harm upon both
23 programs that will take years to repair. Please
24 consider carefully the information and analogies you

1 have heard and viewed during your visit to
2 Letterkenny this past Thursday, and those from
3 Representative Shuster today. Letterkenny is the
4 best place for the Army's artillery programs and the
5 tactical missile consolidation being implemented by
6 my colleague, Mr. Goodman. Thank you.

7 COMMISSIONER MONTTOYA: Thank you very much,
8 Mr. Juba.

9 Mr. Bill Stone.

10 MR. STONE: Mr. Chairman, distinguished
11 members. I work for a small minority, independently
12 owned engineering services and technical support
13 firm. Last July I retired from the United States
14 Air Force after 20 years of service. My background
15 is and has always been missiles, munitions, and a
16 sprinkling of aircraft maintenance.

17 The last six years of my Air Force career
18 was spent in a joint program office on a major
19 systems acquisition with the Navy executive
20 service. During my tenure in Washington, I spent
21 the majority of my time traveling the world
22 extensively, including Desert Storm. I've had many
23 official dealings with some of the bases you
24 currently have under review.

1 From my perspective, Letterkenny stood out
2 as a premier world-class unit. They have
3 demonstrated beyond a shadow of a doubt they're
4 capable of those attributes which cannot be moved,
5 transitioned or closed; qualities which are not
6 represented on all your charts and graphs,
7 characteristics such as pride, hard work and
8 tremendous innovation. I witnessed their
9 perserverance firsthand, and chose to align my
10 present pursuits at Letterkenny accordingly. Many
11 other high-tech firms have positioned themselves in
12 a similar manner.

13 The BRAC '93 decision was valid for a
14 multitude of reasons. The miracle of jointness and
15 consolidation has begun at Letterkenny. I firmly
16 believe that tactical missile consolidation will
17 never be realized if there's a BRAC '95 shift away
18 to another location.

19 As you are well aware, Army systems, by
20 their size, cannot easily be accommodated
21 elsewhere. Navy and Air Force missile systems will
22 request exclusion by their nature, with ample
23 justification for exemption, any further cost and
24 delays and other alterations which this

1 consolidation will undoubtedly require. My petition
2 is simple: Please allow the perceived plan at
3 Letterkenny to come to fruition. Don't chop off
4 this entity before benefit of your prior decisions
5 can be realized in whole, a new beginning that the
6 professionals at Letterkenny have earned and deserve
7 in the heartbreaking business world. Thank you for
8 your indulgence.

9 COMMISSIONER MONTOYA: Thank you, Mr.
10 Stone.

11 Mr. Robert Shively.

12 MR. SHIVELY: Chairman Montoya,
13 distinguished Commissioners. My name is Robert
14 Shively. I'm part of the Letterkenny Army Depot
15 team that is focused in consolidation interservicing
16 of tactical missiles and overhaul of the artillery
17 systems, along with conversion.

18 Letterkenny, often referred to as LEAD,
19 continues to implement the BRAC '93 decision
20 concurrent with BRAC '95 challenges: RIF
21 activities, hiring freezes, work limitations, and
22 resistance FROM those who oppose consolidation
23 interservicing decisions. Our customers are
24 satisfied with our performance. Some have added

1 additional related work and have agreed several
2 times on the processes, on schedule, within budget.

3 I do not know of another installation that
4 has received equal and repeated challenges with the
5 history of studies that clearly demonstrate LEAD is
6 the best solution. I ask for your positive
7 consideration in the continuance of both the
8 tactical missile and artillery mission, and put a
9 stop to the distractions that limit our ability to
10 refine even better decisions and actions redundant
11 to core.

12 LEAD has demonstrated its value to our
13 defense by employing civilian volunteers to various
14 parts of the world, missile technicians, artillery
15 mechanics, very skilled, to ensure that our soldiers
16 and equipment continue to perform on the
17 battlefield. Our close proximity to the defense of
18 Region E has often caused materiel to be routed
19 through Letterkenny prior to air deployment to
20 Dover, to make sure the equipment is ready to be
21 handed to the soldier and works on the first try.

