

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

MAY 25, 1995

TAKEN AT TREASURE ISLAND

COMMISSIONERS

COMMISSIONER BENJAMIN MONTOYA, CHAIRPERSON

COMMISSIONER LEE KLING

COMMISSIONER WENDI STEELE

COMMISSIONER REBECCA COX

COMMISSIONER AL CORNELLA

LUSK & SNYDER
690 MARKET STREET, SUITE 315
SAN FRANCISCO, CALIFORNIA 94104
(415)362-5991/FAX (415)3632-6198

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

MAY 25, 1995

taken at: TREASURE ISLAND, 9:00 A.M.

I N D E X

CALIFORNIA, MORNING SESSION.....1-118
CALIFORNIA, AFTERNOON SESSION.....119-154
PUBLIC COMMENT, CALIFORNIA.....155-164
(No pages missing; next section starts page 200)
UTAH.....200-237
(No pages missing; next section starts page 300)
GUAM.....300-316
PUBLIC COMMENT, UTAH AND GUAM.....317-328

**CALIFORNIA
MORNING SESSION**

PAGES 1 - 118

1 THURSDAY, MAY 25, 1995

9:00 O'CLOCK A.M.

2
3 COMMISSIONER MONTOYA: Good morning ladies and
4 gentlemen.

5 THE AUDIENCE: Good morning.

6 COMMISSIONER MONTOYA: And we wish to welcome you to
7 this Regional Hearing of the Defense Base Closure Realignment
8 Commission.

9 My name is Benjamin Montoya, and I am a member of the
10 Commission charged with the task of evaluating the recommendations
11 of the Secretary of Defense regarding the closure and realignment
12 of the military installations in the United States. Also here with
13 us today are our Commissioners, Wendi Steele on the far left, Al
14 Cornella, Mr. Lee Kling, and joining us in about 30 minutes or so
15 will be Rebecca Cox, who will be sitting to my right.

16 The Commission is also authorized by law to add bases
17 to the Secretary's list for review and possible realignment or
18 closure.

19 On May 10th, as all of you know, we voted to add 35
20 bases to the list. Today we will hear from some of those newly-
21 affected communities.

22 First, let me thank all of the military and civilian
23 personnel who have assisted us during our visits to many bases
24 represented at this hearing. We have spent several days looking at
25 the installations we added to the list on May 10th for review, and
26 asking questions that will help us make our decisions. The

1 cooperation we received has been exemplary. We want to thank all
2 of you very much.

3 The main purpose of the visits we have conducted is
4 to allow us to see the installations firsthand and address the
5 military personnel with the all important question in the military
6 value of the base.

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

15 Let me assure you that all of our Commissioners and
16 staff are well aware of the huge implications of base closure on
17 local communities. We are committed to openness in this process,
18 and we are committed to fairness. All of the material we gather,
19 and all of the information we get from the Department of Defense,
20 all of our correspondence, is open to the public.

21 We are faced with an unpleasant and painful task,
22 which we intend to carry out sensitively, as sensitively as we can.
23 Again, the kind of assistance we received is greatly appreciated.

24 Let me tell you how we will proceed here today. It
25 is in the same format we have followed in our previous hearings.
26 The Commission has assigned a block of time to each state affected

1 | by the base closure list. The overall amount of time was
2 | determined by the number of installations on the list and amount of
3 | potential job loss. The time limits will be enforced strictly. We
4 | notified the appropriate elected officials of this procedure. We
5 | left it up to them, working with the local communities, on how to
6 | fill the block of time.

7 | This morning we will hear testimony from the State of
8 | California for 200 minutes. At 12:35 there will be a one-hour
9 | lunch break, and California will resume for another 60 minutes. At
10 | 2:40 p.m. there will begin 34 minutes of public comment regarding
11 | California bases. The results for this part of the hearing have
12 | been clearly outlined and all persons wishing to speak should have
13 | signed up by now. After the public comment, at about 3:20 p.m., we
14 | will hear a 75-minute presentation from Utah, and then a 25 minutes
15 | presentation from Quam. Public comment from Utah and Quam will
16 | follow for 24 minutes, and the hearing should conclude at about
17 | 5:30 p.m.

18 | Let me also say that the Base Closure Law has been
19 | amended since 1993 to require that anyone giving testimony before
20 | the Commission do so under oath, and so I will be swearing in
21 | witnesses, and that will include individuals who will speak in the
22 | public comment portion of the hearing.

23 | With that, I believe we are ready to begin.

24 | Mr. Grissom, good morning. Mr. Chandler, good
25 | morning. Would you please rise and raise your right hands so I can
26 | swear you in.

1 (Whereupon, Messrs, Grissom and Chandler
2 were sworn or affirmed to tell the truth.)

3 COMMISSIONER MONTOYA: Very well. Proceed.

4 MR. GRISSOM: Good morning, Mr. Chairman and
5 members of the Commission. Welcome back to California.

6 I am sorry the Governor is recovering from throat
7 surgery which prevents him from joining us. He is convinced that
8 the six-week period of post-silence is not the result of a contract
9 with America. That is doctor-signed. But I will assure you there
10 are members of the senior staff that sometimes wonder.

11 I am also sorry that the reason for your return visit
12 is the addition of California installations to the list being
13 considered for potential closure or realignment. I certainly hope
14 that, as a result of the hearing and your visits, you will fully
15 comprehend the military value of these assets and the essential
16 role they perform in protecting the vital interest of our country,
17 particularly in the Pacific.

18 Of additional importance to us is, in essence, that
19 you consider that if you approve the closure recommendations for
20 all of the California installations under consideration in the 1995
21 round, that the job loss, including the multi-employer affect in
22 California will range between 49,000 and 61,000, and the economic
23 impact on California will range between seven and a half million to
24 about nine and a half million dollars per year.

25 On remarks to you on April 28th, I quoted the
26 Stanford University economist that stated: Except for reunified

1 Germany, no place west of the former Iron Curtain has been as
2 affected by the end of the Cold War as California. Seventy percent
3 of the military and civilian jobs eliminated nationwide in the
4 1988, '91 and '93 rounds occurred in California. Things,
5 unfortunately, didn't improve with the passage of time. In the
6 1993 round of BRAC, 87 percent of the jobs eliminated nationwide
7 occurred in California.

8 We have repeatedly been told that the only measure of
9 economic impact you will consider is the affect of any one closure
10 on the applicable metropolitan statistical area. But MSA's are
11 only a statistical artifact used for economic analysis and
12 planning. It is not a jurisdictional authority. It is not a legal
13 entity such as a city or county, which must deal with the aftermath
14 of such impact. It does not always reflect true economic impact on
15 specific communities.

16 I would ask that you keep in mind, before dismissing
17 the concerns related to specific economic impact, that you will --
18 and that you will, where appropriate, look beyond the MSA to the
19 city and the county, and certainly to the state; that as a result
20 of your decision to add eight major installations to the list for
21 potential closure and realignment in California, you will hear
22 testimony from those communities impacted by that decision.

23 I know you are visiting each of these installations
24 to evaluate, firsthand, the merits of their case. But to set the
25 stage for the -- to set the stage for the community presentation, I
26 want to highlight some points that strike me as being particularly

1 | worthy of your special consideration, and lend themselves to the
2 | ultimate retention of these installations.

3 | The addition of McClellan Air Force Base was not a
4 | total surprise, but the addition of the only air force depot was a
5 | total disappointment.

6 | At the last hearing we encouraged you not to abandon
7 | the focus under interservicing that had been established by the
8 | 1993 BRAC Commission. Unfortunately, for whatever reason, you seem
9 | to have moved away from that consideration. It is not too late to
10 | achieve this worthy goal, and McClellan would certainly be a very
11 | appropriate site for interservicing.

12 | As Congressman Fazio told you, on April 28th,
13 | McClellan has been a pioneer in moving, not only to interservices
14 | work producing far more corps workload for other services than any
15 | of the other ALC's, but also drawing in private industry and
16 | non-DOD customers.

17 | Its joint ventures with the big three automakers,
18 | with the University of California Medical School at Davis, and with
19 | the California Department of Transportation, attest to McClellan's
20 | position.

21 | It, in essence, is directing its efforts towards the
22 | outcome we all hoped to see achieved with the interservicing and,
23 | in fact, has broken new ground in the creative partnerships it has
24 | established. It's profit/loss margin continues to be the best of
25 | all five ALC's, and its composite rates are the second lowest in
26 | the command for 1995. Such efforts deserve your support, and I

1 encourage you to retain McClellan and maximize its efficiency
2 through interservicing its workloads.

3 Point Mugu's addition to the add-on list simply did
4 not make any sense to us. Its military value has clearly been
5 validated. To quote the Navy's Deputy Assistant Secretary, Charles
6 DeVacus, Point Mugu is a national asset. The Governor certainly
7 agrees.

8 Its present configuration is critical to the
9 efficiency of the Navy's West Coast RT&E efforts. I am very
10 concerned about a proposed BRAC realignment scenario. I firmly
11 believe the proposed realignment to China Lake will increase the
12 cost to West Coast range customers. Ultimately the customers will
13 be required to go elsewhere. For this reason, I strongly oppose
14 the proposed BRAC action, and join in the Navy in recommending you
15 remove Point Mugu from the list.

16 Oakland Army Base, by virtue of its geographic
17 location and capabilities, is of critical strategic importance to
18 the Naval defense of the United States. There are only three
19 military common use ports on the West Coast. Oakland is the
20 largest and most capable of these, and the only one facility owned
21 by DOD.

22 With its immediate availability and geographic
23 location, it is of critical military value.

24 The Naval Welfare Assessment Division in Corona,
25 California, touches at the very heart of U.S. military
26 preparedness.

1 For over 25 years it has been the singular group
2 analyzing the effectiveness of weapons systems and tactics at every
3 stage of their development. The remarkable efficiencies by NWAD,
4 they have saved Americans' lives and they have saved Americans'
5 money. Put bluntly, remove NWAD and you run the risk of losing it.
6 The group capability rests in the experience and the instincts and
7 the intuition and the technical knowledge of its civilian staff,
8 particularly its senior staff, many of whom are singularly national
9 treasures.

10 Remove NWAD and a large percentage have indicated
11 they will retire or certainly consider changing careers. In an
12 occupation where junior analysts don't become effective for many
13 years, how do you replace a person that carries around in their
14 mind the diagnosis of flaws that occur in the history of a major
15 missile system.

16 Apart from the \$300 million which closing NWAD would
17 have on the Riverside, San Bernardino communities, which is also
18 facing a loss of billions of dollars because of previous closures.
19 Closing this facility could be a national --

20 Thank you, every single one of you for giving so
21 unselfishly of your time in this effort, and thank you for
22 participating in the visits. You went to some places that tourists
23 find out about in travel brochures, and a couple of places that
24 even travel guides have yet to discover. But by doing so, you met
25 some of the finest people that, absolutely finest people in our
26 state, and you saw, you saw up close the real strengths of our

1 nation. We are confident that, upon hearing today's presentations,
2 you will be convinced, as we certainly are, that adding these
3 installation to the list was not warranted, and closing them would
4 substantially reduce our naval defense structure.

5 Thank you very much.

6 COMMISSIONER MONTOYA: Thank you, Mr. Grissom.

7
8 MR. CHANDLER: Good morning. My name is Bill
9 Chandler. I am State Director for Senator Diane Feinstein. Please
10 allow me to read some of, line and text, of her remarks that have
11 been submitted to you.

12 Mr. Chairman and members of the Commission. Thank
13 you for this opportunity to testify about the enormous impact of
14 military base closures on our state.

15 California has been pummelled in round after round of
16 base closures. Twenty-two major bases have already been slated for
17 closure in California since 1988, more than double any other state.
18 These closures alone will affect more than 200,000 direct and
19 indirect jobs, and \$7 billion in annual economic activity
20 throughout California.

21 In the current round of base closure recommendations,
22 31,000 additional direct and indirect jobs are at risk by the
23 closure or realignment of several bases, including Long Beach Naval
24 Shipyard, Onizuka Air Station, Sierra Army Depot, and Fort Hunter
25 Liggett.

26 The addition of several more major bases by the

1 Commission will only make matters worse, potentially impacting more
2 than 20,000 additional jobs.

3 I am here to say "Enough is enough." Spare
4 California bases and spare California communities.

5 While the community presentations will go into more
6 detail, I want to touch on issues impacting some of the bases.

7 McClellan Air Force Base, simply put, should remain
8 open.

9 (Audience clapping.)

10 And today, our office is receiving, just now, a
11 letter in from Air Force Chief of Staff General Mormon -- we will
12 get that letter to you. It will be informative.

13 Consider these facts about McClellan:

14 It is the largest industrial employer in Northern
15 California, with 13,500 employees. Its \$500 million payroll
16 provides a huge economic boost for the region and the local
17 economic impact is \$1.5 billion annually.

18 McClellan has the only industrial nuclear reactor in
19 the Department of Defense. There is no other reactor in the United
20 States capable of generating NID silicon -- which is a strategic
21 material used in our Advanced Weapons System. Without this
22 reactor, there would be no domestic supplies.

23 The reactor is the only facility that allows full
24 scale, non-destructive inspection of fighter-sized aircraft. The
25 cost to move or replace the reactor are not included in the COBRA
26 cost estimates, which we believe was a mistake.

1 McClellan is the only air force depot with a deep
2 water port.

3 McClellan has the only Special Access Required
4 Organic Repair Facility in DOD to create composite materials.

5 McClellan's per-unit labor cost is cheaper than any
6 other air logistics center.

7 McClellan's Advanced Electronics Technology Center
8 saves the Air Force money.

9 McClellan is responsible for 95 percent of the
10 hydraulic repair work in the Air Force, and it is responsible for
11 98 percent of the generator repair work.

12 The Sacramento community has already experienced
13 closure of two major military facilities, Mather Air Force Base and
14 the Sacramento Army Depot, and the loss of 67,000 direct jobs as a
15 result.

16 The Sacramento community was willing to do its share
17 as part of the military downsizing.

18 Closing McClellan, however, is something that the
19 Sacramento community and I will fight every step of the way.

20 (Audience clapping.)

21 It would cost more than \$2.7 billion to replace the
22 McClellan facility. More than 500 sites on McClellan are being
23 investigated for potential contamination. That represents 80
24 percent of the entire base. Total cleanup cost, \$1.4 billion to
25 \$2 billion.

26 The Secretary of Defense did not recommend McClellan

1 for closure, and I urge the Commission to support the Secretary's
2 recommendation to keep McClellan open.

3 (Audience clapping.)

4 Now to Point Mugu.

5 Point Mugu is a national asset.

6 We were sent a letter from the Chief of Naval
7 Operations, Admiral Boorda, who expressed his strong support for
8 Point Mugu.

9 Let me read two sentences from his letter.

10 Point Mugu is not only a critical asset for the
11 Department of Navy, but a national asset as well. National
12 security is best served by preserving the full range of operational
13 and technical capabilities of Point Mugu.

14 The DOD Inspector General report used by the
15 Commission to add Point Mugu to the base closure list, contains
16 inaccurate data, was conducted outside of the additional BRAC
17 process, and flawed in its limited scope. The Navy is highly
18 critical of the report and obviously the Assistant Secretary of the
19 Navy states that the report contains inaccuracies and technical,
20 financial, and management analysis due to incorrect assumptions and
21 incomplete data. Neither the Secretary of the Navy nor the
22 Secretary of Defense recommended that Point Mugu be closed or
23 realigned.

24 I urge the Commission to support the judgment of our
25 civilian and military leaders and keep Point Mugu open.

26 (Audience clapping.)

1 The Oakland Army Base's mission is to support the
2 rapid deployment of military equipment and other large cargo in
3 times of peace and war on the West Coast. The Oakland Army Base is
4 crucial to U.S. national security requirements.

5 Let me quote from a recent letter from the Army in
6 support of keeping the Army base open.

7 It is the consensus of the Army's senior leadership,
8 as well as military traffic management command, there is a
9 significant risk associated with closing the Oakland Army Base.
10 The availability of commercial ports is insufficient to meet
11 contingency demands. Closing of the Army's only West Coast port
12 would cause an unacceptable delay of approximately 17 days in
13 shipping equipment for a mechanized infantry division responding to
14 a major regional contingency in the Pacific region.

15 I personally spoke with General Sullivan, the Army's
16 Chief of Staff, who strongly opposes the closure of the Army Base.
17 In a recent letter to me General Sullivan wrote that: Its loss
18 represents an unacceptable risk. Oakland is essential for the
19 development of our CONUS based forces to respond to any national
20 security threats which would emerge in the Pacific. The Army needs
21 this critical facility to support the rapid deployment of equipment
22 during peace and war.

23 As an aside, a copy of the letter is attached to the
24 statement.

25 Due to the limited amount of time, I would just like
26 to give my support to several other Naval bases in California: The

1 Naval Warfare Assessment Division, Corona, the Fleet and Industrial
2 Supply Center, Oakland, the Naval Facilities Engineering Command,
3 San Bruno.

4 The installations should remain open for both
5 military and economic reasons.

6 In conclusion, Mr. Chairman, California has been hit
7 disproportionately hard by military base closures.

8 In addition to the military and fiscal arguments in
9 support of California bases, I urge the Commission to carefully
10 consider and weigh the devastating economic impact, including the
11 cumulative economic impact of base closures on California.

12 Thank you very much.

13 (Audience clapping.)

14 COMMISSIONER MONTOYA: Ms. Merrill, before you
15 start, I would like to have you raise your right hand so I can
16 swear you in.

17 (Witness sworn.)

18 MS. MERRILL: My name is Katy Merrill. I am a
19 staff member representing Senator Barbara Boxer, who, as you all
20 know, is back in Washington. This is her statement to the Regional
21 Hearing referring to the base closure.

22 Mr. Chairman and members of the Base Realignment and
23 Closure Commission. I thank you for giving me the opportunity to
24 speak at the Regional Hearing. I regret not being present due to
25 the Senate's reconvening and I am unable to attend this hearing in
26 person.

1 At the March 29th San Francisco Regional Hearing, I
2 discussed, at length, the California bases recommended for closure
3 or realignment by the Secretary of Defense. Since that time, the
4 Commission has added a number of California installations for
5 consideration for closure or realignment. I am deeply disappointed
6 by the Commission's decision to add additional California bases to
7 the closure list.

8 As I have stated, on numerous occasions, California
9 has bourn more than its share of base closures. After 22 major
10 base closures and realignments, I must say simply, enough is
11 enough.

12 In the remainder of my statement, I would like to
13 address the merits of each major base added by the Commission for
14 closure or realignment.

15 McClellan Air Force Base is a unique national asset.
16 This should not only be preserved but fully utilized.

17 (Audience clapping.)

18 For that reason, I support the Department of
19 Defense's recommendation, and urge the Commission not to close the
20 McClellan Air Force Base. The Department's recommendation
21 recognizes the high technology capability that McClellan has
22 developed in recent years. DOD recommendation supported by the
23 analysis of the joint cross-service group, and the Air Force,
24 support the contention that McClellan is the preeminent high tech
25 depot within the entire department.

26 McClellan is a depot for the future. It has embraced

1 cross-servicing, as evidenced by the high ranking industry in the
2 joint cross-services group. Had cross-servicing analysis been more
3 widely used by the Department, I am confident it would have
4 directed even more workload to McClellan.

5 McClellan is also pioneering the way for partnerships
6 with non-DOD customers. McClellan has established joint ventures
7 with the big three auto-makers to develop a prototype foundry in
8 iron and aluminum metal casting products; with the University of
9 California Davis, to test and develop better and safer cancer
10 therapy treatment; and with the California Department of
11 Transportation to produce bridge supports that have prevented
12 washouts during California's recent floods.

13 Finally, I urge the Commission to consider the
14 cumulative impact of the base closures on the Sacramento area. In
15 1988, Mather Air Force Base was closed, resulting in the loss of
16 63,000 jobs. Three years later in 1989, base closures resulted in
17 additional 3,000 layoffs.

18 Closing McClellan, while the Sacramento area is still
19 reeling from earlier base closures, would be devastating.

20 (Audience clapping.)

21 McClellan is more than just another military base.
22 It is a vital component of the Sacramento community.

23 I encourage the Commission to support the
24 recommendation of the Air Force and the Secretary of Defense.

25 I want to strongly point out that the closure of
26 Point Mugu makes no sense, either from a military or financial

1 aspect.

2 Point Mugu ranks second in the -- the primary cause
3 for Point Mugu's high military value store is its expansive sea
4 test range.

5 The sea test range must not be closed. Also Point
6 Mugu should be off limits for further consideration that Point
7 Mugu's assets can be moved. I believe some moves will be
8 prohibitively expensive, and for these and other reasons, the
9 Department of Defense and Chief of Naval Operations are strongly
10 opposed to realignment of Point Mugu.

11 I would also urge the Commission to base its decision
12 with respect to Point Mugu solely on, certainly, the BRAC 1995 data
13 and not rely on outdated 1993 data. I am certain, when this data
14 is made available, the desirability of maintaining Point Mugu will
15 be clear.

16 (Audience clapping.)

17 The Oakland Army Base.

18 The Oakland Army Base is a crucial West Coast
19 deployment area. It is strategically located. Three major
20 railroads and three major highway link the base to military
21 installations around the West Coast, compared to other military
22 ports on the West Coast.

23 Before making a decision on the final disposition of
24 the Oakland Army Base, I would urge the Commission to carefully
25 consider the impact of closing the Oakland Army Base on the private
26 sector.

1 It is my feeling and the view of the United States
2 Army that the mobilization and rapid deployment of military
3 equipment and other large cargo cannot be replicated by the
4 commercial ports.

5 I join with the Secretary of the Army and the
6 Secretary of Defense in maintaining the Oakland Army Base.

7 The Naval Warfare and Assessment Division of Corona
8 is a one-of-a kind organization. It should be evaluated based upon
9 its unique mission of providing independent assessment, military
10 systems and complete readiness. It should not be evaluated as a
11 warfare center and if realigned raises the possibility of conflict
12 of interest.

13 In addition to military value, the proposed closure
14 of NWAD, the Department of Defense would lose the ability to
15 provide real time assessment fleet readiness for six to ten years.
16 When the consideration of retaining an independent organization,
17 the Warfare Assessment Lab, are reviewed, the proposed cost savings
18 also become questionable.

19 For these reasons I support the Warfare Assessment
20 Division in Corona at its present location.

21 Finally, in regards to the engineering command
22 facility in San Bruno, the Naval Fleet and Industrial Supply Center
23 in Oakland, and the supervisor of ship-building in San Francisco,
24 these facilities, in addition to NWAD at Corona, were removed for
25 minimal consideration for closure by the Secretary of the Navy,
26 John Dolton because of the concern of the BRAC-related job losses

1 in California. It is my feeling that -- the Secretary of the Navy,
2 which was opposed by the Secretary of Defense was the correct one.

3 Economic impact is a valid criterion for evaluating
4 base closure under the BRAC status. California has clearly bourn
5 more than its share of base closures.

6 To date we have suffered 22 closures, far more than
7 any other state.

8 (Audience clapping.)

9 Base closures have affected every region of the
10 state, and their impact upon local economics has been severe. When
11 these 22 closures are completed, California will have lost more
12 than 200,000 jobs and \$7 billion. It is essential to recognize
13 that any of these closures, like those from the 1993 round which
14 are still going on. We have been told that Californians can
15 anticipate closure of bases in the coming months, and these workers
16 will lose their jobs.

17 Californians emergence from economic recovery will be
18 slow.

19 In addition, California has been hit with natural
20 disasters, including earthquake, fires, floods and mud slides. The
21 economic slowdown has also caused tremendous job losses.

22 California's economy is in a precarious position.
23 Additional job losses from new base closures may be too much for us
24 to bear.

25 I think the Commission for its time and
26 consideration.

1 (Audience clapping.)

2 COMMISSIONER MONTOYA: Thank you very much. Both
3 Senators' speeches will be included in our report. Thank you.

4 If the next group will take their places, we will
5 swear you in. Are all four of you speaking, or will you be
6 supported by Q and A session by those behind you? I might as well
7 swear you all in. All of you from California there, stand up and
8 we will swear you all in.

9 (Audience clapping.)

10 (Witnesses sworn.)

11 COMMISSIONER MONTOYA: Very well. Continue.
12 Congressman Fazio, please proceed.

13 CONGRESSMAN FAZIO: First of all, Mr. Chairman, I
14 want to thank you and the members of the Commission for your
15 diligence, your willingness to understand our position about
16 McClellan Air Force Base and our potential contributions to the
17 national security of the country.

18 Your presence at the base on Monday, Commissioner
19 Kling's willingness to visit with us tomorrow, in addition to these
20 and other hearings, is a testimony in and of itself to your
21 dedication to one of the toughest jobs anyone could have at the
22 current time in the federal structure.

23 I want to introduce a number of people here on behalf
24 of Sacramento and McClellan Air Force Base, but first of all I do
25 want to appreciate and express today the statements of Governor
26 Wilson, Senator Feinstein and Senator Boxer as outstanding

1 contributions, not only to our state's retention of our defense
2 military bases, but also specifically because they have devoted so
3 much of the attention they gave to McClellan Air Force Base.

4 I want to include in the record at this time Bob
5 Matsui's testimony, and I would also like to indicate for the
6 record strong support of Congressman Mormon, Doolittle and Krueger,
7 who represent our region, and indicate in their support the
8 strongest possible bipartisan commitment to McClellan that we could
9 offer. Certainly I think our unity, for people who have watched
10 McClellan in past Commission struggles, is testimony to the new and
11 invigorated support that McClellan has throughout our community.

12 Let me introduce to you the people who were sworn.
13 First of all, Muriel Johnson, the Chairman of the Sacramento County
14 Board of Supervisors.

15 (Audience clapping.)

16 Carol Cantrell, the Director of SMUD, who is here
17 with us today. And Polete John who is here representing Bob
18 Matsui. Roger Denello, who is the representative of the Sacramento
19 Chamber of Commerce, Harriet Derwinson, who is the Vice President
20 of the Sacramento Chamber as well. Kim Bell, the Assemblywoman who
21 has been a leader of all of our bipartisan state delegation, and
22 John Ellis, who chairs the McClellan Defense Task Force.

23 Now I think you have got the impression we have a few
24 friends here today, and so I want to ask -- I am going to ask if we
25 could have one standing ovation for the Commission and for the
26 community commitment to McClellan.

1 (Audience clapping long and loud.)

2 Now I am going to ask if the audience, with respect
3 to the process of communication, and if possible -- and I think it
4 is -- withhold any further demonstration until we have all
5 completed our comments and questions with the Commission. We do
6 have some information to exchange here, and we understand how
7 strongly everyone feels. We hope you can contain it for the next
8 to 50 to 70 minutes. We hope to complete our presentation in time
9 to engage in some dialogue with the Commission. We think that is
10 probably the most important thing we can gain from this, given the
11 fact that you already know so much about our facility. But I think
12 we do want to put some things on the record, particularly things
13 that I think grow out of the experience we had on Monday, so that
14 we can begin to focus even more on the issues that mean most to our
15 deliberating process.

16 We all know that the military mission is changing.

17 The Persian Gulf War made it very clear that we have
18 become militarily reliant on technology. The military's
19 infrastructure, its depot capabilities in particular, must be
20 positioned to respond to the dynamic nature of the future.

21 We already understand, as we were told yesterday,
22 that in the integrated circuit area, change occurs almost
23 completely within an 18-month span of time. The world of high
24 technology is here, and we believe McClellan is positioned to
25 provide critical mission support for the Air Force and the
26 Department of Defense well into the next century.

1 McClellan's emphasis is on technology. We are widely
2 recognized as the high tech depot. In fact, we were the first
3 military base to be a national laboratory. Our focus has been on
4 space, on communications and electronics for a number of years.
5 For these reasons, we believe Secretary Perry got it right, in his
6 closure recommendations, by sending more work and more missions to
7 McClellan. This recommendation recognizes the significant
8 investment we have been making in our base in the last ten to 15
9 years. More than \$450 million has been spent to prepare for the
10 missions of the next century. In fact, today we are the second
11 highest value depot in terms of plant and equipment. For that
12 matter, the Air Force has invested billions of dollars in all five
13 of its ALC's, to make each one a modern center that responds to the
14 modern day Air Force requirements, which are so varied. Each
15 center has strengths and special capabilities that will be reached
16 in the future, no matter what structure we conclude is the right
17 mix.

18 The DOD recommendation attempts to capture those
19 special capabilities by consolidating workload according to each
20 air logistics centers' strengths. For McClellan, that means
21 consolidating workload in the areas of composite instruments and
22 displays, and in hydraulics, and retaining McClellan's expertise in
23 the areas of microelectronics, ground communications, electronics,
24 and neutron radiography. Mr. Tom Eres will comment more, in a few
25 minutes, about the uniqueness of some of these attributes that
26 McClellan has.

1 McClellan's innovation and effectiveness attract
2 interest from other services, and from the private sector. As a
3 result, McClellan is the Air Force leader in interservicing if
4 corps workload, and as a forefront of dual use efforts. Supervisor
5 Roger Dickinson will speak more to that issue in just a few
6 minutes.

7 This success in cross-servicing, its functional value
8 and analysis, shows that McClellan is a leading candidate for more
9 work in future cross-servicing and public-private initiatives. We
10 are ready to compete and cooperate for our nation's national
11 security. We are already doing it in a market-driven way.

12 McClellan's reputation for getting things done
13 better, faster and cheaper, further augments its attractiveness to
14 DOD and the private sector customers who are still coming to our
15 door.

16 McClellan is more than just an Air Force Base, not
17 just another one. We are unique. We are a national asset. It has
18 among the finest staff anywhere in the Air Force, let alone DOD.

19 Our equipment facilities are among the finest in the
20 world. It has a record of outstanding performance and, more
21 importantly in this day and age, innovation.

22 Finally, McClellan is an excellent neighbor and an
23 integral part of our local community. If anyone had any doubt
24 about the level of appreciation in Sacramento, the turnout today,
25 the degree of support that has been generated is, I think, should
26 put an end to any impression, misimpression, that may have been

1 given.

2 So all of these factors combined, contribute to our
3 strong belief that McClellan is an asset that should not only be
4 preserved, but fully utilized in the years ahead, on into the next
5 century.

6 We want to go to the key issues that I think the
7 Commission wants to hear from us, so I am going to move to the
8 Chairman of the Sacramento Chamber of Commerce's Committee on Base
9 Retention. That is Tom Eres, an attorney from Sacramento, who has,
10 in a pro bono sense, learned more about McClellan than anyone who
11 ever served there. Tom will be speaking to you about military
12 value, including the unique aspects of the base we already just
13 alluded to, depot evaluation, the questions that come from the
14 valuation that have been done by many different entities that have
15 been before the Commission and the staff, and particularly a focus
16 to cost of closure. Tom?

17 MR. ERES: Good morning, Mr. Chairman,
18 Board of Commission, and to your educated and exhausted staff.

19 It is an honor for me to address you this morning non
20 the subject of military value and to express the words best that
21 we, at McClellan, like to refer to -- that is McClellan Air Force
22 Base -- "so much more."

23 What we are really talking about here, about "so much
24 more," in military value, it's more than 3500 acres of real
25 property. It's more than the millions of dollars in military
26 construction that have been placed on that facility in the last ten

1 to 12 years plus. It certainly is much more than the 13,000 plus
2 employees, many of whom you see here in the audience here this
3 morning. It is more than the fact that it has unique capabilities.
4 It is more than the fact that it has centers of excellence that
5 have been bestowed upon its productivity and efficiencies. It's
6 more than the fact that its interservice proven capabilities. In
7 fact, we would like to submit that we are living proof of the fact
8 that the whole is no greater than the assembly of its parts. That
9 is why we are here. That is what it is all about.

10 We are also a team player. We are a member of the
11 Air Force family. We support the Air Force in their approach
12 towards downsizing, and we recognize the fact that they have taken
13 extreme criticism -- "extreme" might be a harsh word. I have heard
14 it very stridently stated, it's counterintuitive that you can gain
15 specialties and cost effectiveness by downsizing five industrial
16 bases simultaneously.

17 I think the Air Force does indeed have it correct.
18 Sometimes in this process we get a little too close to the forest
19 and we miss kind of the larger picture here.

20 I submit to you that we are in a community that is
21 still struggling the debate in Washington what the vital interests
22 are of the United States, what those threats are in today's world,
23 what the roles and missions is generating in terms of exactly what
24 it is we expect the military force to be, in order to protect those
25 vital interests, and what the structural will be derivative of
26 that. And one would assume all of that in making the

1 determination on which of these industrial facilities ought to go
2 and when.

3 I think we are dealing here with a sense of zero
4 game, in terms of exactly what it is we are going to need in a two
5 major regional conflict, where we don't know where it is going to
6 be. We know we are going to have a high technology battlefield we
7 are going to deal with. In a sense, the Air Force, I think, has
8 been very, very flexible in how they said: Look. If you close
9 these bases, you will never open them again.

10 Let's position ourselves so we can be value added in
11 the future in the cross-servicing world of high technology.

12 At this time I would like to talk about that
13 technological edge, with a slide show we prepared for you,
14 because as we have gone through the discussion and debate, we find
15 there is a misunderstanding about some of the terminology. We try
16 to break it down into its most common parts; that is, for example,
17 unique.

18 We heard the discussion: What do you mean by
19 "unique." Does that mean it isn't done anyplace else in the world,
20 in the United States, within the Department of Defense or the Air
21 Force, or what? You see on the chart I put up on the slide, that
22 we are talking about three unique products for service. By
23 definition, we would submit to you this morning, we mean "unique."
24 At this point in time, you will not find these, being these
25 products or services, being produced or provided outside of the
26 Department of Defense, or the United States, dealing with the

1 military infrastructure. You say, what do you mean, all
2 microelectronics? You have had an opportunity to look at that
3 microelectronics facility on Monday, and you could tell that it was
4 the premier microelectronic facility reserve engineering capability
5 within the Department of Defense. I suppose you could build
6 another building and you could cost out the cost of that other
7 building. I suppose you could move those \$5 million microscopes to
8 another facility. I suppose you could extend an invitation to
9 eight of the 79 microengineers to leave, by offering them a
10 functional transfer. Nothing we heard in the process would
11 indicate that is even a possibility.

12 You dismantle that synergism, you lose it. You do
13 not have the mission capability in that regard and to tool it up
14 again, you could not do it in a reasonable period of time.

15 What is another area of uniqueness? Uniqueness, I
16 would submit to you, is the area of the nuclear radiation center
17 that we talked about a great deal. You had an opportunity to
18 review it. It was the only one within the Department of Defense.
19 You look at the fact it is one of the newest within the United
20 States, and it really has a life expectancy, as the engineers
21 indicated to you, that should go at least another 25 to 30 years.
22 You will find, in the remaining of my remarks, there are synergism
23 created by the particular unique aspect of that base in our region
24 at this time.

25 What is another unique capability that you will find
26 nowhere else within the United States? Backing up, the nuclear

1 reactor, the cost to replace or move is not included in the COBRA
2 cost estimates. That facility was originally designed for the
3 F1-11, but you must understand that the capability and technology
4 that is housed there is for purposes of particular types of metal
5 structures, and so that has a budget outside of the F1-11 that, in
6 fact, is what it was designed to do. Those are, in fact, the three
7 unique facilities I would like to proffer for you this morning. We
8 will of course have our remarks and slides incorporated in the
9 record.

10 I would like to move on to centers of excellence.

11 What are centers of excellence? How do you define
12 them? How do you assess them? This is qualitative. Our personnel,
13 utilizing high technology, can apply them in very specific areas.

14 Examples are hydraulics. Here we are talking about a
15 true center of excellence. You had an opportunity to see what
16 technology is housed there. You also had an opportunity to see
17 that, as far as the way we do it, it really is quite unique.

18 Two areas I would point out to you are the 4500 to
19 6,000 psi high pressure fluid manifolds and my favorite is the
20 16,000 psi static pressure capability. That is it. That is where
21 it is. We consider that to be unique. One individual said,
22 hydraulics is a very hard thing to be unique. The whole nation
23 runs on hydraulic. You go to your mechanic and he has hydraulics.
24 I would suggest, he doesn't have a psi 16,000 pound static test
25 pressure system.

26 I would submit: What else are we looking for in

1 centers of excellence? Repair center, something we really thrive
2 in. We do it. Well, I suggest we do it best. Its aircraft
3 instrument night controls. We are responsible for the repair of
4 100 percent of the night control instruments. Now we get into a
5 situation here where we get frustrated as a local community, when
6 the Air Force proffers exactly what their intention is. In the
7 first duration which we think was the correct one, is the only one
8 we know that is official at this state of the game -- those repair
9 requirements would be at McClellan Air Force Base. We are aware of
10 other iteration which show it transferring and moving to other
11 facilities, in our view, setting up something that would be maybe
12 two repair centers. We don't think that is cost effective. We
13 would urge you to stay with the request that came across with the
14 DOD list. And other Air Force iteration, we think are not
15 appropriate for purposes of what you have invested, what we have
16 invested as taxpayers in McClellan at this time.

17 Another area I would like to discuss is ground
18 communications and electronics. It's been a very strong suit at
19 McClellan and the Air Force Base for a very long time. We had the
20 opportunity, in 1991, to go through the base closure of the
21 Sacramento Army Depot, and you are aware of the story that we did
22 not, as a community, oppose that. We did not say "You ought not to
23 close that base." We did our own independent review and supported
24 the downsizing in the private sector and we would close that depot.
25 We didn't need the bricks and mortar. What we did do, we went
26 inside that brick and mortar, and we found, in the area of

1 ground communication and electronics on the Army site, you could do
2 it nine minutes up the street at the Air Force site. We suggested,
3 and this Commission said that was a good idea and, in fact,
4 authorized a competition to take place and, in fact, the United
5 States Air Force, to no surprise to us in Sacramento, won that
6 competition, and this is an area we think is a living example of
7 cross-servicing.

8 Another area I would like to address is the
9 electrical mechanical support equipment. This, as we all know, is
10 classified. There is nothing I can say about it. We do not have
11 access to the information you do. I will submit to you that in the
12 record that debriefings are being provided to you with respect to
13 that function.

14 One of the other areas that we think we are true
15 centers of excellence is in the composites and plastic area. I had
16 an opportunity to see exactly what we are producing from that
17 facility. You see that it is state of the art. Here again, we
18 train the trainers, if you will. Cost to replace this would be
19 very, very expensive. No reason to do it. We have a center of
20 gravity in this area of composites.

21 The final area of what I call center of excellence,
22 would be in the area of electro-optics. This is also a part of the
23 synergism that we say McClellan has and, in fact, was derived from
24 the competition I referred to earlier in terms of being able to
25 provide interservicing and a vital area of electro-optics and night
26 vision. No battlefield in the future can be without the technology

1 and work product that is generated from this area of McClellan Air
2 Force Base.

3 Now I think it is important at this point to also
4 look at what I am going to call "sources of repair." They are not
5 really true sources, because in some cases, this work can be done
6 at other facilities. I submit to you it isn't being done as a sole
7 source at McClellan Air Force Base, but that is my purpose, I would
8 like a singular source. The area here is going to be in the fire
9 finder radar. It is another one of those technologies that must be
10 deployed with the troops on any technological battlefield in the
11 future. It is something that is an integral part of the ability to
12 fight and win on a technically advanced battlefield. We
13 interservice the workload for the Army and United States Marine
14 Corps. We won in this competition. We had provided you Monday
15 actual customer satisfaction documents. We did it best. We did it
16 great. The turnaround time was phenomenal.

17 The other area is electronic components of the
18 Bradley Fighting Vehicle. Here again, we are the sole source of
19 repair within DOD, and we won this in a public competition. The
20 other areas I have already referred to that we are the only source
21 of repair are radiation and --

22 In addition to this slide, we also have major tenants
23 with respect to the facility, and these tenants are basically ones
24 that generate off the center of gravity by base-operating support,

25
26

1 and therefore by, in effect, the high technology we have as I
2 discussed previously. For example, technical operations which
3 provide worldwide engineering, maintenance and supply support for
4 the U.S. nuclear treating, monitoring activity. Once again, as you
5 know, much of this is classified. We in the community do not have
6 privy to this, and I understand you have been briefed with respect
7 to what the requirements are in that regard.