22 The accomplished realignment of Letterkenny
23 Army Depot with implementation of the BRAC '93
24 decision clearly demonstrates that LEAD can realize

1 complete transition and performance in the servicing
2 of tactical missiles. The artillery mission shares
3 the same process and therefore reduces the cost to
4 all customers. Our customers insist on sending
5 Letterkenny work to LEAD. Your positive
6 consideration to retain that tactical missile and
7 artillery missions would lead to the kind of
8 customer relations built to last 50 years and will
9 continue to exist. Thank you.

10 COMMISSIONER MONTOYA: Thank you very
11 much. Mr. Gregory Boyle.

12 MR. BOYLE: Hi, my name is Greg Boyle, and
13 I'm the manager at Boyle Transportation. We are a
14 nationwide government freight carrier that's based
15 in the Boston area. A little bit about our company,
16 we've been shipping government freight for the past
17 25 years throughout the continental United States.

18 And what I'm here to do today is present
19 two reasons why our company feels that Letterkenny
20 Army Depot should be designated a Tier 1 depot. The
21 first reason is its strategic positioning.

22 Currently the two slated Tier 1 depots are located
23 in the adjoining states of Indiana and Kentucky.

24 Letterkenny is 300 miles closer than either of those

1 two depots to Dover Air Force Base, Norfolk Naval
2 Base and to Fort Drum also. And it is also hours
3 closer to the fighting institutions in North
4 Carolina.

5 Because of this proximity, our company has
6 been able to provide same day delivery service to
7 these shippers on shipments coming out of
8 Letterkenny. And during the recent deployments,
9 this service was very much in high demand.

10 The second reason that Boyle Transportation
11 believes Letterkenny should be designated a Tier 1
12 depot is because of the quality of its employees.
13 The Munitions Carriers Conference, which is a
14 conference of the American Trucking Association, in
15 1994 named Letterkenny Army Depot the outstanding
16 shipping activity for 1994. And this designation
17 was based upon its ease in handling large quantities
18 of shipments that were coming in and out of
19 Letterkenny.

20 At Boyle Transportation we have been
21 providing service to Letterkenny for the past 20
22 years, and we also deal with military installations
23 throughout the United States. And we -- okay.

24 COMMISSIONER MONTROYA: Thank you very much,

1 Mr. Boyle. Is this Mr. Meyers?

2 MR. MEYERS: Yes.

3 COMMISSIONER MONTROYA: You're an alternate,
4 but you've come a long way to speak, so we'll hear
5 from you.

6 MR. MEYERS: Thank you, sir. I work at
7 Letterkenny Ammunition Storage Area. I've been
8 there 17 years. I have a degree in electronic
9 technology as well as a degree in management and
10 supervision.

11 In the early 1960s, the Air Force decided
12 they wanted to store their missiles at Letterkenny
13 due to Letterkenny storage capabilities. Around the
14 mid '60s the Air Force decided that they wanted to
15 perform maintenance on the missiles where the
16 missiles were stored. Thus we began performing
17 maintenance on Air Force missiles at Letterkenny.
18 And since then we have tested and assembled and
19 deployed tens of thousands of tactical missiles for
20 the Air Force.

21 Since the consolidation of repair, we no
22 longer send field guidance sections to Hill Air
23 Force in Utah, or Alameda in California for repair.
24 They are repaired at Letterkenny Army Depot as

1 well. In 1960, consolidation made sense, and it
2 makes sense now. Thank you.

3 COMMISSIONER MONTTOYA: Thank you very much,
4 Mr. Meyers.

5 That concludes our speakers from
6 Letterkenny. And now we turn to the speakers on
7 behalf of Tobyhanna. We have as our first speaker a
8 former ambassador to the United Nations and former
9 Governor of Pennsylvania, the Hon. William
10 Scranton. Welcome, sir.

11 GOVERNOR SCRANTON: Thank you. I just want
12 to say one thing at the beginning, and that is that
13 I served on seven presidential commissions, and I
14 commend you for your patience and also for your
15 diligence.

16 Most of the employees of Tobyhanna, as some
17 of you know, come from the Pennsylvania counties
18 that for 60 years was one of the most remarkable
19 prosperous places on earth when anthracite was
20 coal. Coal was king. And we had huge immigrations
21 of 42 European heritages, and the people who came
22 were seeking freedom and opportunity in America, and
23 they got it. Then came America's deepest
24 depression, and the impact of the oil and the

1 natural gas on the anthracite combined to create an
2 almost total collapse. Terrible human suffering,
3 saved only when everybody went to war. And they all
4 did.