8 I would also identify that one of our tenants is in
9 the Coast Guard area. We had an opportunity on Monday to see what
10 we do for the Coast Guard. You saw how it operates quite
11 effectively from McClellan Air Force Base and the wide Pacific.
12 You found that in direct flight, it's only about 15 minutes to the
13 Bay Area, but that you also found that the Bay Area does have quite
14 an overflight congested air space, and we feel that the fact that
15 the Coast Guard operates there, likes it there, doesn't want to
16 move, also provides a basis for why later on you saw a
17 recommendation that perhaps the National Guard 129 ought to
18 co-locate in McClellan Air Force Base. Their missions are
19 simpatico. They share equipment with one another. We think there
20 is a rational basis for that.

21 The other tenants I like to proffer is, again, in the
22 classified area.

23 Director of Specialized Management. Here we provide
24 logistical support for the F1-17 and other classified programs.
25 Again you have been briefed up with respect to those unique
26 capabilities that are classified.

1 Now I would like to move on just briefly with respect
2 to one of the areas I guess we have had most frustration in as a
3 community in trying to assess the additional data that has been
4 proffered by DOD and the Air Force. What I am referring to here is
5 functional value. It was our understanding that post 1993 BRAC,
6 there would be a strong effort, encouraged by this Commission, to
7 go back to the services, to explore cross-servicing and
8 interservicing, with that kind of momentum and that, in fact, what
9 we would see is an honest effort to comport with a true cross-
10 servicing program for the military. Particularly in the depot
11 area, we could remove redundancies and really capitalize on centers
12 of excellence and technical repair centers. We thought that was
13 happening when a joint cross-service group, depot maintenance group
14 was commissioned and got underway. We took a look at it, moved
15 through the service and we said: Finally we have a level playing
16 field. We have all of the services with the same sheet of music.
17 They are all dealing with the appropriate data. Now we see how
18 cross-servicing should work. We know it can. The definition of
19 functional value, we were not sure of.

20 You see, on the slide in front of you, the criteria.
21 We took a look at the data after it was completed in November of
22 1994, and to our surprise, in a sense we came out higher than we
23 thought we would. Out of 22 facilities on a functional value,
24 McClellan Air Force Base scored No. 1.

25 You see, with respect to the next slide, how that
26 rated across those 22 other facilities. The data on this

1 information is being supplied to you. In the interest of time, I
2 won't go into all of the things I would like to say. We did it
3 right.

4 I would like to say the two photographs I have just shown
5 you were joint cross-service graphs. In terms of what the data
6 prepared or what the data shows, the United States Air Force,
7 however, took those five components and decided to go ahead and
8 look at them from an Air Force perspective only. When they did
9 that, they did work with some of the values with respect to those
10 particular components, and they came up with their own evaluation
11 that, on the first cut, showed McClellan one rung down, no longer
12 No. 1 within the Air Force. We don't understand that process. We
13 have asked the Air Force to supply that data for us. This, as near
14 as we can tell, this is only proffered to you on best available
15 evidence that we have.

16 It appears the decision was made by looking at the
17 size of the facility, determining the capacity, and weighting that
18 capacity higher than the joint cross-service group did.

19 Consequently, we believe the cross-service group said
20 we are not going to do that. That tips the level playing field and
21 obviously weights it on a larger basis. We feel that is
22 inappropriate. If you are going to look at the functional value
23 and mission requirements and what you need, how much of it you need
24 to efficiently deliver the service for the product. We think that
25 was the smart way to do it. We think that the Air Force approach
26 then results in a tiering, also ultimately an extrapolation, we

1 | end up in the third tier. We take great umbrage at that and think
2 | you ought to stick with the joint service group data components --
3 | you had the five of them, and the weighting they gave in that
4 | regard.

5 | One of the other components we are concerned with, we
6 | look at our efficiency, our tax dollar being utilized under the
7 | circumstances where the defense high strength -- I think the idea
8 | of looking at cost operation, the way the Air Force was looking at
9 | it, with all due respect, needs to be militating. There are two
10 | indicators of annual operating cost and labor rates to rate the Air
11 | Force. We think productivity indicators and efficiency are more
12 | objective.

13 | When you take a look at the labor rates, you get into
14 | this find the mercury on the countertop. You try to compare apples
15 | to oranges when you are doing apples in one facility and oranges in
16 | the other. The Commission, I think, has been trying to calibrate,
17 | over time, and we suggest you can't get that. You really need to
18 | look at those productivity indicators.

19 | I suggest one of the things you look at here is the
20 | labor rate service effectiveness in annual operating results.
21 | Sometimes just profit and loss use I find is a misnomer. That is a
22 | term that is used. Annual operating results is a better way of
23 | looking at it and you will see in this slide. It is not trying to
24 | make a profit, not trying to do the loss. We will provide you the
25 | backup with respect to the labor rate and its effectiveness.

26 | I will go quickly with the direct labor efficiency

1 | slide. You see plainly how McClellan accepted terms of those
2 | direct labor efficiencies and -- the next slide please -- dealing
3 | with output for per paid man day. You will see in budgeted
4 | performance, again, measurement of labor rate. And you will see,
5 | by those slides which I went through very quickly, in the interest
6 | of time, that we are really talking about here are efficiencies of
7 | labor in performing the task assigned within budget constraints.
8 | Those are the measurements we ought to be looking at, not trying to
9 | compare apples, oranges and bananas.

10 | The final area I would like to get into is: We
11 | talked a brief, a bit on Monday. We had further information with
12 | respect to this for you. This is to try to talk about what is the
13 | state savings with respect to what the Air Force has proffered.

14 | We have found, in going through the data -- and we
15 | supplied that data to your staff -- we think there has been a bit
16 | of an overstatement by 427 PD's, and \$17 million, with respect to
17 | personnel. We have arranged those for you in the previous report.
18 | You can see them on the graph here. We also think the one time
19 | cost has been understated, and we have shown you where we think
20 | that has occurred. It's the best available data we have that we
21 | have been able to obtain by our own sources. There may be other
22 | data there, but we do think the data we are showing you this
23 | morning is the best available data, and it will, in fact, be bourn
24 | out in our investigation.

25 | In closing, what I would like to say for my portion
26 | of the discussion on military value, is you really have to

1 appreciate what has been invested in McClellan Air Force Base in
2 the future, and the future, as I talked about before, really is
3 going to be in the removal of redundancies and looking for those
4 things that, in fact, can be leveraged very briefly.

5 I would like you to be aware that we do have a
6 tremendous amount of cross-servicing and interservicing today. We
7 do it effectively. We have customer satisfaction with it. And
8 very briefly -- I will talk quickly on this just for the interest
9 of time.

10 We do the repair of the F-14 Central Air Data
11 Computer. We repair, maintain wire boards, NDI. We X-ray the
12 entire F-14 aircraft, and there are at least eight particular
13 functions that we perform for the United States Navy. They like
14 it. They tell us we do a good job. We are, in effect, areas of
15 excellence for them in that area.

16 The United States Army, as I mentioned, we repair the
17 fire finder radar, NDI of the Apache 64-A airframe, manufacturer of
18 wire boards, and I go on and on. There is at least another eight
19 specific functions we perform for the United States Army in terms
20 of high customer satisfaction. That is cross-servicing.

21 United States Marine Corps. We repair the fire
22 finder, wire board, radar requirements, transmission cases, and six
23 other areas that we do work for the United States Marines, and they
24 like it. They come back to us. It is TQM in action.

25 In addition, we provide cross-servicing to NASA, TLA,
26 FAA, DLA, DOT, USDA, Defense Mapping Agency, U.S. Border Patrol

1 and FMS. Is that not enough for cross-servicing?

2 The Department of Defense can do it. We can get
3 these redundancies out of the system. I am telling you the
4 services aren't going to do it. We have great faith in this
5 Commission. We know it's going to take an awful lot of strength to
6 do it. We urge you to take it on. We really feel you are the
7 level playing field. You are the ones that will cause this to
8 happen.

9 In closing, I would just like to say: The military
10 value for McClellan Air Force Base is really so much more.

11 COMMISSIONER MONTOYA: Ms. Steele had a clarification
12 question she would like to ask.

13 MS. STEELE: It's real simple. You had put
14 up a chart where you have discrepancies you saw in the COBRA run.
15 Do you have a hard copy of that?

16 MR. ERES: It's in the record.

17 COMMISSIONER MONTOYA: Mr. Fazio?

18 MR. FAZIO: I know you hear everywhere, you
19 hear the discussion of economic impact on the regions. There are
20 certainly a number of smaller facilities that are devastated when
21 the largest employer is set for closure. We have had a significant
22 cumulative economic impact in the Sacramento area. We don't
23 believe the analysis that has been done thus far is accurate. We
24 believe we are uniquely impacted because of statewide base closures
25 as the capital city. The person we have asked to go into this in
26 some depth, not taking too much time -- because we know we have

1 other matters to cover -- is an individual who truly leads our
2 communities staunch advocacy for McClellan. He has taken a new
3 approach and one, I think, of broad support in the area. Mayor of
4 Sacramento, Joe Serna.

5 (Audience clapping.)

6 MR. SERNA: Mr. Chairman, members of the
7 Commission. Good morning.

8 On behalf of the City of Sacramento, I want to thank
9 you all for coming to McClellan and visiting what we all think is
10 the ALC of the future.

11 Mr. Eres and Congressman Fazio, I think, has pointed
12 that out. We are very proud of the base. We think it has military
13 value for the entire nation. We think ALC's ought to operate in
14 the future. We also understand that economic impact is not the
15 criteria that you must use for evaluating bases for closure. We
16 understand that and we appreciate that.

17 We appreciate that, although the communities will
18 point to the significant economic impact of closure as well. We
19 know that some of those communities are small and that the bases
20 you must consider for closure are the only local employer of that
21 community, as suggested by Councilman Fazio. Still we have the
22 responsibility to make you aware of the economic impacts of closure
23 of McClellan on our community. I will make reference to research
24 that is still in progress, by the way, that we have undertaken and
25 that we made available to your staff and to the Commission by
26 Congressman Fazio's office.

1 One, we have looked at impacts of previous base
2 closures. The base closure of the Sacramento Army Depot and Mather
3 in cumulative economic impact.

4 DOD guidelines for applying value exclude, I repeat,
5 exclude the consideration of previous base closures already
6 completed. This was preventing inclusion from two bases already
7 closed in the Sacramento region, and we have a slide to show you
8 that, which shows cumulative job losses due to base closures in our
9 community.

10 The DOD method would attribute a cumulative impact of
11 only 32,772 cumulative job losses, as compared to actual total of
12 59,221. The inclusion of previous base closures in Sacramento is
13 extremely important, I hope to you, to the nation, and obviously to
14 us in Sacramento. No single metropolitan area of our size in the
15 nation has been required to absorb three major base closures.

16 Two. Previous base closures of the Mather Air Force
17 Base in Sacramento and Army Depot created a combined job loss of
18 11,516 direct jobs, and 28,090 total jobs. The region has
19 experienced four years of economic recession as a result of those
20 closures. The use of the word "recession," by the way, is actually
21 incorrect. Since the region did not have a recession in the usual
22 economic sense, the down-turn was directly related, attributed to
23 the military closures in our area.

24 Three. The closures of the McClellan Air Force Base
25 were an estimated 12,763 direct jobs, which would create an
26 additional impact of over 31,000 lost jobs in the Sacramento

1 region's economy.

2 Four. The cumulative effect of a possible McClellan
3 closure, combined with two previous closures, will result in a
4 cumulative loss of 24,279 direct jobs, and 59,221 total jobs. This
5 represents 2.2 percent of the region's total unemployment. The
6 closures of McClellan Air Force Base would create another
7 recessionary period, which would likely be more severe than the
8 combined effects of the previous periods.

9 Five. Here, the military base closures throughout
10 California, create a negative effect on Sacramento through state
11 budget impacts. The negative impacts on Sacramento from previous
12 base closures in California -- I remind you California, not just
13 Sacramento -- are equivalent to the closures of what would be a
14 fourth base closure in Sacramento, and we have a slide to show you,
15 that shows the total cumulative impact on the Sacramento regional
16 economy. State employment is, by far, the largest employment in
17 California. During previous BRAC closure periods, it is estimated
18 a total loss of 39,300 jobs due to base closure statewide. Coupled
19 to the state budget losses, in turn, is responsible for 2,880
20 additional direct jobs, and 7,025 total jobs in Sacramento. We
21 consider that to be equivalent to the fourth base closure in our
22 area.

23 Six. Historical economic data shows the region has
24 experienced four years of significant losses in wage and salary,
25 unemployment, and had a 1994 unemployment rate of 7.2. Now you
26 might ask: You do have state jobs and so forth. But let me

1 suggest to you that the unemployment rate, regardless of location
2 of rate, is a rate, and over 51,600 persons were unemployed as a
3 result. This is a significant worse economic environment than
4 before our bases were closed. As far as being reviewed by the
5 Commission -- and we have a slide to show the unemployment rate for
6 '88 through '95.

7 Seven. The relatively small manufacturing sector
8 that is in the Sacramento region, coupled with the reduction of
9 state government employment, seriously inhibits the region's
10 ability to absorb yet another base closure impact. The leadership
11 of our Sacramento region, through the concentrated economic
12 development act, it has worked hard to diversify our economy and
13 reduce our dependency on state and federal employment. We have had
14 a small and significant level of success. These successes would be
15 seriously undermined with the economic data which a third base
16 closure would impose on our region.

17 Mr. Chairman and members of the Commission: When
18 McClellan -- when Mather Air Force Base and the Sacramento Army
19 Depot were closed, our community did not whine. Our community
20 understood that we had to make a contribution to the federal
21 taxpayer. We knew downsizing had to exist in order to create
22 necessary national safety. Our community, in fact, developed the
23 Sacramento plan that is in effect now. To add a third base, and
24 closure of McClellan, would have a devastating impact on our
25 community.

26 I know you will hear that throughout the country as

1 you go through these various areas, and like what Congressman Fazio
2 suggested, small town may have a hit because a particular base is
3 their only employment. But I suggest to you that, in our urban
4 area, that those jobs that are lost, have a much greater and
5 significant impact on the total community, because you think that
6 they just get lost in that urban mix. Mr. Chairman and members of
7 the Commission, when the DOD does not take into account cumulative
8 impact, it is not talking about reality. Reality is real human
9 beings, real jobs, real people behind all that technology that you
10 saw when you visited McClellan.

11 Again, I appreciate the opportunity, Mr. Chairman, to
12 testify before you and the Committee and the Commission. Thank you
13 very much.

14 MR. FAZIO: As you would understand, with
15 two base closures, our community has had a good deal of experience
16 with the reduction of military facilities. In addition,
17 understanding that covering overhead was the most effective way of
18 keeping the Air Force infrastructure, with all of the air logistics
19 centers, we have been leaders in the area of dual use, bringing
20 tenants to our base, trying to broaden, not only the technology
21 ability to McClellan contributing to the economy of the region and
22 country, but hopefully produce some additional jobs in our
23 community.

24 In addition to that, we have struggled with the
25 environmental problems at McClellan that have been, perhaps, been
26 more easily documented than anywhere else in the nation. To

1 deal with it, Sacramento County has been in the forefront dealing
2 with these issues, and no one has been more directly involved than
3 the supervisor, Robert Dickinson.

4 COMMISSIONER MONTOYA: Mr. Dickinson?

5 MR. DICKINSON: Chairman, members of the
6 Commission, good morning.

7 Mr. Kling, I want to say, first of all, thank you for
8 taking the time to visit our base and become acquainted with it
9 personally and firsthand.

10 It is my privilege to be here this morning, not just
11 to represent the 200,000 constituents who reside in my
12 supervisorial district, which includes McClellan Air Force Base,
13 but to be here on behalf of the over 1.1 million people who live in
14 Sacramento County.

15 I want to recognize again the presence of Merrill
16 Johnson, the Chair of the Board of Supervisors this year, who joins
17 me today to reflect the unified and unqualified support of the
18 Board of Supervisors and the County of Sacramento for McClellan Air
19 Force Base. Let me tell you just a few ways in which that support
20 is manifested.

21 First of all, I serve as the Chair of the Air Quality
22 Maintenance District, and we have, indeed, members of that staff
23 here with us this morning. That district has created a reserve
24 bank in order to place admission credits from the closure of Mather
25 Air Force Base and the Army Depot, for application in expansion of
26 the mission at McClellan. We have the capability, by establishing

1 this reserve bank, to add up to 120 tons per year of NOXS, and 585
2 tons per year of volatile organic compounds. These are now
3 available for application for military use at McClellan. What does
4 that mean? That simply means that McClellan could double the
5 admissions it produces of NOXS and triple the emissions it produces
6 of VOC's, while expanding its mix without placing us in jeopardy of
7 violating air quality requirements. As you know, Sacramento is a
8 non-attainment area for air, clean air standard purposes. Indeed,
9 we have already made some use of McClellan's credits in the reserve
10 banks to allow for further development and research.

11 Let me give you another example. The Board of
12 Supervisors has been dedicated to protecting the air space around
13 McClellan Air Force Base by making sure we act in terms of making
14 land use decisions, in a manner that will maintain the ability to
15 carry out unrestricted flight operations at the base.

16 Let me give you still another example. Just
17 yesterday, the regional Sanitation District for Sacramento County
18 acted to save McClellan Air Force Base nearly \$145,000 a year by
19 reducing its sewer charges that are assessed to the base. Now I
20 would be remiss if I did not at least mention the concern that we
21 do have in Sacramento County about --

22 (Court Reporter changing paper.)

23 -- that keeps our capability for search capacity,
24 should we need that.

25 You have heard from Mr. Eres about the unique
26 technologies and the centers of excellence at McClellan. The world

1 of tomorrow will require the cost effective and efficient
2 approaches to service and maintenance. Cross-servicing and dual
3 use are the means to accomplish that goal. The value of
4 interservicing cannot be understated. It is greater than
5 \$120 million workload at McClellan in fiscal year '95. Nearly
6 10 percent of the total workload is organic interservices support
7 or cross-service support. That is virtually unequaled anywhere
8 else in DOD. \$11.6 million in fiscal '95 in work has gone from
9 Army to Navy and Marines on communication electronics systems and
10 equipment. \$59 million in fiscal '95 has been brought in in
11 contracts, such as reserve engineering, which you saw firsthand on
12 Monday. And over \$50 million in fiscal '95, represented in terms
13 of organic support with DOD and non-DOD agencies.

14 Why? Why do others come to McClellan to get their
15 work done? The reasons are quite clear and quite simple.
16 McClellan wins competitions for that work. McClellan attracts
17 customers who want to realize the greatest return for their dollar,
18 and McClellan attracts those, such as the Army Fire Finder System,
19 which repairs were just under 72 hours when needed, and that has
20 drawn the comment of the Army, to wit: Your dedicated and hard-
21 working staff again demonstrated the highest degree of skill,
22 professionalism and responsiveness in support of the Fire Finder
23 Program.

24 Simply put, others come to McClellan Air Force Base
25 because its capabilities represent the cutting edge of the future.
26 That need will grow as budget and technical requirements face us

1 and bring us into the even more severe constraints in the years
2 ahead.

3 McClellan is also on the cutting edge in other
4 respects, such as dual use. As you know, dual use is a concept
5 pioneered by McClellan, which marries the research and development
6 needs of the military with the research and development opportunity
7 of the private sector. Dual use permits the military mission to be
8 accomplished by utilizing capacity effectively and maintaining
9 assured surge capacity, if needed. Let me just give you a few of
10 the examples of dual use currently applied at McClellan.

11 In the microelectronics area, work is being done with
12 Ford, GM, and Chrysler in a consortium called U.S. Car, in the area
13 of electric car research development that is being pursued in the
14 local utility, SMUD, a director of which is here today with us.
15 SMUD is also working with McClellan to develop a smart electric
16 meter. Does that make sense with a military installation? Yes.
17 It helps us save money by cutting down on electrical consumption.
18 It is also going to save money in our private economy and help
19 clean our air.

20 In the area of neutron radiology, McClellan is a
21 forerunner. McClellan has used its nuclear reactor as a partner
22 with the University of California Davis Medical Center in a program
23 to develop cancer surgery techniques for otherwise inoperable brain
24 tumors.

25 A final example: There has been a \$50 million
26 research development effort to face the future with our need

1 | for casting facilities and foundries here in this country. This is
2 | absolutely critical to the military missions, since over 90 percent
3 | of all manufactured items used by the Department of Defense include
4 | drive train components, tank tracks, and its F-15 fiber turret
5 | fibers are repaired and used. Over one-quarter of the domestic
6 | metal casting facility in the United States has closed or moved
7 | offshore in the last decade. This project will bring back the
8 | opportunity to build and use foundries in this country, while
9 | meeting air emission requirements. It will give us the opportunity
10 | to operate economically, efficiently and in an environmentally safe
11 | manner.

12 | These are just a few of the examples of dual use
13 | projects going on at McClellan as we speak today, but they are
14 | clearly projects that will promote both the safety of the country
15 | and the economic viability of the nation in the 21st Century.

16 | Some say they can't imagine what the future will be
17 | like. At McClellan Air Force Base, we believe we are the future.
18 | We are highly-skilled people, using advanced technology, applying
19 | to provide the solution of the future and the service the Air Force
20 | and military needs for the 21st Century.

21 | McClellan is the Air Force Base of the future. Thank
22 | you very much.

23 | (Audience clapping.)

24 | MR. FAZIO: Members of the Commission, when
25 | you look at our national security role, when you look at the
26 | fairness of the economic impact on the economics, I think you can

1 see that, based on our proud history, we at McClellan are really
2 looking forward to the future, to the contribution we can make to
3 the national security, and I would like to say economic security of
4 this country. We believe the Air Force and the Department of
5 Defense have made the proper decision. We would simply ask this
6 Commission to confirm that decision and give us a chance to do our
7 job in the years ahead, just as well as we have done it in the
8 past.

9 Mr. Chairman, we have over 10 minutes. We would
10 like, at this point, to go wherever you and the other members of
11 the Commission want to go, if you want to go anywhere, in the
12 remaining time we tried to leave.

13 COMMISSIONER MONTOYA: Thank you very much.

14 For the time, I do have a couple of questions, one to
15 add to the record and one is a matter of clarification.

16 One. Mr. Dickinson, you talked about a five-year
17 cleanup, which is, I think, an accelerated cleanup, as I
18 understand, situation at McClellan, which would cost between five
19 and ten billion dollars. Would you testify as to what the term
20 plan is, if McClellan would stay open, what the long-term plan and
21 costs are, as compared to the accelerated cleanup?

22 MR. DICKINSON: My understanding is,
23 Commissioner Montoya, is that the current cleanup would extend
24 over, potentially over the next 20 years or longer. If it occurs
25 over the next 20 years, costs are currently \$1.7 billion -
26 \$2.4 billion, total cost. As you know from the visit to the base

1 on Monday, we are making strides in technology, which is reducing
2 the cost of cleanup. I think it is fair to say that, if the base
3 remains open and the work that is ongoing is permitted to continue
4 on a dedicated course, then that cost may be reduced. Certainly we
5 know there are areas in which the technologies that have recently
6 been developed cannot be applied, for example, and so there are
7 some real limits to the extent to which the cost can come down.

8 COMMISSIONER MONTOYA: Commissioners, do you want to
9 expand on that particular area?

10 COMMISSIONER COX: If I could ask a follow-up on
11 that.

12 Are there part of the base without environmental
13 problems? Over a period of years, could certain parts of the base
14 be cleaned up more, more clean than others? Have you gotten to
15 that point, or do you not know yet?

16 MR. DICKINSON: The difficulty, as I understand
17 it, that we face at the base: The nature of the contamination is
18 such that it cannot simply be confined, although we have made real
19 efforts to curtail it from leaving the perimeter of the base. It
20 also is in locations where there are utilities, for example,
21 underground, that it would be very expensive to replace, were one
22 to come in on the private venture and say they want clean land and
23 assured clean land to work with. So the analysis that we have seen
24 indicates that you could not divide the base into parcels with any
25 degree of confidence.

26 We also continue to find sources of contamination.

1 Just in the last year we have had new sources and locations of
2 contamination discovered, which leaves us uncertain that, at any
3 point on the base or place on the base, that we can say "Yes," you
4 can segment that as a parcel and be confident there won't be
5 environmental damage to contend with.

6 COMMISSIONER COX: Thank you.

7 COMMISSIONER MONTOYA: Any other environmental
8 questions?

9 Mr. Eres, if you could have your aide put the
10 excellence, excellence chart back up, the unique center of
11 excellence chart back up.

12 Mr. Eres, I have a question on the fighting vehicles.
13 I think you qualified the only newly source of repair regarding
14 that line -- I want to make sure I understand it. I think you
15 qualified your answers regarding the "sole source," limiting the
16 sole source application to the control aspect of that. Would you
17 elaborate on the electronics components of that system only? Would
18 you expand on what you mean by that? Are you talking about
19 operating the vehicle, the fire control system on the vehicle and
20 so forth, or any electronics on the vehicle? Just in general.

21 MR. ERES: Basically you are talking about
22 the electrical components of that particular piece of equipment,
23 and I have a little more data I can give you on that. I think I
24 can supply that to you later. I think, from what my recollection
25 is on that particular vehicle, it really was only the electronics
26 area, communications area, but not in the -- it's not the hydraulic

1 | system. It's not the weapons system and not the track components
2 | to it, or any other aspect, just the electronics.

3 | COMMISSIONER MONTOYA: Okay. I wanted to be clear on
4 | that.

5 | Any other questions regarding this chart, while it's
6 | up?

7 | COMMISSIONER COX: If you could expand also on the
8 | ground communications electronics. You mentioned cross-servicing.
9 | I wasn't sure what kind of work you are talking about doing there
10 | on a cross-servicing basis.

11 | MR. ERES: The cross-servicing, with
12 | regards to communications and electronics, is best explained if I
13 | can use it from the standpoint: One thing we know on any
14 | battlefield of the future, multi-service battlefield, all
15 | components must be able to talk to one another, and talking to one
16 | another means talking through a satellite up yonder, talking with a
17 | WAC, talking with an individual in the foxhole. In the area of
18 | communications, you are dealing with a high degree of commonality.
19 | Basically we can do everything at McClellan with respect to those
20 | systems, and with respect to the feel of those systems in the air-
21 | land battle of the future, if you will.

22 | COMMISSIONER COX: Is that being done by cross-
23 | services now?

24 | MR. ERES: There are components of that
25 | that are being done at McClellan in that area. We fell, frankly,
26 | Commissioner Cox, if you look at the ability to cross-service in

1 the future, you would put McClellan Air Force Base in the top of
2 the list, in that area -- rather communications and electronics, we
3 think it is without --

4 COMMISSIONER STEELE: My questions are back on
5 environmental, if that is all right. Two questions, Mr. Dickinson.

6 One, your five-year time frame you used for
7 accelerated cleanup -- and obviously your BRAC cleanup is
8 accelerated -- but it's my understanding that there isn't, you
9 know, a five-year cutoff on when it has to be done by. I am
10 wondering: Do you choose five years to pick a time frame and point
11 out is truly more expensive to clean up rapidly versus long term,
12 because technologies will likely make it less?

13 MR. DICKINSON: To show the BRAC -- there is
14 even a more fundamental element to this, I think, Commissioner
15 Steele. That is where the base is closed, we would be in the
16 position of having to try to attract private investment to the
17 base. That we would want to do as soon as possible, and we would
18 want to do that in a way that tried to address whatever economic
19 displacement there was. We don't have that capability, and we
20 can't foresee that capability until we address the environmental
21 contamination. So the notion of stretching cleanup out over 20
22 years, on a closed base, is one that we simply can't even imagine.

23 COMMISSIONER STEELE: I don't want to lessen reality
24 but the environmental problem you do appear to have, could you not
25 lease the overlying land, technically giving the amount of facility
26 where there is a lot of dual use right now? Where dual use is very

1 attractive, it also kind of raises little flags that privatization
2 opportunities and reused opportunities existed for those areas you
3 pointed out that are uniquely capable attributes that the base has
4 right now.

5 MR. DICKINSON: We believe there is a
6 considerable level of confidence brought to the private venture
7 capitalized, and enterprises that are now working in combination of
8 dual use in deference to the very fact, and because of the fact
9 that the Air Force is there. That demonstrates the commitment to
10 the private sector to continue with the cleanup and address those
11 kinds of problems. I expect that level of confidence might
12 diminish considerably, both with the private sector and surrounding
13 community, if the Air Force and DOD were to leave.

14 That kind of reluctance, it seems to me, would
15 inhibit the prospects for leasing land, over and above those areas
16 that may or may not be contaminated. Plus the uncertainties. As I
17 mentioned, just this last year we have found newly contaminated
18 areas on the base that we weren't aware of previously. That
19 certainly, it seems to me, would also inhibit the ability to do
20 what you suggested. Maybe Congressman Fazio would add to that.

21 MR. FAZIO: There is another kind of
22 uncertainty, which is federal budgetary restraints. Budget. We
23 have, this year, been given a tight budget due to our recession, to
24 fund defense. We have not planned for a cutback on environmental
25 cleanup. I think the community that supported Mr. Dickinson's
26 statements, those living around the base have been directly

1 affected and feel we have a much better chance of staying the
2 course on cleanup if we remain on the base. I think there is a
3 real fear that, once the decision to close has been made,
4 regardless of what our intent may be, with all of those subjective
5 judgments in engineering the budget process, we may see this
6 stretch out a lot longer than Congress or the Executive intended it
7 to be. That, of course, would play havoc with our plans to do
8 economic development.

9 COMMISSIONER STEELE: I hate to play devil's advocate
10 on that.

11 If BRAC would cause accelerated cleanup, causing
12 potential costs to be higher, would not accelerated cleanup
13 increase the confidence in the private sector versus the chance
14 that the cleanup would be pushed out until the technology had
15 caught up? I am taking the logic back around, and that raises the
16 question.

17 MR. FAZIO: I think this goes to how far
18 technology has gone, how quickly can we adopt the new techniques,
19 and what sort of costs the incur. We have seen that we have been
20 able to save money. We made, in effect, a laboratory for cleanup,
21 another example of taking a lemon and making lemonade. I think
22 everyone in that area probably can't foretell the future. All I
23 can say is my experience with lenders. They are rather wary making
24 investments, being involved where they are taking title when there
25 is underlying problems of hazardous waste.

26 MAYOR SERNA: Can I take that question a

1 little further? Take it out of the hypothetical. I have been
2 through closure and reuse of the Sacramento Army Depot, whose
3 environmental problems can't even measure to the problems we have
4 at McClellan. I have, must say, in terms of, say, small cities or
5 small towns where the base is the major source of the economy, that
6 reuse and conversion is a heck of a lot easier than in an area
7 like, urban area like Sacramento, because they become, then, a
8 small town or an area which is the only game in town.

9 In Sacramento what you have is experienced people at
10 were used. We did it at the Army Depot. What we have difficulty
11 understanding in terms of reuse, if McClellan is closed, is what
12 exactly is the federal responsibility here and DOD's responsibility
13 to get us cleaned up as soon as possible so that conversion in fact
14 can take place? And this is, for me, is not a hypothetical, as a
15 mayor. We have already gone through that process. I am going to
16 tell you, in terms of economic development, it is a mighty chore in
17 areas like ours, when you have a base that is not clean so the
18 private sector can then come in and regenerate jobs. You make our
19 job that much more difficulty.

20 MR. DICKINSON: Let me add: We have Mather Air
21 Force Base as well. We are seven years after closure. We are
22 still struggling with trying to interest the private sector
23 squeezing in a base that does have toxic contamination issues
24 unresolved, and they are to a far less extent at Mather than they
25 are at McClellan.

26 COMMISSIONER MONTOYA: Mr. Kling?

1 COMMISSIONER KLING: I was reading in here, the
2 Senator's statement, and I know you touched on the fact that the
3 nuclear reactor, its strength, and the uniqueness or the one of a
4 kind aspect of that. Also I noticed the statement about cost of
5 either replacing or moving that that was not included in the COBRA
6 run and so forth. Can you maybe elaborate? I did not have the
7 privilege of visiting the base Monday, but I am tomorrow.

8 MR. DICKINSON: We will be happy to show you the
9 facility.

10 I think this is one of the very strong points, that
11 the nuclear reactor is there.

12 COMMISSIONER KLING: Can you elaborate on that, that
13 it is very special, how it is used fully? Is its capacity
14 constantly being utilized?

15 MR. FAZIO: It's utilized at over 90
16 percent, and the cooperative efforts with U.C. Davis Medical
17 Center, which is attacking brain cancer, is able to proceed
18 concurrently with the work we are doing in the national security
19 area, which we can describe more for you tomorrow, as well as in
20 areas directly related to our ability to determine any areas of
21 failure in air frame structures. This is a very unique facility.
22 You probably would have a hard time quantifying its replacement
23 cost, because it may be more of a regulatory problem, may be more
24 of a public acceptance problem than it is a cost issue.

25 COMMISSIONER KLING: Good point.

26 MR. FAZIO: Since this is such a new

1 facility, I think it not only would be a shame to tear it down,
2 pull it apart, but it would cost a great deal just to do that,
3 given the regulatory environment which we face in this country
4 today. So it is one of our strongest points. And the reason why I
5 think it is, it is integral to a number of our missions.

6 MR. ERES: We could expand on that.

7 COMMISSIONER MONTOYA: Commissioner Kling, are you all
8 done?

9 You have one question?

10 COMMISSIONER CORNELLA: We will put this on my time.

11 As I remember, March 6 we had a hearing in
12 Washington D.C. in the Air Force Base --

13 (Short break while the faulty microphone was
14 switched.)

15 COMMISSIONER CORNELLA: As I said, on March 6, we had a
16 hearing in Washington D.C. with members of the Air Force staff and
17 we had some of the same discussions we are having here today
18 regarding environmental costs of cleanup. As I remember from that
19 area and hearing -- you will be pleased to know there are
20 transcripts so you don't have to rely on my memory in case it's
21 wrong -- they did not say they could clean up depots for future
22 needs. They thought they had, through access, they felt the cost
23 of the cleanup could be 600 million to \$100 million per depot as it
24 closed. Now today we hear that those costs are projected, by you
25 folks at five to \$10 million. Mr. Dickinson, I ask you: Where do
26 those figures come from precisely? Where do you get the figures

1 five to ten million?

2 MR. DICKINSON: Those figures are derived from
3 working with base personnel. I think I can provide the detail.

4 COMMISSIONER CORNELLA: I would like to see something on
5 five to \$10 million. There is quite a discrepancy there.

6 MR. DICKINSON: We can provide that detail.

7 MR. FAZIO: I would like to just say, having
8 served on a committee that deals with cleanup of nuclear waste,
9 that estimates in this area are very swishy and range very widely,
10 and I think it's basically the uncertainty of the technology and
11 the time frame involved. I think this is an area that his
12 Commission needs to work with us on to get a better grasp of the
13 full range of what these options are. I think we have a better
14 chance on getting finality at McClellan than we do at the other
15 four facilities, which really don't know the extent of their
16 problem. We happen to have this ground water gravitation problem.
17 It does seem to be unique among them, which has added to the cost,
18 which does vary widely.

19 MR. DICKINSON: I want to say maybe I
20 misunderstood your question previously. The fundamental elements
21 of the cost or carrying out the technology costs now and
22 accelerated, the cost would be incurred in speeding up that
23 process, rather than carrying it out over time.

24 COMMISSIONER MONTOYA: Again, Mayor Serna, good to see
25 you. Thank you for your presentation view, and all of the
26 delegation from Sacramento.

1 MR. FAZIO: Thank you.

2 (Audience giving a standing ovation.)

3 (Conclusion of the presentation of the McClellan Air
4 Force Base delegation.)

5 (Opening presentation of the Naval Warfare Assessment
6 Division in Corona delegation.)

7 COMMISSIONER MONTOYA: For those that are leaving the
8 presentation, in deference for the remaining speakers, please leave
9 quietly. The rest of you, please sit down.

10 Congressman Calvert, it's good to see you again, and
11 if you and your delegation will stand, I will swear you in before
12 you start testimony.

13 (Witnesses sworn.)

14 COMMISSIONER MONTOYA: Congressman, we will wait about
15 another 30 seconds here. I think that we will have full quiet and
16 can give you our full attention.

17 Congressman, you are on. Go ahead.

18 MR. CALVERT: Thank you. And thank you,
19 Commissioners, for having this hearing and giving our community of
20 NORCO and Corona an opportunity to come forward and demonstrate why
21 the mission that is questioned must remain at Corona.

22 First, I would like to say I appreciate your
23 sacrifices. It is extremely difficult to be away from home and
24 family, traveling great distances to evaluate all of these bases.
25 It is a very emotional subject. I wanted to thank the Commissioner
26 and staff for your dedication to this endeavor.

1 As you know, California, and more specifically our
2 part, Southern California and the area that I represent, the inland
3 empire, along with five other members of Congress, have more than
4 done its share to meet our goal of a smaller, more effective
5 military.

6 As you can see on that slide, we have had the closure
7 of George Air Force Base, the closure of Norton Air Force Base, the
8 realignment of Mar Air Force Base; right next door, the closure of
9 El Toro Marine Air Station, the closure of Tustin Marine Station,
10 anticipated closure of Long Beach Naval Hospital, not to mention
11 what has happened to our aerospace industry in my area, including
12 Hughes Aircraft, Roar, and many others, which I could spend most of
13 my time talking about. It's been very well documented what
14 happened to the aerospace industry in Southern California. That
15 has turned out to be an economic calamity for our area.

16 As you can see, again on that chart, based on what
17 has already occurred and what has been recommended, in a 50-mile
18 radius of the community of NORCO, only one military facility will
19 survive, and that would be Seal Beach. So I think, without getting
20 into some great detail at the moment, you can see that we have done
21 more than our share to make sure that we meet the goals of having
22 less military structures. Just as I know, just in the Riverside-
23 San Bernardino area, excluding what has happened just outside of
24 our area, that is \$4.1 billion loss of economic activity.

25 But the reason why I am here is not to talk about the
26 obvious economic upheaval as a basis of base closure, but

1 | why the facility of Corona is necessary.

2 | The impact of splitting up or moving the NORCO
3 | facility is not a good idea. First, it compromises the
4 | independence of that facility, and it creates a conflict of
5 | interest. We will get into that a little later on in this
6 | testimony.

7 | You lose synergism between critical capabilities, and
8 | that is also important and we will get into that later.

9 | We just completed, and Commissioner Cox and
10 | Commissioner Montoya were there the other day, a state of the art
11 | facility, which took ten years plus to put together. The Warfare
12 | Assessment Lab, planned, built and put into place, if that must be
13 | replicated at a different location, if this mission is vital -- and
14 | I don't believe there is any disagreement upon that -- then the
15 | cost is not just dollarwise, which we believe is inaccurate -- and
16 | that we will get into in the supposed cost saving, which we don't
17 | believe is there -- but the loss of time. And I think that we
18 | cannot tolerate loss of time and maintain this critical, critical
19 | need to our military. And to explain why it's so critical, I have
20 | a gentleman that is with us today, Mr. Dennis Casebier, who was
21 | technical director at this facility, who worked at this facility
22 | since 1960 to 1990, 30 years, and has tremendous experience. He
23 | has not worked for DOD since his retirement, and has really moved
24 | 200 miles away from our base, but out of dedication to this
25 | facility, understanding its importance, he is here today and has
26 | come up to San Francisco to testify. I would like to introduce

1 | Dennis Casebier.

2 | MR. CASEBIER: Thank you, Congressman.