5 After the war thousands returned, to what?
6 The coal mining was dead. There were no jobs. We
7 had the highest unemployment rate in the nation.
8 Our population decreased 30 percent in less than a
9 decade. And Adlai Stevenson came and commented, "My
10 God, what could anybody do for the poor devils stuck
11 in a graveyard like this?"

12 Well, the poor devils didn't give up. And
13 they started a long, hard 50-year pull that brought
14 jobs and industry to our area by our own
15 bootstraps. And during that time Tobyhanna became
16 born. And the men and women of Tobyhanna are
17 descendants that have been imbued with an
18 outstanding work ethic and a deep patriotism which
19 they inherited from their immigrant ancestors, and
20 their experience with very hard times in our area.
21 And they appreciate their jobs, and they demonstrate
22 that in the higher productivity, the higher quality
23 production, and indeed the lowest turnover. All the
24 qualities that have made Tobyhanna number one come

1 from them.

2 And so what happens if you close it? 3,600
3 people will be seeking unemployment compensation.
4 The unemployment rates will go from 8 to 14
5 percent. Our area will again become a leech on the
6 America that we love so much. The Army will lose
7 its best depot. The region will lose its biggest
8 employer. So I say to you in one sentence just
9 this: Keep the best for the employees who made it
10 the best. Keep the best for the region that needs
11 it the most. Keep the best for the Army that wants
12 it. And keep the best for America, which deserves
13 only the best.

14 (Applause)

15 COMMISSIONER MONTROYA: Thank you very much,
16 Governor. Next we have the mayor, Mr. James P.
17 Connors.

18 MAYOR CONNORS: That's a tough act to
19 follow. I'll do my best.

20 Mr. Chairman and Commissioners, it's my
21 understanding that one reason the BRAC Commission
22 was created was to remove politics from these very
23 important decisions concerning the security of our
24 people. All we are asking is that you do what is

1 best for this nation. You are men and women of
2 great integrity, and I have confidence that you will
3 carry out this grave responsibility to the very best
4 of your abilities. Tobyhanna has been deemed the
5 best installation of its kind in the United States
6 of America. BRAC commissions in '88, '91, '93, and
7 '95 have ranked Tobyhanna number one in military
8 value to our nation.

9 Coopers & Lybrand singularly commended
10 Tobyhanna for its sound business practices. Major
11 General Klugh said, "Tobyhanna is the most cost
12 effective and efficient depot in the Department of
13 Defense." For generations the people of
14 Northeastern Pennsylvania worked hard in our coal
15 mines, on the railroads, and in the factories. We
16 paid our taxes and never asked for much back from
17 our government.

18 The mines closed. The railroads and the
19 factories shut down. And our area experienced a
20 depression that lasted 50 years and saw families
21 broken up and dispersed throughout this nation.
22 Scranton's population plummeted from a population of
23 140,000 to 80,000. But we survived. We didn't give
24 up. We worked hard. Our children have come home,

1 and we have built a vibrant economy. We have
2 produced for the people of this nation.

3 Please do not send us back into a
4 tailspin. Please do not put us out of work again.
5 We are asking you to reward our efficiency, our
6 excellence, our hard work and our service to the
7 nation. Please. The decision is easy. Tobyhanna
8 is ranked number one in military value to our
9 nation. Please, for the sake of the people of this
10 nation, keep Tobyhanna open.

11 (Applause)

12 COMMISSIONER MONTTOYA: Thank you very much,
13 Mayor. Our next speaker is Ms. Janet Weidensaul.

14 MS. WEIDENSAUL: The mayor suggested it was
15 a tough act to follow the Governor. How do you
16 think I feel as a commissioner following the
17 Governor and the mayor?