3 | Commissioners: What was bourn of necessity in the
4 | early 1960's when surface missile systems did not work, was created
5 | by a well-known naval officer, Admiral Eli Reich, who lived through
6 | the tragedy of World War II. After the bombing of Pearl Harbor,
7 | the fleet that was unscathed went to sea, and there were three
8 | major problems with their most modern torpedoes that had to be
9 | discovered in a series of a period over a year, before the
10 | submarine force could be brought to bear against the enemy. Nobody
11 | knew what those problems were until they went out and fired the
12 | torpedoes.

13 | The admiral became involved in the surface missile
14 | project in the early '60's, and basically said: We are doing it
15 | again. They don't work. We don't know how well they work and we
16 | don't know what the problems are. He chartered what is now NWAD,
17 | with no conflict of interest, which basically means it has
18 | absolutely no responsibility for design production, interservice
19 | engineering. The purpose was to provide the fleet a system command
20 | with truthful and consistent data from the same data base so
21 | everybody speaks the same language. He combined that function with
22 | other technical functions, which were selected to provide synergism
23 | and limits of failure. It is not enough to have a get well program
24 | to determine how well you do something, but you have to identify
25 | the mistakes, the limits of failure. In the beginning, the
26 | analysis was located on a single missile situation. There were

1 data we couldn't get a missile -- the defects performance was a
2 joke. The missile -- and at a time when the prowess of the systems
3 was being touted as so that manned aircraft was soon to become
4 obsolete.

5 Rapid progress was made by the end of the 1960's.
6 Single ship operations had been improved. Ships could detect,
7 allocate, and identify reasonable replication of the threat and
8 assessment began to expand into areas where two or more ships
9 operated together.

10 In the '70's, assessment expanded to pre-deployment
11 exercises, and including air operations as well as surface missile
12 systems including transits, from second need, third need to the
13 immediate capabilities when the Pacific and those in harm's way are
14 serviced.

15 In the early '80's, assessment was expanded to
16 include other warfare areas and very high classified aspects of
17 these exercises. This demands rapid turnaround. For many years
18 all of that meant just work harder. We have 50 people out on ships
19 during battle repair exercises. They bring back a ton of data and
20 make the tapes, computer printouts, observance notes, audio tapes.
21 With rapid turnaround, we try to give the commanders some kind of
22 rapid feedback. In the '80's that usually meant four weeks at
23 minimum, six weeks not uncommon, too late to really do anything.

24 The extension of the East Fleet in the early '80's
25 provided an opportunity to resolve the problem in this respect,
26 rapid turnaround problem, with the help of NWAD engineers. New

1 | technology was augmented, built into an extremely powerful system.
2 | He had used the potential to provide information, not only to
3 | himself, but on everything that went on around him. Soon it was
4 | clear what kind of feedback was needed to meet preparing for
5 | deployment. A Warfare Assessment Laboratory at NWAD was conceived
6 | to use satellite links to relay data in real time from the fleet to
7 | NWAD, and to feed results back to the fleet. And the same was true
8 | to get information back, to send the information back. Maximum use
9 | being made by the cruiser and their data collection capabilities
10 | will not permit us to replicate the scenarios. If they didn't do
11 | something right and they know they didn't do something right, they
12 | can do the scenario all over again.

13 | Fifteen years elapsed between conception and
14 | completion of the Warfare Assessment Laboratory. It was dedicated
15 | just last year. After one year its full capability is simply, down
16 | line, is the need for the first time, receiving nearly real time
17 | support data.

18 | If the Warfare Assessment Laboratory were to be
19 | replicated elsewhere, anywhere, it won't be done in less than five
20 | or six years. In addition to construction complexities, there are
21 | complexities in communications systems, satellite connections and
22 | security. There is the building, the special phases that is needed
23 | to accomplish this. If you create -- if you create the need for
24 | side-by-side facilities so you can turn one off and turn the other
25 | one on, there is still going to be a delay, but it would involve,
26 | if you took that approach, it would involve expenses that were

1 | not contemplated in your scenario, as I understand the way and
2 | there would be a disruption in the fair assessment, pre-deployment
3 | assessment information. They would deploy without knowing state
4 | readiness or what the problems are.

5 | There would be a high selection of failure causes. I
6 | mentioned this already.

7 | The assessment information, with the disappearance of
8 | some of the functions, and some could be, in the post that I saw,
9 | some could be put at China Lake and synergy will be lost because
10 | assessment analysis will be lost. For example, instrumentation
11 | would be transferred to China Lake and technology and calibration
12 | transferred to the -- there is this complex synergism that goes on
13 | between assessment and who is dispersing that, who knows what data
14 | is needed to certain assessment.

15 | The instrumentation, these are the people that know
16 | how to get that data out of the system and the calibration people
17 | know how to guarantee the adequacy of the information. And those
18 | functions would be scattered to three different facilities. These
19 | are professionals that are, in fact, national treasures, and I
20 | suppose every commander feels that way.

21 | I want to talk about our statistics just a little
22 | bit, because there are some statistics here that could be
23 | misleading. I know, in today's environment, it is not that if
24 | someone was offered a job, they say where, and that is what is
25 | contemplated here, that most people will move. But I think the
26 | bottom line is that there may be 80 percent of the people move,

1 | but you might lose corporate knowledge. I am going to use an
2 | example.

3 | Orville -- he is an engineer who has been there for
4 | over 25 years. He has focused his entire career in the analysis of
5 | these weapon systems, and I don't believe there is anybody who
6 | could replace him. Twenty-five years in government service, his
7 | house is paid for. He is protected by Proposition 13. If there is
8 | a buy-out, Orville isn't going to move to Monterey or anywhere
9 | else. We will lose Orville and his share of the corporate
10 | knowledge.

11 | A final point and other consideration.

12 | In my 30 years' experience, one of the things that
13 | has been vital to the existence of an independent assessment
14 | function has been to take very careful care of the management
15 | relationships. As I understand it, this would change management
16 | relationship in a way that this independent assessment function has
17 | never been managed before. It has to be managed in such a way that
18 | the fleet, the system command, the training command, the
19 | contractors that do that repair, the manufacturers of missiles, are
20 | all comfortable with dealing out of the same data base, and I am
21 | sure you all have, as much as I have, knowledge that that will no
22 | longer be, and you know that is a very delicate balance. If you
23 | manage that the wrong way, then I think you have no assurance that
24 | the system will make use of that data base. So that is the end of
25 | my seminar.

26 | CONGRESSMAN CALVERT: Thank you.

1 Next to testify, I would like to introduce an
2 economist from the empire who is an expert on the empire. As a
3 matter of fact, he wrote a dissertation on base closure, and
4 unfortunately he used his hometown as the subject of that because
5 of the experience we have had in our area.

6 I would like to introduce John Husing.

7 MR. HUSING: Thank you very much.

8 Real time capability to analyze the readiness and
9 risking independent of assessment function, and losing synergy that
10 has been developed over several years as an integrated function.
11 The question: Are there any true and real savings that will come
12 about by closing and scattering to three separate bases? The chart
13 I have on the screen, if you look at the left-hand bar, somebody
14 used \$76 million as a one-time savings, which is the -- or sorry,
15 one-time cost -- which is the COBRA model which was generated. The
16 smaller bar of 21.2 million is the estimated annual savings and a
17 three percent cost of money. The COBRA has estimated a three plus
18 year return on the investment. But I would like to show you, on
19 the right side of that, is what I believe is a more realistic
20 assessment on what is going to take place in this situation, with a
21 one-time savings which is going to be closer to \$100 million,
22 \$80.2 million annual saving, 3.2 percent cost of money, looking at
23 return on the investment, something over 20 years. This is
24 somewhat different than the assessment I had when Commissioners
25 Montoya and Cox came to the base. When we received information on
26 those briefings, I did not have, at that point, that to look at.

1 Next slide. If we are going to understand the
2 potential savings, or lack of savings of this particular facility,
3 the true critical question is underlying workload. If the workload
4 shrinks, then you can't, in fact, have savings, if the workload
5 does not still need the personnel. The first four bars on it are
6 actual expenditures for what is the fiscal year '94 to '95. At the
7 same time, the Navy budget is shrinking. They are horizontal. The
8 fiscal '96, \$178 million figure from fiscal '96, that is based upon
9 talking to the Navy program officers, 90 percent of them, and that
10 is what they have indicated will, in fact, occur next year.

11 On the next slide, the tall bar all of the way
12 across, the one on the left side, is the actual personnel on the
13 base. The 1987 figure is based upon looking at the COBRA model
14 step, and in correlation between that and what actually occurred in
15 the past. The actual figure for fiscal year '96 looks like 982, so
16 the forecast appears to be for that year.

17 1972, from there on appears to be what the CP7R
18 indicates, but what the CP7R indicated would be the actual
19 requirement. The 622 figure is the figure used in the COBRA model,
20 and the 622 can only about if you have a significant downsizing in
21 the workload, which does not appear to be, in fact, based upon
22 reality.

23 If you look at fiscal '96 in the next slide, please,
24 the 622 is essentially the directed savings that was required to be
25 made by the facility in order to come up with a sparing of the
26 closing; 890 is what the CP7R for fiscal '96 gives you in

1 terms of manpower; 987 was the prediction for that, and 982 is, in
2 fact, what the program managers, and now sea controller officers
3 said actually occurred.

4 On the next slide, you will note the COBRA model
5 assumes a cut from 992 down to 622. That is a savings of 370
6 people. The Navy asserted no savings was taken from 82 of those
7 people. So the actual savings would be 288. And the average wage
8 of 45,000, that is approximately \$13 million of savings, which we
9 do not believe would, in fact, occur. So instead of 21.2 million,
10 you have 8.2 million in savings.

11 COMMISSIONER MONTOYA: You have about five minutes
12 total time. And we will mark five minutes remaining on you.

13 MR. HUSING: Skip that.

14 Quickly on this 21.2 million is what they indicated
15 to us. It looks like actually workload of 13 million. That is not
16 real. So you end up with 8.2.

17 Skip to the next slide. The one-time cost of 76
18 million, in fact, misses several items which appear to be quite
19 real. There are wage differentials when operating NORCO in a place
20 like Monterey. There is moving specialized equipment that was
21 zeroed out. You had space billed as an estimated \$11.35 a foot.
22 We know, in fact, space cost \$198 a foot to build. In order to
23 reproduce the laboratory, it calls for a cost of \$12 million. That
24 is what it costs to reproduce a place like NORCO in the past. If
25 you are going to reproduce that in the future in Monterey, it's
26 going to cost more like 4 million and travel of \$2 million.

1 To sum up, it looks to us like a one-time cost of a
2 hundred million, 82.2 million added savings, three percent. You
3 are looking at 15 years before you get a recovery. Then the entire
4 scenario does not include simultaneous building a separate
5 laboratory and running staffs in both places so you can have no
6 hiatus, availability of work synergism to the fleet.

7 CONGRESSMAN CALVERT: Just to wrap this up, I want to
8 make several points. One is that NORCO is unusual, in the sense it
9 is a one-of-a-kind organization, the only kind in the world. It
10 should be evaluated based upon its unique mission, providing
11 independent assessment of military systems of fleet readiness.
12 NWAD should not be evaluated as a warfare center. Relocating its
13 mission to a warfare center raises the possibility of conflict of
14 interest.

15 Lastly, the proposed closure of the Warfare Lab at
16 NWAD, the Department of Defense would lose the ability to provide
17 real time assessment, fleet readiness for six to ten years. This
18 independent organization is extremely viable. The proposed cost
19 savings just aren't there. The Naval Warfare Assessment Division
20 should remain in its present location in Corona, and we appreciate
21 the time that you have given us.

22 COMMISSIONER MONTOYA: Thank you very much, Congressman
23 Calvert.

24 COMMISSIONER COX: Captain, I will put you on a
25 spot. I notice that you did take the oath and I am wondering if I
26 might ask you a question.

1 CAPTAIN SCHWEIR: Yes, ma'am.

2 COMMISSIONER COX: We are very impressed with the
3 work you are all doing. I come out of the airline industry and
4 transportation and safety board, which is variously independent.
5 It has to find out what happened in crash and if we don't have that
6 independence -- again, obviously we are not involved in program or
7 design, or air training, or air traffic training, or procurement of
8 air traffic control equipment. We don't have a vested interest in
9 anything. So I see you all very much like that, although you are
10 trying to prevent things from happening in the first place. But in
11 talking about that and its importance, specific recommendations to
12 move part of the area to Monterey and Crane, I wonder if you could
13 tell me if those areas create conflicts? Are you moving to an area
14 where they do program designs? Are those the kinds of things you
15 have, Commander?

16 CAPTAIN SCHWEIR: From 1953 until 1963, they were
17 part of the missile development and missile research. In '63, the
18 Navy broke them out under a new thing, Missile System and Analysis
19 Evaluation Group. They recognized a critical need, gave it
20 independence from the developer, and as a professional in this
21 business for a lot of years I believe, if you move certain things
22 to inservice engineering agents, you will, indeed, lose that
23 critical function, as I think it was, and as one of the senators
24 says, it's used like moving the customer in, with, he said, the
25 Naval Traffic Safety Board. The independence is critical, and
26 every time it's been studied it's been reaffirmed. It's not being

1 tied to a warfare center. That is the reason we exist and are
2 separate, and the integration, pulling in the spare parts of
3 evaluation has become very efficient and effective at the site.

4 COMMISSIONER COX: In the sense, your mission
5 requires you to be separate?

6 CAPTAIN SCHWEIR: That is the key word,
7 independent mission, I believe. The independence assessment.

8 COMMISSIONER COX: Why do you all rank low on
9 military value?

10 CAPTAIN SCHWEIR: Well, looking at the questions
11 we ask, I think personally, military value is only a value in
12 looking at groups across the spectrum, three or four of us. We are
13 one of one. It depends on what questions you ask, what answers you
14 get. If you are looking at many of the questions you are asked and
15 the points that are given, our very independence hurt us. We are
16 not tied to a warfare center, therefore you got zero points. I
17 think if you reevaluated some points, we would get much higher,
18 like No. 7.

19 COMMISSIONER COX: The way we rank military value
20 gave you points if you are a warfare center.

21 CAPTAIN SCHWEIR: Or tied to some other function
22 that we are, by design, independent from.

23 COMMISSIONER COX: Thank you.

24 COMMISSIONER MONTOYA: Thank you all very much. Thank
25 you very much, Congressman Calvert.

26 COMMISSIONER COX: Could you identify yourself for

1 | the record, if you would do that for the Reporter?

2 | CAPTAIN SCHWEIR: Captain Edward Schweir,
3 | Commanding Officer, Naval Warfare Assessment Division.

4 | (Conclusion of the presentation of the Naval Warfare
5 | Assessment Division, Corona.)

6 | (Opening presentation of the Engineering Field
7 | Activity West, San Bruno.)

8 | COMMISSIONER MONTOYA: Next we have 20 minutes for the
9 | Engineering Field Activity West, San Bruno.

10 | Good morning. It's good to see you again. If you
11 | would all raise your right hand. It looks like you are ready to
12 | take the position.

13 | (Witnesses sworn.)

14 | COMMISSIONER MONTOYA: Very well. Mr. Hedley, I have
15 | you as lead-off speaker. Is that correct?

16 | MR. HEDLEY: That is correct. That is
17 | correct.

18 | COMMISSIONER MONTOYA: We will start with you, then,
19 | and next Mr. Fencl, and Mr. Merchant who is the representative of
20 | Congressman Tom Lantos.

21 | Mr. Merchant, you will be going second?

22 | MR. HEDLEY: He will be going third.

23 | We have taken the 20 minutes, going to try to take 20
24 | minutes or less, to try to present to you a case where, we believe,
25 | to show that this particular base, EFA West, should be removed from
26 | the base closure list.

1 My name is Frank Hedley. I am City Manager for the
2 City of San Bruno, spokesperson on behalf of the very unanimous
3 council, who, unfortunately, today had other commitments. When you
4 are working in the field, in other things -- you know the City
5 Council people are all part time -- they were unable to be here
6 today. But I bring their greetings, and I bring you, from them, a
7 very strong urging that this particular base that is located within
8 the City of San Bruno, not be closed. We do that for several
9 reasons.

10 The City of San Bruno has long established a
11 favorable relationship with the federal agencies located within the
12 city limits, and especially the EFA West, whose functions and
13 personnel have become interwoven into the pattern of the community
14 of San Bruno.

15 EFA West employs approximately 339 civilian and
16 9 military personnel, who live in San Bruno and surrounding
17 communities. They contribute greatly to the local economy, and
18 their absence would negatively impact the City of San Bruno, both
19 on a social and economic manner.

20 The City Council recognizes the critical nature of
21 EFA West's mission, to provide for installation closure and
22 realignment support for the Navy and Marine Corps. EFA West, in
23 San Bruno, is well-situated to fulfill its mission because of its
24 location in Northern California. It is easily accessible to its
25 customers and its immediate proximity to the San Francisco
26 International Airport. In addition, the EFA West site

1 | characteristics easily facilitate potential joint development,
2 | potential between the Federal Government and public agencies such
3 | as San Bruno. Based on those considerations, our City Council
4 | meeting, in its last -- at its last meeting on Monday night,
5 | unanimously adopted the resolution which I have provided to the
6 | Commissioners, resolving that the City Council urge the Commission
7 | to exclude EFA West in San Bruno from its base closure list, and
8 | further resolving that the City Council encourage the Department of
9 | Defense to explore more opportunities to enhance the economic
10 | utilization of the sites, while retaining existing EFA West
11 | functions in San Bruno.

12 | In addition to the resolution I am presenting to you
13 | today, there are letters that support any further statements on
14 | behalf of my senator, Quentin Kopp, who is a state senator, and
15 | Assemblywoman Jackie Speier, whose letters are concurrent with the
16 | City Council's submitted to you today.

17 | With that brief introduction and basis of the city
18 | support, I would like to now introduce and support Mr. David Fencl,
19 | who is a civilian employee of the base, and representing the
20 | employees.

21 | COMMISSIONER MONTOYA: Thank you, Mr. Hedley.

22 | Mr. Fencl?

23 | MR. FENCL: Thank you for the opportunity to
24 | represent 350 or so employees of the Engineering Field Activity
25 | West, or 95 field offices across Northern California and Nevada
26 | and, as of this point, 17 caretaker site officer employers

1 | operating the Hunter's Point. I am a 14-year employee of the
2 | Activity, and 23 years ago today I was commissioned in the United
3 | States Navy. I caught my first destroyer right down the street
4 | here in Treasure Island, so my roots do lie here, as do most of our
5 | employees in the audience.

6 | EFA West has been in the forefront of innovative
7 | commitment, continuing enhancement, to the quality of our work
8 | efforts, reorganization that directed our work efforts for a new
9 | organization that was cleaner and more efficient. It is the
10 | consequences of the employees, that overriding consideration, and
11 | the most paramount consideration must be considered, our customers,
12 | manifested in the quality of products and the services they
13 | receive, and our response and our responsiveness to their
14 | requirements as they change. Keeping these ends in mind, there are
15 | three requirements that we must focus on.

16 | Proximity in relation to our customers. Remove
17 | proximity in relationship to the significant external forces that
18 | govern our management decisions, and you remove the overall
19 | effectiveness of our work force and efficiency of the management
20 | process.

21 | First, the proximity. We have three product lines.
22 | Acquisition, which has to do with infrastructure, environmental,
23 | and base closure. In all three product areas, immediate proximity
24 | to the customer has been the driving consideration since EFA West
25 | was realigned into three sections, in Seattle, Central California
26 | area, and Southern California.

1 Acquisition not only designs and builds
2 infrastructure, it also coordinates the environmental designing
3 aspects to the project can be built. It involves all of the
4 national environmental protection administration, historical
5 landmark, as well as all of those aspects that allow us to bring
6 something into the Navy --

7 Environmental. Environmental is intimately involved
8 with the physical site, education, contract, testing.

9 Closures are our newest product line. Those efforts
10 are addressing the operation to close bases, reuse law enforcement,
11 fire services and all of those aspects of disposal.

12 In a packet that I have given you, you will find a
13 letter from the Ninth Region of the Environmental Protection
14 Agency, which speaks to the level of cooperation and the importance
15 of the team being present here in Northern California that has been
16 instrumental in the progress they have made. As you probably
17 understand, the commanding officer of this agency, EFA West,
18 becomes the commanding officer of the closing base and assumes full
19 responsibility to that. There is also a presentation in the back
20 of this that gives you an overview of just what his tasks are as we
21 assume responsibility.

22 Second is the proximity to our external forces. We
23 work in an integrated environment. Closure of the Bay Area bases
24 involves municipal governments, connections we have never done very
25 well with before, citizen groups of all variety, as well as the
26 official regulatory agencies that govern our decisions.

1 Non-government agencies now have the right, as much as anyone, to
2 be heard and be involved in the processes. Working with these
3 groups effectively is labor-intensive and requires continued
4 attention to detail. The intensity of the Bay Area community
5 concern seems to be commensurate with the level of activity. We
6 have 10,000 acres available, \$1 billion in planned --

7 We are deeply concerned that private contracts at any
8 base will not be heard in the shuffle to make the transition. We
9 are the bridge to provide that transition in some sort of coherent
10 manner.

11 The third aspect of the effectiveness of our work
12 efforts: Any organization must consider the effectiveness of
13 organization structure. Engineering Field Activity on the West
14 Coast has been realigned. Since the '80's we have broken into
15 three sections to focus on customer service, in order to get very
16 close to the customer and know exactly what that customer needs on
17 time, in budget, no questions asked. Each theater was able to
18 support the offices better than what we had which was extensive
19 experience in managing remote field offices and we well know the
20 damage that can be effected when one of those remote offices get
21 out of control. It is absolutely essential to our program. Look
22 at what it cost us. It took many hours of effort to undo that
23 which was not closely supervised and managed. Proximity is
24 absolutely essential to our effectiveness. Was the senior engineer
25 at the site to resolve the problems, and spent six months, and in
26 that isolated section -- and I know it is not a lot fun and it is

1 | not easy to resolve that. Proximity to our external forces
2 | dictates the quality of our service. As I said, when we tried to
3 | manage all of the West Coast, we spent most of our time and money
4 | sending people up and down the coast to take care of San Diego and
5 | the Northwest. Now we are facing the reverse. If we are closed,
6 | those people will be spending most of their time flying back to the
7 | Bay Area, working with all of the agencies in Northern California.
8 | That is the effect of closing bases and our acquisition program
9 | here.

10 | By the position of the commanding officer of EFA San
11 | Diego, they do not have the office space, nor the staff, nor do
12 | they feel they can acquire the staff in San Diego to replace the
13 | loss of the experience treasures we have here. It is hard to say
14 | that. It seems to be a term that seems to be used. I don't feel
15 | like a "treasure," but I do feel that our employees are an
16 | essential link to our customer and ultimately those customers have
17 | to be number one in every situation.

18 | To that end, you will find three letters in here from
19 | very satisfied customers that pick us and choose us, and prefer us,
20 | and are satisfied with what we do. That has to be the ultimate
21 | goal of an organization, and it has to be our goal, and at that
22 | point, at EFA West, ultimately we have to bear the burden of
23 | decisions of the Commission on how to provide for those customers.
24 | Most of them are here in the Bay Area. Some are remote, in China
25 | Lake, but they are no less a member of our organization.

26 | Overall production to customer, proximity to external

1 | forces and customer satisfaction are the key. We excel in all of
2 | these categories and we are in a unique position to provide
3 | service. Ultimately the customer is the one who is the loser in
4 | these decisions, and the customer is the most important part of our
5 | service.

6 | We would ask that EFA West be removed from the base
7 | closure Commission's list. Thank you.

8 | COMMISSIONER MONTOYA: Thank you, Mr. Fencil.

9 | Mr. Merchant is anchorman. You have got seven and a
10 | half minutes, Mr. Merchant.

11 | MR. MERCHANT: Chairman and members of the
12 | Commission. My name is James Merchant, and I am a representative of
13 | Congressman Tom Lantos, district office here in California.

14 | Congressman Lantos very much regrets he cannot join
15 | you today. The House of Representatives is in session today, which
16 | requires his presence in Washington D.C.

17 | Congressman Lantos has asked me to extend his
18 | greetings to the Commission and present his testimony. I am
19 | honored to speak on behalf of Congressman Lantos to the critical
20 | issues of base closures in California, and particularly on the
21 | future of the Engineering Field Activity West, EFA West, in San
22 | Bruno, California, which is local and in Congressman Lantos'
23 | district.

24 | Mr. Chairman, Congressman Lantos shares the deep
25 | commitment to a strong and effective national defense. At the same
26 | time, with the end of the Cold War and the collapse of the

1 | Soviet Union, it is inappropriate and necessary that we reconsider
2 | and reevaluate our defense posture. It is necessary to close
3 | warfare and military bases.

4 | At the same time, however, we must take into
5 | consideration local impacts of these base closures decisions.
6 | There will be pain from realignment of our military facilities, but
7 | that pain should be proportionately shared and spread among all
8 | regions of our nation, and among all of our states.

9 | Mr. Chairman, Congressman Lantos has very serious
10 | concern about the affect of base closures on California's economy,
11 | particularly since our state has sustained a disproportionate
12 | number of job losses stemming from military base closures.

13 | As a result of base closures in 1988, 1991 and 1993,
14 | California has suffered 69 percent of the nation's base closure,
15 | job losses. California will suffer even more job losses as a
16 | result of possible base closures projected for this year.

17 | While Congressman Lantos supports closing unnecessary
18 | and undated military bases, he strongly believes that the base
19 | closures must take into consideration the effect on local economy
20 | as well as the effect on the nation's military readiness.

21 | Base closures, I think, in California are
22 | particularly hard during the time of critical employment, when our
23 | state's economy has been sluggish. The latest round of base
24 | closures come at a time when our state is only beginning to make
25 | its first precarious recovery of the impact of seven years of most
26 | intensive military downsizing anywhere in the nation.

1 Congressman Lantos has serious concern about the
2 substantial impact base closures will have on thousands of
3 California workers who will lose their jobs. Clearly the citizens
4 of our state should not be asked to suffer additional hardship in
5 their location, additional base closures.

6 Tom Lantos strongly urges you to take into account
7 the devastating effects that previous base closures have already
8 had on the California economy when you consider other base
9 closures.

10 Mr. Chairman and members of the Commission.
11 Congressman Lantos is particularly concerned about the possible
12 closure and realigning of the Navy's Engineering Field Activity
13 West which is located in San Bruno, California, and what moving
14 personnel from San Bruno to San Diego or other locations will have
15 to close bases already slated for closure, and that it will slow
16 the process of closing new bases. As you know, the Engineering
17 Field Activity West, referred to as EFA West, is responsible for
18 assisting in the closing of the following facilities that have been
19 previously scheduled to close: Mare Island, Alameda Naval Air
20 Station, Treasure Island, Hunter's Point and Moffett Field and
21 Oakland Naval Hospital.

22 It is my understanding that base closures require
23 continued contact with local public officials, the public and
24 regulatory agencies in San Francisco. If you consider that
25 monumental task the government must undertake in closing bases and
26 in working with the affected communities and contractors,

1 Congressman Lantos believes it will be absolutely clear that the
2 function of EFA West, which included important environmental
3 cleanup and expertise in local economy, require are local presence.
4 This is a key function that cannot be handled effectively or
5 efficiently from hundreds of miles away.

6 Since 1988 the Federal Government has had over 60
7 bases closed, 20 of them, or one-third of the bases are in
8 California. In the effort to close these bases, military officials
9 have to deal with environmental cleanup and the disposition of
10 property. These problems were inevitable in closing of these
11 bases.

12 When you begin your deliberations in presenting the
13 list of bases of closure to the President, we believe that you must
14 take into account whether it is in the best interest of the
15 military and the taxpayer to close EFA West. EFA West's central
16 mission is to provide the tactical support and expertise in its
17 environmental cleanup and disposition of property necessary for the
18 closure of our bases. Clearly, and if California is to be affected
19 by even more base closures in this current downsizing, EFA West
20 with its strategic location and its expertise, will be even more
21 essential to military effectiveness in ensuring that base closures
22 will be achieved in the most effective and efficient manner.

23 Mr. Chairman and members of the Commission, EFA West
24 has sa dedicated, committed staff of experienced personnel with
25 expertise and knowledge within their respective field, closing
26 facilities, with critical civilian expertise, which these dedicated

1 and hard-working employees bring. If EFA West is closed, most of
2 the employees will not be willing to relocate outside of the Bay
3 Area. They have strong ties to their communities and to their
4 families, neighbors and friends. If these dedicated workers are
5 lost, the Navy will have to spend considerable time and expense in
6 finding replacement workers, and training them in order to continue
7 EFA West's critical mission, which must be maintained with base
8 closures everywhere.

9 Lastly, Mr. Chairman and President of the Commission,
10 the Secretary of the Navy has testified before you and it has been
11 established that the Navy had decided not to place EFA West in its
12 list of recommendation for closure because of its current concern
13 about economic impact on the community. Congressman Lantos
14 believes the Navy was absolutely correct in considering the
15 economic impact and decided it was necessary to keep EFA West open.
16 More importantly, however, EFA West San Bruno, strengthens military
17 ability to serve the necessity of our region. EFA West best serves
18 military interests. It is essential for the installation to remain
19 open to fulfill the mission of base closure and base realignment.
20 We urge you to not place EFA West on your base closure list. Thank
21 you.

22 COMMISSIONER MONTOYA: Thank you all very much for your
23 presentations and your presence.

24 (Five-minute break.)

25 COMMISSIONER MONTOYA: Everyone who is going to testify
26 and who would like to speak here, if you will all raise your right

1 hand and you will be sworn.

2 (Witnesses sworn.)

3 COMMISSIONER MONTOYA: Please be seated, and we are
4 going to give you the entire 60 minutes, without limiting time to
5 any particular person and let you manage the time. You have got 60
6 minutes and we will hold you to that.

7 Mr. Carrera, are you going to be the leader?

8 MR. CARRERA: Yes.

9 COMMISSIONER MONTOYA: Welcome.

10 MR. CARRERA: Thank you very much.

11 MR. GALLEGLY: I appreciate this opportunity to
12 address the Commission and to make some brief comments on behalf of
13 the Point Mugu Naval Base, which was added to the base closure list
14 earlier this month.

15 Like other elected officials who have come before you
16 to voice their concerns over proposed base closures in their
17 respective districts, I speak today strictly on my point of view.
18 I could discuss the proposed closures in terms of the thousands of
19 jobs and hundreds of millions of dollars such actions would strip
20 from our already suffering local economy. But I know that you have
21 heard these arguments many times before from many different people
22 in many different places.

23 Instead, I would like to direct your attention to the
24 critical military value of Point Mugu, and its consolidations and
25 management streamlining that have taken place at Point Mugu and
26 China Lake in recent years. The result of that effort by the Navy

1 | has been tens of thousands of man hours saved without degradation
2 | of mission.

3 | Since the addition of Point Mugu to the closure list,
4 | I have held numerous meetings with Navy officials to gain a more
5 | complete understanding of how they view this facility. As a result
6 | of these meetings, I am more convinced now than ever before that
7 | Point Mugu is an essential component of our overall fleet readiness
8 | and national defense. For that reason I appear before you today
9 | to strongly state that the closure or further realignment of
10 | Point Mugu as proposed by the Commission would be a serious
11 | mistake.

12 | For just a moment, Commissioners, please consider
13 | that Point Mugu offers some truly unique and critical assets,
14 | including the largest instrumented sea test range in the world,
15 | essential for live fire fleet, surface-air testing and training
16 | operations that require large footprint, multi-participant, joint
17 | service capabilities. An itemized list of these other special and
18 | unique capabilities afforded at Point Mugu are identified in my
19 | testimony, but I will not take this time, but forego an enumeration
20 | of the assets in my statements here today.

21 | Members of this Commission: Point Mugu was
22 | established in the 1940's, precisely because of its unique
23 | geographic attributes, attributes which have not changed over time.
24 | The function and activities designated to remain at Point Mugu
25 | after the Navy's T&E consolidations of the past several years do so
26 | because of their mission capabilities, including these geographic

1 features.

2 I know the commission has, at least in part, felt
3 obligated to add Point Mugu to the closure list for further
4 examination because of the June 19th, 1994 DOD Inspector General
5 Report alleging excess capacity at Point Mugu and projecting that
6 further consolidation with China Lake could result in a
7 \$1.7 billion savings over the next 20 years. However, the very
8 people that sponsored that IG Report now acknowledge that it would
9 be less than prudent for the Commission to use the 1993 data
10 contained in that report to make a 1995 decision about the future
11 of Point Mugu.

12 That was a key development that emerged last week
13 when staff members from my office and from the offices of my
14 colleagues, Tony Beilenson, Diane Feinstein and Barbara Boxer met
15 with the authors of that IG Report. They further conceded that
16 recent changes at Point Mugu, in terms of workload, employment
17 force and management streamlining have overtaken the validity of
18 that report.

19 Admiral Dana McKinney, Commanding Officer for both
20 Point Mugu and China Lake, will address you in just a few minutes,
21 as will several official from Ventura County who are also here
22 today. In the days ahead you will visit Point Mugu and China Lake
23 and receive additional detailed briefings and data from Navy
24 officials in Washington. I ask you to evaluate this new
25 information carefully. I am confident your conclusion will be that
26 Point Mugu plays a critical role in our nation's defense and that

1 | you will move with justified confidence in deleting this base from
2 | the final closure list.

3 | I once again appreciate your providing me the
4 | opportunity to be here today, and will ask you to accept my
5 | apologies for leaving. I came from Washington this morning and am
6 | on my way back again. Thank you very much.

7 | COMMISSIONER MONTOYA: We understand and accept that,
8 | Congressman, and it is good to see you.

9 | (Short break for adjustment of microphones.)

10 | MS. BARNARD: I am Linda Barnard for Tony
11 | Beilenson. Tony isn't here. He had hoped to be able to appear
12 | here today but scheduled votes on the House floor precluded his
13 | presence.

14 | I just did want to let you know that speaking with
15 | you today, I do speak from my heart. I am the daughter of a naval
16 | officer and I am the wife of a naval colonel, and I live in Ventura
17 | County, not far from Point Mugu. I will read this as best as I
18 | can. It is my case in the office, so I appreciate what I am doing,
19 | of what I saw to you in terms of this statement.

20 | Tony would like to register, as forcefully as
21 | possible, his strong opposition to recent action by the Commission
22 | to add Point Mugu to their closure list and to realign the
23 | facilities and activities to China Lake. I am convinced that after
24 | you have heard all of the facts, you will grasp the inadvisability
25 | of your proposal.

26 | As you are no doubt aware, Point Mugu is a weapons

1 systems test and evaluation facility. This is a highly complex
2 technical issue area and sometimes difficult to comprehend. As I
3 have had to educate myself over the last several years, I thought a
4 brief description of the mechanics and importance of T&E would help
5 set the framework for the presentations you will hear later.

6 The testing of weapon systems involves two phases.
7 One is technical and involves evaluating the performance of the
8 system prior to deployment. The second phase involves operational
9 testing of a system in a real life area. Point Mugu and its
10 tenants engage in both types of testing.

11 Much of the technical testing is accomplished in a
12 laboratory setting using sophisticated simulation capabilities,
13 which reduces the need to run more expensive live fire tests, and
14 is used increasingly in these times of budgetary constraints. And
15 an example here would be NAWC testing. NAWC is set in a facility
16 at Point Mugu. NAWC, as we know, is the leading middle range
17 missile, which is tested in our laboratory.

18 Test and evaluation is done throughout the entire
19 cycle of a weapons system, from development to post deployment. As
20 the system is developed, the test and evaluation progresses from
21 performing evaluations accomplished in the laboratories to the live
22 fire testing on the range. To accomplish a weapons system test,
23 you need space: air, land, sea and sub-sea is needed. This space
24 is called a "range." On the range you need instrumentation, the
25 capability to track and measure all the various components of the
26 test, as well as any unsuspecting ships or planes wandering onto

1 | the range during a test. You need combatants, airplanes, ships,
2 | land forces. And you need the threat, again, airplanes, ships or
3 | land forces that are your targets. In other words, a scenario of
4 | an aggression is set up on the base. That is what happens at Point
5 | Mugu. It is a complex, but neatly encapsulated test site. In a
6 | highly orchestrated way, Point Mugu pulls all these test
7 | participants together to perform precise evaluations of the
8 | development and performance of the weapons systems.

9 | I think it is extremely important to keep a mental
10 | picture of the coordinated and interrelated nature of a test
11 | operation as you listen to our panel today.

12 | I have also followed, with great interest, the debate
13 | over potential cost savings that might result from closing or
14 | realigning Point Mugu. I have had the opportunity to meet with the
15 | General's office last week along with the Senators. The IG's
16 | office acknowledged that the data that their office supplied may be
17 | out of date and does not reflect an accurate picture.

18 | The community has taken the infamous IG Report, this
19 | information, corrected inaccuracies and run new cost figures using
20 | the COBRA model. I urge you to listen carefully to this portion of
21 | the community's presentation later this hour.

22 | The community has also run a COBRA on the proposed
23 | BRAC scenario as they understand it. Despite everyone's attention
24 | to on-time closure costs, I would urge you all to focus on the
25 | recurring annual cost that will result from this proposed scenario.
26 | To me, that is the essence of the argument. Why disrupt mission

1 | capability when the inefficiencies created will cost so much each
2 | year as to preclude any return on investment and also increase the
3 | margin of error in relocating part of the testing facilities, for
4 | example NWAR, which create such a margin of error as to lower the
5 | standards of the United States as it has come to know, and is so
6 | proud of. In doing that, that is completely contradictory to what
7 | the United States is extremely proud of.

8 | I do not intend to dwell on the economic impact this
9 | action would have in my neighboring districts as well as others.
10 | Every facility closure will have an impact. The point I want to
11 | make is that my state and my district has bourn a disproportionate
12 | share of the impact. While such considerations will not form the
13 | basis of your decision in this case, I believe its merits do
14 | warrant more than a cursory consideration, particularly when the
15 | base under consideration for closure ranks so high in military
16 | value and costs so much to close.

17 | I appreciate the time and I hope you will take
18 | everything you learn today under consideration. We have to
19 | maintain the assets that the United States has. Point Mugu is
20 | critical to maintaining the integrity of what we have.

21 | Thank you very much.

22 | MR. CARRERA: Good morning, members of the
23 | Commission. My name is Cal Carrera and I am Chairman of Ventura
24 | County's BRAC 95 Task Force, dedicated to preserving Ventura
25 | County's Navy bases. It is my pleasure to introduce the members of
26 | our community panel, and also to give you a brief preview of the

1 | points we hope to talk about today.

2 | It is our job today, and in the upcoming weeks, to
3 | show you how and why the existing location of the activities at
4 | Point Mugu is critical to the efficient and effective operation of
5 | the Naval Air Warfare Center, Weapons Division, of the 3rd Fleet,
6 | and of the DOD's overall weapons systems Test and Evaluation
7 | program.

8 | On May 10th, we listened carefully to the staff
9 | presentation and your discussions regarding Point Mugu. We know
10 | you made a decision to add Point Mugu for closure consideration
11 | without the benefit of a full analysis of the feasibility and costs
12 | of that closure. That, after all, is the purpose of the "adds
13 | process," to allow for this full analysis. To help you with your
14 | analysis, our Task Force has assembled the panel you see before you
15 | today, all experts in the highly complex field of weapons systems
16 | RDT&E.

17 | To my immediate right is Rear Admiral Dana McKinney,
18 | Commander of our Naval Air Warfare Center Weapons Division, who
19 | commands the operations at both Point Mugu and China Lake. We are
20 | particularly honored by his presence on our panel and know of no
21 | one better to present to you the case for keeping Point Mugu
22 | intact. Admiral McKinney will explain the military value of Point
23 | Mugu's present configuration and will show that the proposed BRAC
24 | realignment scenario would result in increasing costs and horrible
25 | inefficiencies that would impact Fleet readiness.

26 | To Admiral McKinney's right is Bob Conroy, former

1 Naval Air Systems Command Program Manager. Bob will present our
2 analysis of the IG Report and the current BRAC scenario and will
3 show you that the IG Report was flawed at the time of its issuance
4 and why its findings are even less valid today.