18 Mr. Chairman and members of the Commission,
19 thank you for giving us the opportunity to be
20 heard. I speak as Chairman of Monroe County Board
21 of Commissioners. Monroe County is home for
22 Tobyhanna Army Depot. Tobyhanna's role as our good
23 neighbor is not all visible from military ground
24 scores or data sheets. High quality, caring people

1 comprise the engine that drives output at
2 Tobyhanna. I can personally attest to the
3 conscientious and enthusiastic support that has made
4 an indelible record in our region. Volunteerism
5 above and beyond all norms.

6 These civic-minded citizen soldiers have
7 endangered themselves to save human lives during
8 disasters that struck our community. During major
9 hurricanes they flew 794 missions. With 50 bridges
10 washed away they airlifted tons of supplies, serum
11 and first aid. After a record blizzard isolating
12 dozens of our communities, Tobyhanna mobilized over
13 100 mercy flights, dropping food to those stranded.
14 The Agnes flood brought another rescue effort by
15 personnel at Tobyhanna.

16 On their own time, Tobyhanna personnel
17 helped develop county-wide recycling and solid waste
18 management programs. There is no limit to Tobyhanna
19 personnel contributions. They are giving people.
20 Their generous contributions are critical to humane
21 purposes and are too lengthy to detail. The
22 groundswell of support you saw on Thursday,
23 supporting Tobyhanna, is a clear indicator of public
24 acknowledgment for this small army of notable

1 workers whose life ethic goes beyond the workplace,
2 into our surrounding environment. A combination of
3 professional skills with the highest level of human
4 responsibility and concern for others makes them the
5 best neighbor.

6 Tobyhanna employees truly excel, not only
7 in producing quality electronics, but by aiding
8 fellow humans in distress. Who benefits? All
9 Americans.

10 COMMISSIONER MONTROYA: Thank you very
11 much.

12 Mr. Chester Bogart.

13 MR. BOGART: Good morning. My name is
14 Chester Bogart. This is my mother. It gives me
15 great pleasure to represent the 400 employees at
16 Tobyhanna who has a handicap. We are honored to
17 work at Tobyhanna, because we cannot serve in our
18 armed forces. Tobyhanna lets us serve our country
19 through the work we perform. Tobyhanna gives us
20 great pleasure to work for a great country.

21 Tobyhanna has a great program called
22 Operation Santa Claus. We reach out to the
23 communities, and we help others with other
24 handicaps. It makes us feel good through knowing we

1 can help. Please do not take that away from us.

2 Thank you very much.

3 COMMISSIONER MONTOYA: Thank you very
4 much.

5 (Applause)

6 COMMISSIONER MONTOYA: Ms. Janet Wright.

7 MS. WRIGHT: Good afternoon, Mr. Chairman
8 and members of the BRAC Commission. I would like to
9 take this opportunity to thank you for allowing me
10 to speak.

11 Yes, my name is Janet Wright. And I work
12 for the Defense Distribution Depot located at the
13 Tobyhanna Army Depot. I have been employed for nine
14 years. And I am a single mother raising three sons,
15 two of which are adopted. I don't think I have to
16 tell you how hard it is to raise a family in this
17 day and time. And I know I don't have to tell you
18 how hard it is for an unemployed single mother to
19 raise a family.

20 I strive to give my children a decent life
21 and a good education, with hopes that one day they
22 will be able to provide their families with even
23 more. This dream will fade away if Tobyhanna Army
24 Depot and Defense Distribution Depot were to close.

1 It would be extremely hard and difficult for me to
2 find an equal paying job, when my age, sex and race
3 all play against me. How would I pay for child
4 services which I would need if I were unemployed?
5 It is tough enough now to make ends meet.

6 The Commonwealth of Pennsylvania has taken
7 more than its share of BRAC cuts in the past. And
8 if Tobyhanna were to close, it would have a
9 devastating effect on northeast Pennsylvania. I
10 hope that you don't misunderstand my plea, or feel
11 I'm one-sided and selfish. I'm concerned for the
12 whole entire depot and the economic impact that the
13 entire region would have. It makes no sense to me
14 to close the best. What the Commission should do is
15 strengthen Tobyhanna Army Depot and continue to keep
16 the best. Thank you.

17 (Applause)

18 COMMISSIONER MONTOYA: This is your family,
19 Mr. Lampton?

20 MR. LAMPTON: Yes. This is my wife Ellen
21 and my son Neal.

22 COMMISSIONER MONTOYA: Nice to meet you.
23 Nice to have you here.

24 MR. LAMPTON: We were at Lexington when

1 BRAC '88 decided to close that facility, and made
2 the decisions to move my COMSEC mission to the
3 number one depot in the Army, Tobyhanna. We think
4 that was a good decision. For the \$128 million
5 building designed specifically to support my unique
6 mission, and the tremendous support I get from the
7 rest of the depot, we've become much more efficient
8 and responsive to the military's needs. In fact, a
9 recent study conducted by members of all the
10 services and NSA recommended that the DOD
11 cryptographic key mission be consolidated right
12 there in that new facility.

13 At the time of the transfer, my wife and I
14 spent 25 years in Lexington establishing roots and
15 raising our family. So you can imagine the decision
16 was pretty tough for us to make that move. But we
17 decided to make that tough decision because we, as
18 taxpayers and citizens, thought that it was the best
19 thing for the country, to reduce the excess capacity
20 and increase efficiency.

21 More importantly, they were moving us to
22 the best managed, most efficient, and number one
23 rated depot in the Army, and we felt that there was
24 some stability associated with that. Personally, it

1 did take financial and also emotional stress. It
2 has taken us two years to finally feel comfortable
3 in the Poconos, call that our home, and become
4 involved in our community and our church again.

5 So in closing, let me just say that we're
6 not asking for any preferential treatment. All we
7 ask is that you take the politics out of the
8 decision-making process, review the facts, and make
9 the right decision to keep the best. Tobyhanna.

10 Thank you.

11 (Applause)

12 COMMISSIONER MONTOYA: All right. Our last
13 speaker for Tobyhanna is Mr. Austin Burke.

14 MR. BURKE: Yes, sir, Mr. Chairman, thank
15 you. Mr. Chairman, members of the Commission,
16 people of northeastern Pennsylvania have achieved a
17 remarkable economic comeback. Since World War II
18 when our major industry collapsed, we have dedicated
19 our community to the creation of quality jobs. We
20 bought a surplus bomber wing plant and converted it
21 to civilian production. We created business parks
22 for new industry. We improved our communities,
23 adding heritage parks, ski areas, and a stadium.

24 We funded educational programs to provide

1 the skills demanded by the jobs of tomorrow. We're
2 succeeding. Today our diverse economy includes
3 information industries, tourism, and advanced
4 technology operations, epitomized by Tobyhanna Army
5 Depot's excellence in electronics.

6 We're succeeding because our people retain
7 the core qualities that made the American experiment
8 successful. We're patriotic. We have always
9 answered the call. We're caring. The United Way
10 ranks us as among the most generous in America. And
11 we work hard. Employers here enjoy those worker
12 qualities that make Tobyhanna the finest depot in
13 the system. We get the job done. We apply new
14 knowledge. We advance the technologies. We strive
15 to achieve what we have at Tobyhanna. The absolute
16 best.

17 Shutting down Tobyhanna would negate our
18 core beliefs, dismissing the most productive workers
19 in the system would mock our work ethic. Closing
20 the depot ranked first in military value would belie
21 the objectivity we expect from the BRAC process.
22 Our economic renewal is already weakened by defense
23 industry cutbacks. Closing Tobyhanna would cause a
24 loss of jobs and a loss of faith that would undo 50

1 years of building our community.

2 For our people, these wonderful people at
3 Tobyhanna, and for our nation's defense, keep the
4 best, keep Tobyhanna Army Depot. Thank you very
5 much.

6 COMMISSIONER MONTOYA: Thank you very
7 much.

8 We now have two speakers for New York. If
9 you will all please kindly in deference to them hold
10 your places. Mr. Sean O'Connor.

11 MR. O'CONNOR: Mr. Chairman, commissioners
12 and staff, good afternoon. My name is Sean
13 O'Connor, and I am the chairman of the Niagara
14 County Legislature, the county in which the Niagara
15 Falls Air Reserve Station is located.