5 He will show you that, even aside from the military
6 mission and readiness issue, the proposed BRAC scenario does not
7 make sense from a cost or return on investment perspective. In
8 fact, he will share an actual COBRA analysis -- this is what we
9 have submitted to you -- cost analysis which shows a return on
10 investment break even figure for over 100 years.

11 To Bob's right is John Flynn, member of the Board of
12 Supervisors of Ventura County, and well acquainted with Point
13 Mugu's contribution to the local economy.

14 To Supervisor Flynn's right is Ted Rains, former
15 Executive Director of the Naval Surface Warfare Center, Port
16 Hueneme Division. Ted will shed further light on T&E operations at
17 Point Mugu through the use of actual recent examples. I will sum
18 up by introducing Rear Admiral Dana McKinney.

19 MR. MCKINNEY: Mr. Chairman, Commissioners:

20 Good morning. My name is Dana McKinney and I command
21 the Naval Air Warfare Center Weapons Division. My purpose in being
22 here today is to make clear the position of the Department of the
23 Navy and the Department of Defense in regard to the realignment of
24 functions at the Naval Air Weapons Station Point Mugu.

25 We oppose this realignment strongly. It fails to
26 accomplish the primary intent of the Joint Cross Service Group for

1 Test and Evaluation, fails to meet reasonable goals for return on
2 investment, and jeopardizes the future of an extremely valuable
3 test and training range which supports a significant West Coast
4 Fleet concentration.

5 The fact that the Division includes the bases at
6 Point Mugu and China Lake, puts me in the unique position of being
7 both the losing command and the primary gaining command in the
8 scenario that we are discussing today.

9 Let me just touch briefly on a little background.
10 The Naval Air Warfare Center was established in 1992 as a result of
11 a consolidation of 38 Navy Research, Development, Test, and
12 Evaluation sites into four warfare centers. The 1991 BRAC
13 Commission endorsed this consolidation. The Weapons Division of
14 the Naval Air Warfare Center brought together four of these sites
15 with the primary mission of the Research, Development, Tests, and
16 Evaluation and in-service engineering support of Naval aviation
17 weapons and ship-launched surface to air missiles. As a result of
18 this consolidation, the subordinate sites fell under a unified
19 command structure. In addition, overhead functions such as Human
20 Resources, Information Management, Comptroller, Procurement, Public
21 Affairs, et cetera, were consolidated at the Division level with
22 management at a single site. Technical management was also
23 consolidated, with the Deputy Commander for Test and Evaluation
24 located at Point Mugu, and the Deputy Commander for Research and
25 Development located at China Lake. The focus in the last three
26 years has been on elimination of duplicate functions at the two

1 major bases, and as a result, today there are virtually no
2 redundant functions performed at Point Mugu and China Lake.

3 One of Point Mugu's primary focuses is on operations
4 of the Sea Test Range, development, maintenance and operation of
5 target aircraft and ships, development and maintenance of software
6 upgrades, and integration of new weapons for the F-14 and EA-6B
7 aircraft, electronic warfare avionics integration, and support of
8 naval strike missiles such as the Tomahawk, Harpoon and SLAM. In
9 addition, the site includes unique indoor facilities for bi-static
10 radar cross section measurements and air to air missile seeker
11 simulation labs, used to reduce actual flight testing.

12 The China Lake site's primary focus is on operation
13 of the Navy's largest air to ground weapons test range and
14 electronic warfare test complex, development and maintenance of
15 software upgrades and weapons integration for the F/A-18, AV-8B,
16 AH-1W, and A-6E aircraft, development and test of new and modified
17 air to air and air to ground weapons, and aircraft survivability
18 development and test. In addition, the site performs sophisticated
19 outdoor radar cross section measurements, large scale explosive
20 effects testing, prototype explosive and warhead development, and
21 basic research in a number of weapons related areas.

22 The two sites operate as a single organization with
23 two campuses. Their facilities and personnel skills are
24 complementary rather than overlapping.

25 I would like to emphasize the fact that the Navy made
26 a determination to retain Point Mugu in its current configuration

1 following an extremely rigorous analysis process. As a result of
2 the process, Point Mugu was ranked No. 2 out of 64 Navy technical
3 centers. The primary value of Point Mugu is obviously the Sea Test
4 Range with its 36,000 square miles of highly instrumented and
5 controlled air and sea space. The range is unique in DOD, due to
6 the use of 1500-foot Laguna Peak adjacent to the main base, and San
7 Nicolas Island, 60 miles offshore, both of which are heavily
8 instrumented and provide extended coverage far out to sea. In
9 addition to San Nicolas' geographic position, its remote nature
10 provides a base unmatched in its ability to provide absolute
11 security for highly classified projects, and a 10,000 foot runway
12 for launching full-scale unmanned aircraft targets without major
13 concern for public safety, caused by encroachment from local
14 communities. Point Mugu is located adjacent to the deep water port
15 of Port Hueneme, providing an ideal base for our fleet of target
16 ships.

17 He airfield at Point Mugu supports a variety of
18 users. It is the deployment airhead for the SEABEES located at
19 Port Hueneme, and the base for two naval air reserve squadrons, and
20 a naval air reserve center. The airfield is shared with the
21 California Air National Guard as the home of the largest C-130
22 Guard Wing in the nation. The airfield provides logistical support
23 for Division operations, ferrying equipment and personnel from
24 Point Mugu to China Lake and San Nicolas Island. This capability
25 is extremely important in the day to day management of the
26 Division, because it provides a means to rapidly and routinely

1 | commute between the two major bases as required. All full-scale
2 | and sub-scale target operations and maintenance originate from the
3 | field at Point Mugu, as well as the surveillance, control, and
4 | range clearance aircraft which are vital to the operation of the
5 | Seat Test Range. Finally, the Navy maintains a squadron-sized
6 | detachment at Point Mugu exclusively for the operational testing of
7 | the F-14 weapons system, as well as the F-14 aircraft which are
8 | used by the Weapons Division's Test Squadron for development of
9 | test.

10 | I mentioned the F-14 aircraft last, because I want to
11 | use them as an example of the synergy between the Research and
12 | Development and Test and Evaluation elements which are co-located
13 | at Point Mugu.

14 | The Navy has embraced the concept of full spectrum
15 | Research, Development, Test and Evaluation centers located at two
16 | hubs, one on either coast. The West Coast hub is the Point Mugu-
17 | China Lake complex. We have consciously placed the full spectrum
18 | of technical support for air munitions research, development, test
19 | and evaluation, and ISE at this hub. In this manner we can provide
20 | a single site for expertise for all Navy air-launched weapons
21 | throughout their entire life cycle, from concept to employment, and
22 | ultimately disposal. We believe strongly that we have achieved
23 | large efficiencies by pursuing this approach. Co-location provide
24 | efficient use of personnel and facilities in laboratory and
25 | aircraft avionics support, shared use of flight test engineers,
26 | on-site coordination between customers and range operations, near

1 | real time analysis and correction of deficiencies encountered in
2 | tests, and the sharing of lessons learned amongst design, flight
3 | test, and in-service engineers. For instance, the F-14 Weapon
4 | System Support Activity or WSSA, involved in development of future
5 | capabilities for the F-14, is supporting three deployed
6 | configurations of the aircraft, and participates daily in the
7 | developmental test and evaluation of the changes that they
8 | initiate. Flight test engineers who work with the co-located
9 | Weapons Test Squadron routinely interface with both the WSSA
10 | engineers and with the Range operators. In addition, co-location
11 | of the operational testers of the F-14 at Point Mugu provides a
12 | vital fleet input to the kinds of software changes being
13 | incorporated into the aircraft. Spare parts, as well as systems
14 | expertise, are shared between the Test Squadron and the WSSA. Over
15 | the past several months, we have been forced to cost out the
16 | impacts of establishing separate facilities for software support,
17 | development, and test and evaluation, and have been impressed at
18 | the magnitude of the inefficiencies caused by such an arrangement.

19 | I would like to talk, today, a little bit about the
20 | things required to perform the kinds of test and evaluation that we
21 | do at Point Mugu. We need a highly instrumented test arena, a
22 | range control and operations center, a data gathering and analysis
23 | capability, Modeling and Simulation augmentation including hardware
24 | in the laboratory and weapon systems laboratory, targets to shoot
25 | at, full-scale, sub-scale, air and ship, and finally shooters, such
26 | as the F-14 Tomcat, the F-18 Hornet, surface

1 combatants, submarines and foreign military customer assets. The
2 combination of these elements, and the extent to which you need
3 them, varies from program to program, and within each program,
4 depending on where it is in its life cycle.

5 At the beginning of a weapon's life, you may depend
6 more on Modeling and Simulation and controlled simulation of
7 components in laboratories. As the program matures, more use is
8 made of integrated system simulation and actual flight testing. In
9 production and deployment, operational testing and full scale fleet
10 exercises require the most complex open air test scenarios
11 available, often augmented by simulation. At Point Mugu, these
12 components are all available at a single location. The proposed
13 scenario would leave the Sea Test Range operations at Mugu, retain
14 sub-scale aircraft and ship targets on the coast, move supersonic
15 high altitude and sea skimming targets, and full-scale aircraft
16 targets to China Lake, locate the range customers and their test
17 assets 160 miles from the range, and eliminate the ability to
18 easily get, by air, from where the products are developed to where
19 they are tested. This scenario will generate significant
20 inefficiencies in operating the Division's aircraft on the range,
21 and will require additional infrastructure to be built on San
22 Nicolas Island in order to provide a staging base for range target
23 presentation.

24 In short, the proposed scenario will destroy the
25 synergy which currently exists between Research and Development and
26 Test and Evaluation at Point Mugu, and will lead us to a less,

1 rather than more, efficient organization. This will have an
2 adverse affect on the cost of operation of the range, which will be
3 reflected in increased costs to our customers. These customers are
4 not only within the developmental community. The Sea Test Range
5 also performs a significant fleet training role, due to its close
6 proximity to the San Diego operation Fleet bases, and its
7 demonstrated authority to generate complex and challenging
8 scenarios for our operations.

9 At this point, I would like to show you a short
10 video, which emphasizes the points.

11 (Video tape shown.)

12 Let me now turn to some significant issues associated
13 with the scenario itself. As I understand it, this scenario was
14 derived from the report of the Joint Cross Service Group for Test
15 and Evaluation. In its report, the Joint Cross Service for Test
16 and Evaluation identified significant test and evaluation capacity
17 roughly equal to twice the projected workload. Yet, this scenario
18 preserves all of the Test and Evaluation capacity of point Mugu by
19 retaining the Sea Test Range. It results in no reduction of excess
20 DOD Test and Evaluation capacity. It, therefore, does not
21 accomplish the goals of the Joint Cross Service Group for Test and
22 Evaluation.

23 In my opinion, this scenario will not accomplish the
24 goals of the Commission. Previous recommendations for closure or
25 realignment have focused, rightly, on scenarios which target bases
26 with lower military value, which afford an acceptable return on

1 investment, and which involve lower impacts to the community.

2 As previously stated, Point Mugu has an exceptionally
3 high military value, and is located in close proximity to a major
4 fleet concentration. Implementation of this scenario will
5 jeopardize the continued viability of the range by driving up
6 operating costs.

7 Based on my review of the scenario and the Division's
8 response, I believe that the return on investment will be
9 unacceptable, due to significant initial costs and low recurring
10 savings. Our data show an initial investment cost of approximately
11 \$735 million, not counting the COBRA costs to move over 2800
12 personnel and 13,700 tons of equipment. Due to the requirement to
13 locate a large number of range customers and all test assets
14 160 miles away from the range, we believe there will be a recurring
15 net loss of \$4.6 million per year in operations. While the
16 personnel reductions associated with shutting down the airfield and
17 base infrastructure generate recurring savings, we believe that the
18 net recurring savings will not exceed \$30 million per year. If
19 these savings are applied only to the initial investment cost, not
20 including COBRA moving costs and zero annual inflation, it will
21 result in a break-even period of 24 years. When standard inflation
22 indices are applied, and the COBRA moving costs are added, I am not
23 confident that there will ever be a break-even point. Of course, I
24 do expect that the Commission staff will discount some of our
25 initial cost estimates and perhaps find additional recurring
26 savings. However, I am convinced that the magnitude of final

1 | costs and savings involved will still yield an unacceptable return
2 | on investment.

3 | I won't dwell on the IG Report, but the Commission
4 | was briefed that there were approximately \$1.7 billion in savings
5 | to be derived from that proposal, which was very similar to the one
6 | before the Commission. I want to reiterate that the Navy does not
7 | agree with this position. Those savings were a direct result of
8 | proposed elimination of 1,049 jobs at Point Mugu, and the use of
9 | 937 personnel at China Lake to perform work to be shifted from
10 | Point Mugu. Essentially the report concluded that 20 percent of
11 | the Weapons Division's workforce, or 1984 people, was redundant.
12 | This is not the case. The Division is largely a DBOF organization,
13 | which means that we operate like a business, except that we attempt
14 | to set our rates each year to achieve a zero profit. Because we
15 | just generate revenues to pay for our cost of labor and other
16 | production overhead, we attempt to size our workforce to meet
17 | demand. For example, from 1991, the year of the initial decision
18 | to consolidate Point Mugu and China Lake, through this fiscal year,
19 | the Division's government-owned workload has decreased
20 | approximately 15 percent. During the same period, the government
21 | workforce available to accomplish the work has been reduced by a
22 | little over 1700 people, or approximately 19 percent. Due to
23 | federal hiring constraints, we have actually not been able to
24 | retain adequate government employees to match the workload, and
25 | have had to increase our use of commercial contractors to make up
26 | the difference in workyears. So, the excess workforce assumed in

1 | the IG Report does not exist. Without those excess jobs to
2 | eliminate, the savings just aren't there.

3 | As to community impact, other speakers are addressing
4 | these issues.

5 | In summary, the consolidation of four independent
6 | sites into the Weapons Division has, over the past three years,
7 | resulted in the virtual elimination of redundant capabilities. The
8 | sites perform complementary, not overlapping functions. Because of
9 | this and because of the nature of DBOF business operations, the
10 | workforce levels are driven by available workload. The Weapons
11 | Division workforce has actually been declining at a higher rate
12 | than the available customer demand, resulting in a scarcity, rather
13 | than a surplus, of government employees. The redundant facilities
14 | and idle workers envisioned in the DOD IG Report, do not exist, nor
15 | do the savings claimed in that report. The proposed scenario will
16 | not reduce the excess capacity in DOD Test and Evaluation and, in
17 | my opinion, will not result in an acceptable return on investment.
18 | If executed, it will result in the fragmentation of an efficiently
19 | integrated Research, Development, Test and Evaluation center,
20 | resulting in cost inefficiencies. It will jeopardize a national
21 | Test and Evaluation asset which supports a significant fleet
22 | concentration.

23 | The retention of Point Mugu in its current
24 | configuration is supported by the Secretary of the Navy and the
25 | Secretary of Defense. I urge the Commission to reject this
26 | proposal and remove Point Mugu from further consideration for

1 closure of realignment.

2 Finally, Hosting Commissioners Cox and Montoya next
3 Tuesday, you will get a chance to see firsthand the people and
4 facilities I have mentioned today. Thank you.

5 MR. CONROY: Admiral McKinney has confirmed
6 the high military value of Point Mugu as an integrated testing
7 facility. Under the new scenario being considered, Point Mugu
8 would be reduced from World Class status, as it is today, to an
9 adjunct Sea Range, depending heavily on outside distant services to
10 satisfy its customers from the Fleet and Acquisition Communities.
11 But more than that, the cost of dismantling this premier facility
12 will be extensive and does not show a return on investment for
13 greater than 100 years.

14 A principal reason that Point Mugu was added to the
15 list was the DOD Inspector Generals' report published June 8, 1994.
16 The report was faulty in its cost analysis when written in 1993,
17 and with the current data now in hand is considered even more
18 erroneous. Let me give you a few technical and cost assumptions
19 that were incorrect and led to the faulty conclusions.

20 On these viewgraphs I will demonstrate some of the
21 erroneous assumptions made by the IG report authors.

22 The IG assumed large reductions by combining
23 departments with similar functions. A number of the studies
24 concluded that only small amounts of overhead would be saved by
25 this integration. These departments are all fully customer funded
26 and are workload driven.

1 The IG concluded that there was excess capacity with
2 duplication of effort. The engineering performed by these two
3 departments is similar, but the work is applied to unique programs,
4 such as the F-14 and EA-6B at Point Mugu, and the F/A-18, AV-8B, A-
5 6E and AH-1 at China Lake.

6 The IG discounted the projected workload funding for
7 Point Mugu by 50 percent. For fiscal year '94, the IG was informed
8 that the projected funding was approximately 400 million to support
9 weapons projects, but the authors of the report only credited Point
10 Mugu with 200 million, where the actual funded, we learned later,
11 was 400 million as originally told. By reducing the projections,
12 the auditors justified a reduction in capability and associated
13 personnel.

14 The IG also assumed a 20 percent reduction in
15 personnel in consolidation, but in fact applied the 20 percent to
16 all departments, not just those consolidating. In doing that, he
17 eliminated 2,000 personnel; by this assumption, the proper
18 advocacy of this factor would have eliminated only 1100.

19 The IG also only accepted 22 percent of the Navy's
20 cost for moving, and this caused a large difference of \$604 million
21 in one-time moving cost.

22 Now the community COBRA model of the IG report finds
23 that the return on investment is really 23 years, vice versa the 3
24 years found by the IG.

25 The net present value shows a loss of \$325 million as
26 opposed to a savings of \$602 million identified by the IG, and a

1 one-time cost of \$1.247 billion as compared to \$518 million in the
2 IG's report. And the net savings, you will find in the IG report,
3 is a product not found in the COBRA model, but discussed in the
4 IG's report is shown as \$1.7 billion, the famous 1.7 billion you
5 heard about. The community has calculated it to be \$358 million in
6 updated numbers.

7 These major discrepancies must cause the Commission
8 to ask why this report was given such status and created such a
9 lopsided picture toward the realignment of Point Mugu. It might
10 also be noted that the data used in this study was not certified.

11 Although the IG's report called attention to Point
12 Mugu and caused it to be added to the list, the current realignment
13 scenario is the issue at hand, and I will address it at this time.

14 The consolidation of NAWC Weapons has made some
15 significant cost savings already. The funded man years of work
16 varied from 1993 to 1995, while the personnel at Point Mugu was
17 reduced by just under 1700. The base is operating quite
18 efficiently at this time. Out of a total of 10,400 population of
19 both Point Mugu and China Lake, only a total of 330 positions will
20 be eliminated by this scenario.

21 The base also retains active use of 58 percent of the
22 buildings and support infrastructure, and 100 percent of acreage.
23 But the management and cost of operating these facilities transfers
24 to Point Hueneme. The transfer of the F-14 weapons laboratory will
25 cause between a 12 and 24 month gap in service to the Fleet users
26 while fleet EA-6B Electronic Warfare aircraft will also be

1 unsupported for 10 to 16 months while these labs are moved.

2 There will be extensive additional operating costs
3 accrued to use the Sea Range while flying flights from China Lake,
4 160 miles away. This is an additional \$10.6 million a year cost to
5 the customers.

6 The F-14 laboratory, seen in the video, is perfectly
7 located at 75 feet above the ocean, providing perfect salt air
8 environment for radar and infra-red sensors. This cannot be
9 duplicated in the high desert where China Lake is located.

10 The community made a number of assumptions when it
11 ran its COBRA model, and tried to be as conservative as possible in
12 its estimates. There were no MILCON costs computed for transfers
13 to bases other than China Lake and Port Hueneme, no MILCON for the
14 new pier required at San Nicolas Island, no cost calculated for an
15 EIS for the pier construction on the island. All other MILCON at
16 San Nicolas Island is costed at mainland prices. We used the low
17 cost alternative for moving the F-14 and EA-6B weapons
18 laboratories. We did not add in any MILCON costs for the main base
19 at Point Mugu. This conservative approach does not include a
20 possible \$378.9 million in one-time costs.

21 The bottom line, as reflected in this viewgraph, is
22 that the return on investment for the current realignment scenario
23 for Point Mugu is in excess of 100 years. The net present value
24 shows a loss of \$298 million, and you accrue a one-time cost to
25 institute the scenario of \$496 million.