16 On behalf of the entire county legislature
17 and the western New York community, I am here today
18 to show our support for the retention of the Niagara
19 Falls Air Reserve Station. The 914th Airlift Wing
20 in our western New York community have developed a
21 longstanding and mutual beneficial relationship.
22 They serve a vital role in our community, being
23 fundamentally involved in areas such as total
24 quality management, and home to our Niagara Quality

1 Council.

2 They are a major team player and
3 participant in our county-wide mutual aid fire and
4 response program, as well as being a big part of our
5 HADMED plan and their programs. The 914th also
6 provides an array of services that benefit our
7 overall airport operation and economics at our
8 Niagara Falls International Airport. Services that
9 include, but are not limited to, the airport fire
10 safety and rescue manpower and equipment, as well as
11 various air field maintenance tasks, such as snow
12 plowing of the main runway.

13 Niagara Falls Air Reserve Station plays a
14 vital role in our regional economy. The direct
15 impact of the 914th Wing alone has been estimated at
16 upwards of \$55 million annually. The base is the
17 second largest employer of Niagara County. Of all
18 the C-130 stations under review, it has been shown
19 that the closure of the Niagara Falls Air Reserve
20 Station would have the greatest and most harmful
21 effect on our local community. The economic impact
22 to our region would be devastating.

23 Yes, the air base does get give back to the
24 community over and over again with jobs, community

1 participation, ripple effects on the economy. In
2 return, the county also supports the base, due to
3 the standing kinship that we have developed between
4 us. Together we have taken the team approach in
5 addressing many of our shared local issues. Our men
6 and women in the reserve unit give back to the
7 United States and to the world security and world
8 peace.

9 COMMISSIONER MONTOYA: Thank you very
10 much.

11 (Applause)

12 COMMISSIONER MONTOYA: And Ms. Sandra
13 Sibley?

14 MS. SIBLEY: That is correct.

15 Chairman Montoya, Commissioners Cox and
16 Cornella, thank you for allowing me to have the
17 opportunity to have the last word. I'd like to
18 share some of my thoughts about Niagara Falls Air
19 Reserve Station and the 914th Airlift Wing. I am a
20 Niagara County Legislator, like Mr. O'Connor. I've
21 lived in western New York for 18 years, and I call
22 myself a naturalized New Yorker, because I actually
23 grew up south of Boston here. So I'm home -- my
24 original home -- today.

1 Western New York is known for its natural
2 beauty, and its people are warm, caring, hard
3 working, patriotic and proud of who they are and
4 where they live. We are family. And the people of
5 the Niagara Falls Air Reserve Station are important
6 members of that family. Our presentation earlier
7 was full of facts and figures about military value,
8 operating cost, and economic impact, all easy to
9 quantify.

10 But I submit to you today that our military
11 value, which is considerable, and our operating
12 costs, which are low, and the other quantifiable
13 components of the Niagara Falls Air Reserve Base and
14 the 914th, happen because of its people. They make
15 it happen. They are skilled, patriotic, hard
16 working and dedicated to our country and their lives
17 in western New York. We in Niagara are all proud of
18 our base. We want to keep it. We are fierce in our
19 support of it.

20 So I ask you today, as you tally up the
21 hard data and make your deliberations, that you also
22 consider the very tangible issue of the people of
23 western New York and their contributions to the
24 success and value of the Niagara Falls Air Reserve

1 Station. We, the people, ask you to keep our base
2 open.

3 Thank you.

4 (Applause)

5 COMMISSIONER MONTROYA: Thank you very
6 much.

7 This concludes our day. And you've all
8 heard how difficult a task that we have. But I want
9 to leave you with one thought on behalf of myself
10 and the commissioners: That this experience has
11 enriched our lives greatly. And we've met so many,
12 many fine citizens such as you, and you demonstrate
13 your patriotism and love for your country. And we
14 thank you for that. Thank you for coming.

15 I also wish to thank all the other
16 officials and community members who assisted us in
17 our base visits in preparation for the hearing;
18 particularly Senator Kennedy and his staff for their
19 assistance in providing us this wonderful building.
20 Our thanks to the Kennedys and their staff.

21 (Whereupon, the proceedings were
22 adjourned at 1:35 p.m.)

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C E R T I F I C A T E

I, Robin Gross, Registered Professional Reporter, do hereby certify that the foregoing transcript, Volume I, is a true and accurate transcription of my stenographic notes taken on June 3, 1995.



Robin Gross

Registered Professional Reporter

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