26 In summary, the proposed BRAC scenario retains the

1 base infrastructure and simply moves operations to China Lake.
2 Personnel reduction is minimal.

3 The inefficiencies created by moving operations 160
4 miles away results in recurring annual costs of over \$10 million.

5 Regardless of the one-time costs for closure or
6 realignment, the annual recurring costs ensure there is no return
7 on investment or recoupment of expenditure for over 100 years.

8 We recommend reconsideration of the realignment of
9 Point Mugu. It does not make good sense from a technical
10 standpoint, and most assuredly does not make economic sense. Thank
11 you.

12 MR. FLYNN: Honorable Chairman and Honorable
13 Commissioners. My name is John Flynn. I am a member of the
14 Ventura County Board of Supervisors. I am a Ventura County native
15 and reside in Oxnard, California. I speak for a community of over
16 700,000 people.

17 If Point Mugu had low military value, I would not be
18 here today. I have observed the Commission on two occasions and am
19 convinced that you will base your decisions on the merits of
20 keeping Point Mugu open.

21 Ventura County citizens and residents support a
22 strong national defense. We recognize the charge of the Commission
23 and support the mission. Beginning in 1990, the Naval Air Warfare
24 Centers Weapons Division went through a reorganization. Further
25 reorganization or realignment, however, meets our opposition. It
26 is not in the national interest to mothball Point Mugu. Ventura

1 County unequivocally supports the present continued use of Point
2 Mugu and, furthermore, increasing the workload to meet the optimum
3 use.

4 As a local official for about 20 years, I know how
5 difficult it is to locate facilities like airstrips and live
6 testing facilities. Remoting the mission presently conducted at
7 Point Mugu is questionable at best. To shut down so valuable a
8 facility jeopardizes the opportunity for reopening, should it ever
9 be attempted. Common sense tells me to keep Point Mugu open or
10 risk losing everything, thereby placing the sea range and air space
11 at risk.

12 The Ventura County Board of Supervisors has
13 maintained land use policies through the years to accomplish a
14 variety of things, but to especially protect the mission at Point
15 Mugu. If Point Mugu shuts down, there is no guarantee that present
16 land use will be maintained. If land use surrounding the base
17 should change, the integrity of the sea range is endangered. As an
18 elected official, through the years I have reviewed land use
19 policies with the officials at Point Mugu. The Board is strongly
20 committed to protecting Point Mugu by maintaining present land uses
21 and opposing urban encroachment. The slide you see on the screen
22 is an example of our land use policies. The reason that the green
23 is there, I can remember years ago when we did some land use
24 changes and that the farmer said to me: Supervisor, don't paint me
25 green.

26 Naturally we are very concerned about the impact the

1 closing of Point Mugu would have on Ventura County. We have
2 experienced so many disasters in the last few years, earthquakes,
3 fires, floods. They have been devastating to many of our
4 residents. Our analysis identifies the impacts of Point Mugu
5 closure with the table you see on the screen overhead. This table
6 assumes that all of Point Mugu would be shut down, so the figures
7 reflect that. If you look at the columns procurement loss and
8 income loss, population loss and housing unit, housing units
9 vacated, if we apply the scenario we understand you are considering
10 now, we can probably, under employment, for example, reduce that
11 figure down to about 12,000, from 18,000 to about 12,000 or 6,000
12 direct employees lost, and 6,000 in reduced employees lost. We
13 can talk further about this, if you should have questions.

14 The social impact is very important to us. Point
15 Mugu has had no small impact on our population. The employment
16 opportunities have provided opportunity to every segment of our
17 population. Point Mugu has provided our multicultural, diverse
18 population with a springboard of upward mobility. Programs for
19 high school and college students have provided education and job
20 experience that are unmatched. The workforce provides technical
21 expertise to our county and cities on many technical issues. One
22 employee at Point Mugu serves on our Air Emissions Advisory Board.
23 Individuals serve on our committees and commissions.

24 We have a jewel in Point Mugu. It is too valuable
25 for the nation, the Navy, the military establishment, and Ventura
26 County to relinquish. The people, community, organizations,

1 | submit that the base is defensible on its merits.

2 | MR. RAINS: Good morning. Thank you for
3 | allowing me to share my assessment of the value of Point Mugu from
4 | my background as a recent retiree of the Navy Warfare Center.

5 | During your viewing of the video tape on Point Mugu,
6 | you saw a very short clip on a recent NATO Sea Sparrow launching
7 | from the Navy's Self Defense Test Ship. The overhead that you are
8 | going to be seeing now is of the actual Sea Sparrow shot that was
9 | fired during that clip in the film.

10 | The Navy Sea Sparrow is a surface launched self
11 | defense missile carried aboard many of our surface combatants in
12 | the United States Navy. I feel I am particularly well qualified to
13 | discuss this with you because of my being a recent retired
14 | Executive Director of the Port Hueneme Division of the Naval
15 | Surface Warfare Center. The NATO Sea Sparrow is under the
16 | engineering responsibility of the Port Hueneme Division, as is the
17 | operation and support of the self defense test ship. That shot
18 | that you saw on the video tape was actually fired on the Sea Test
19 | Range on the 11th of May at 5:30 in the afternoon. The test
20 | consisted of shooting two missiles that didn't have live warheads.
21 | Because of the stringency of the target presentation, it was
22 | determined in advance that the results of the first firing should
23 | be reviewed before firing the second missile, thus making sure that
24 | the second firing would not be wasted. To avoid the very high cost
25 | of carrying the second firing over to the next day and adding
26 | approximately \$40,000 to the test cost, the data review of the

1 first firing needed to be reviewed in a near real time setting. By
2 collecting telemeter data at the Mugu operational control center,
3 and by having the Hardware in the Loop Laboratory personnel a
4 couple of blocks away, rather than 160 miles, as part of the review
5 group, along with the engineers from Point Hueneme, the team was
6 able to complete the review in an hour's time, determining the
7 first missile performed as designed and the target stringency was
8 appropriate for repeat presentation.

9 The second missile was fired on that same day on the
10 range at about 7:00 p.m., just an hour and a half later. It was
11 highly successful. The co-location of the Hardware in the Loop
12 Lab, with the range option in close proximity to Point Hueneme
13 Division of the Naval Surface Warfare Center to Point Mugu, was key
14 to that highly successful scenario I just described, a scenario
15 which allowed for significant cost avoidance. From the standpoint
16 of the surface warfare community of the U.S. Navy, Point Mugu's
17 range and laboratory assets are an extremely great value. I could
18 cite many more examples, but time does not permit today.

19 However, I do want to take a couple of minutes to
20 talk about a term that you may or may not be familiar with. It's
21 the term "Warfare littoral." From our national defense strategy
22 involving two simultaneous regional conflicts, flows the Navy's
23 "From the Sea" vision. An integral part of "From the Sea" is that
24 of going in harm's way in the littoral environment. The reality is
25 that the post Cold War world situation doesn't support an extensive
26 "blue water" Navy requirement anymore, but, in fact, much more

1 supports a littoral force projection type of scenario. The Navy
2 needs to be able to operate in coastal waters, controlling them out
3 to a national distance of 40 miles or so. This requires that they
4 also control the air above, as well as the sea beneath the surface.
5 The Navy has the requirement that they be able to clear the surf
6 zone so amphibious operations can take place. Finally, and most
7 importantly, they need to be able to power ashore with the goal of
8 controlling the air and land surface in that beach for 40 miles or
9 so. The slide you see provides a graphic picture of what I just
10 discussed. Note that littoral warfare is usually a joint surface
11 type of situation with Army, Navy and Air Force resources all
12 involved. So why have I spent a minute of your valuable time
13 talking about this form of warfare? The answer is fairly simple.
14 It is because of the unique assets of Point Mugu; that is, Laguna
15 Peak, the coastal mountains, the Channel Islands itself, San
16 Nicolas Island, and the list goes on, are ideally suited to support
17 this type of testing, testing littoral warfare systems and
18 concepts. An example of that would be what we call Theater Air
19 Defense, which could readily be done at Point Mugu. It is also
20 ideally suited to provide joint testing and joint testing
21 exercises. To reinforce, Point Mugu already has an excellent
22 record in doing joint training scenarios and exercises. I see
23 great value in Point Mugu as a major asset in helping the U.S.
24 Armed Forces in their drive to learn how to fight and win in a
25 littoral environment.

26 Thank you.

1 MR. CARRERA: Members of the Commission, we
2 have just spent the last 56 minutes or so listening to
3 representatives of the Navy, local government and the business
4 community, make a case for retaining Point Mugu. You have heard
5 Admiral McKinney explain how closing the base ranked second highest
6 in military value of the Navy's 64 technical centers would
7 negatively impact military mission and readiness capability of the
8 Fleet; how the proposed realignment of activities would result in
9 unacceptably inefficient and ineffective operation of the Sea Test
10 Range; how the proposed realignment would impact the cost of
11 operations; and how strongly the Navy objects to its closure.

12 You have heard Bob Conroy detail the fallacies in the
13 IG report at the time it was issued, and explain how its findings
14 are even less valid due to the passage of time.

15 You have seen our independent COBRA calculations of
16 the proposed BRAC scenario that shows a break even point in return
17 on investment more than a century away.

18 You have heard Supervisor Flynn describe the
19 tremendous impact the proposed BRAC action would have on Ventura
20 County.

21 Members of the Commission, we are confident that, as
22 a result of our presentation today and the ongoing analysis we will
23 provide over the next few weeks, you will vote to retain Point Mugu
24 intact. If you have any questions or want additional information,
25 please do not hesitate to call us. Thank you for your
26 consideration.

1 COMMISSIONER MONTOYA: Thank you for your wide-ranging,
2 very excellent presentation today with so many of you here. We
3 are, certainly Commissioner Cox and I are looking forward to
4 spending the day next week at China Lake and Point Mugu, in the
5 morning at China Lake and the afternoon at Point Mugu. Certainly I
6 am looking forward to it. It's been a long time since I have seen
7 those facilities. I look forward to that day.

8 Mr. Kling, you have a question?

9 COMMISSIONER KLING: Admiral, some of the information
10 I have, we had to ask the Navy for certain COBRA information
11 updating on this, and the information that you provided today is
12 that we are going to be receiving basically from the Navy?

13 MR. MCKINNEY: It's my knowledge that the
14 information provided to run the model has been already supplied.
15 We kind of froze it as of yesterday. So if there are, I am not
16 aware of that.

17 COMMISSIONER KLING: I guess I am just trying to ask:
18 I don't think we have seen that, at least I haven't. But this
19 information you are providing here, is basically what we are going
20 to be receiving?

21 MR. MCKINNEY: Yes. The numbers I gave you are
22 the output of the COBRA model.

23 COMMISSIONER MONTOYA: Any other questions?

24 Thank you all very much. I am looking forward to
25 seeing you next week.

26 We will take a recess. We will reconvene on time at

1 1:35 or 1335.

(Conclusion of morning session.)

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

**CALIFORNIA
AFTERNOON SESSION**

PAGES 119-154

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

- - -

(AFTERNOON SESSION)

(Opening remarks by Chairman Montoya.)

(Witnesses sworn.)

COMMISSIONER MONTOYA: Mr. Lockhart, you are up.

MR. LOCKHART: Thank you, Mr. Chairman.

Good afternoon, Mr. Chairman, fellow Commissioners.

I am James Lockhart, President of the Oakland Ports Commission. I very much appreciate this opportunity to speak to you on the subject of such extremely vital importance to the Bay Area.

My message is simple. For the good of a community already hit hard by the blows of multiple base closures, let Fleet Industrial Supply Center of Oakland continue its transition to commercial port use.

It is a process that is already underway. It is a model partnership in federal and local governments with enterprise and is already fulfilling the President's promise of making new business and employment opportunities a reality for this city and its port.

To rephrase the old adage: If it's not broken don't

1 BRAC it.

2 Let me explain why: Not quite two years ago,
3 President Clinton visited Oakland at the invitation of our
4 congressman, Ron Dellums, to learn about the need to deepen the
5 harbor channels and lease underused portions of the Fleet
6 Industrial Supply Center.

7 Both of these projects were and are essential, if we
8 are to compete effectively for West Coast cargo. Both projects
9 were, two years ago, stalled by bureaucratic inertia and regulatory
10 turf wars.

11 The good offices of the White House helped resolve
12 these long-standing issues, and in June of last year the Port of
13 Oakland leased the first 75 acres of the Naval base.

14 Since, we have invested nearly \$1 million to make
15 facilities there marketable for warehousing and trucking. We are
16 committed to spending another three-quarters of a million dollars
17 on the next 125-acre parcel of Navy land that we are scheduled to
18 move into at the end of this month. Substantial investment has
19 also been made by private firms.

20 Now just 12 months since the 75 acres was made
21 available to us, 265 men go to work there every day. Another 112
22 trucking jobs depend on a new yard in the same area - a total of
23 377 employees or 51 more than we originally forecast.

24 In 1997, with a total of 200 acres under lease, we
25 anticipate a total of 465 direct and induced jobs stemming from
26 operations on the property, with an annual payroll of more than

1 | \$8 million.

2 | I think that's impressive. But the BRAC process, by
3 | taking at least two years, and most likely longer, would jeopardize
4 | this development and put those jobs at risk. But that's not all
5 | that it would put at risk.

6 | Just last week, we had the port, and our partners in
7 | business, labor and the public sector, celebrated the start of
8 | dredging, dredging that will deepen our harbor for the new large
9 | cargo vessels that now dominate ocean shipping.

10 | In 18 months, when the work is completed, the San
11 | Francisco-Bay Area will take a giant step toward true
12 | competitiveness with the ports of the Northwest and the Los Angeles
13 | Basin for its fair share of transpacific trade.

14 | But deeper channels alone won't get us there. We
15 | need land to build much needed new container handling and storage
16 | space, if we are to take advantage of the trade opportunities the
17 | burgeoning economy of Asia now presents.

18 | The Port of Oakland has nowhere else to turn for that
19 | land but the Fleet Industrial Supply Center. If its availability
20 | is clouded or delayed by BRAC, the railroads and shipping lines
21 | that are making strategic plans now for overland routing, two,
22 | three, even five years from now, will simply rule Oakland out.
23 | This region will lose a dazzling window of opportunity to become
24 | one of the West Coast's leading transpacific getaways. And the
25 | nation, as a whole, will have diminished access to lucrative
26 | markets overseas.

1 With the ports to the north and south of us rapidly
2 reaching capacity, we may never again have this chance to make a
3 quantum jump in the scale of our operations; or, equally important,
4 to achieve exponential economic growth in our communities.

5 The Port of Oakland staff has spent a lot of time
6 studying just what that growth could mean, and I think they've
7 gotten pretty good at it. They calculate that, with 400 acres of
8 what is now occupied the Fleet Industrial Supply Center, we could
9 build the West Coast's largest, most technologically advanced
10 railroad yard for handling trains carrying cargo containers. This
11 would free up land on which we would then build five new container
12 berths, increasing our seaport capacity by some 40 percent.

13 The two developments together, the new docks and the
14 train terminal, when operating at capacity, will directly
15 contribute 4500 jobs to the Bay Area's workforce. They will, in
16 turn, spinoff another 2,000 of what we term "additional, induced
17 jobs."

18 Altogether, this activity will generate annual
19 business revenue of \$1 billion, including \$280 million in payroll
20 and \$25 million in state and local taxes. Very large numbers.

21 But think for a moment what those numbers represent
22 in concrete terms to our inner-city neighborhoods. A chance for
23 meaningful, well-paying work, and all the empowering benefits that
24 flow from it. A chance to make a very great difference in the
25 quality of life of this region.

26 I urge you to use the discretion and power you have

1 | by statute to match the unique potential of individual bases with
2 | the equally unique commercial environments surrounding it.

3 | Oakland is a world class container port, the fourth
4 | busiest in North America. Building on that foundation, we've
5 | worked with our colleagues in the Oakland City Government and in
6 | regional agencies, with the Navy Department and with the citizens
7 | groups, to formulate the transition program we're now embarked on.

8 | The law ensures that there will be abundant public
9 | input in decisions about further Fleet Industrial Supply Center
10 | development, input that will address environmental impact, that
11 | will address variety of uses, and the balance of uses.

12 | Remember, too, that by law, the land out of which the
13 | Fleet Industrial Supply Center was created was deeded to the Navy
14 | in 1940, on the condition that it would revert to the Port of
15 | Oakland when the national interest no longer required it.

16 | To borrow President Clinton's phrase: Let's get on
17 | with it. Let's make sure this orderly, consensus-based transition
18 | continues to the enduring benefit of our region, state and nation.

19 | There is no better way to phase down a Department of
20 | Defense installation than to phase in corresponding commercial
21 | development simultaneously, as we are doing.

22 | Thank you.

23 | COMMISSIONER KLING: Who is going to be next? Mayor
24 | Harris?

25 | MR. HARRIS: Mr. Chairman, members of the
26 | Commission. First of all, let me welcome you back to the Bay Area.

1 It is nice to see you. I wish I wouldn't see you as soon as I
2 apparently am.

3 We dealt with the realities of the decision that was
4 made in 1993 BRAC, I think, in a very constructive way. President
5 Lockhart has indicated that we have taken the opportunity to
6 convert lands at the Naval Supply Center, and to turn it into a
7 positive economic interest that will provide jobs, and certainly
8 not only for our city and our region, but the entire country.

9 International trade became an important part of our
10 economic system. We understand that this conversion process
11 requires cooperation. We have had that, not only with the Federal
12 Government, but specifically with the Navy, working to make sure
13 that this is, not only going to be orderly, but also it is going to
14 be timely. That would be appreciated and necessary for
15 transportation linkage, to make sure this is going to be the most
16 effective and efficient port in the country. Your participation,
17 cooperation and support of this transition and conversion has been
18 extremely important, and we hope and pray we will come to rely upon
19 that cooperation and support.

20 I don't want to reiterate the message that was
21 offered by President Lockhart. I think it speaks for itself. I
22 would only state that it is rational and easily understood.

23 I would like to speak for a moment about the
24 potential closing of the Oakland Army Base.

25 The Oakland Army Base is a facility that not only
26 joins the Navy Supply Center and shares its history, but also one

1 that we believe had great importance in terms of its impact on our
2 community region, not only in terms of the jobs, but also in terms
3 of the strategic importance to many other business in our area that
4 rely upon it, in fact contract with it, and provide supplies to it.

5 As a matter of financial event, we believe this is a
6 very critical facility, one not only which serves defense forces in
7 the likelihood of aggression in the Pacific Theater, but anywhere
8 around the world. Its service is access to the sea, its ability to
9 interact with the merging shipping lines, certainly a historical
10 fact that can't be denied. We were obviously somewhat surprised
11 and distressed when we found that we were under consideration for
12 closure. The impact we have suffered in this community as a result
13 of the concentration of closures over the past two years, again I
14 think speaks for itself, and is overwhelming.

15 We believe, again, the merit of this facility is
16 important. This facility can play a strategic role in our
17 community, both economically as a result of the jobs, as well as
18 business. We feel that this facility plays a unique role on the
19 West Coast, one that is not duplicated anywhere else. We believe
20 that if you would listen to the message that you will hear today,
21 you will concur in that conclusion and remove it from your list of
22 bases being considered for closure in 1995.

23 We understand the difficult nature of your
24 responsibility. We understand the downsizing requirements of our
25 federal budget and of our move toward a peacetime economy.

26 We believe, even with all of those factors guiding

1 | your decisions and your responsibility, we think that this is a
2 | meritorious request that we are making; that his base not be among
3 | those who are considered for closure; that it be removed and we be
4 | able to continue to work in partnership on the conversion of the
5 | Fleet Industrial Center, and continue to work with the Army in
6 | making sure this capacity, so vital to this region and the national
7 | defense, continue to operate in a productive way.

8 | We appreciate your listening to our arguments.

9 | One of the things you will hear repeatedly, with the
10 | same force, is the economic value this has to the community. But
11 | there is no question that you can deny our position if you evaluate
12 | the facility on its own merits and let it continue to operate in
13 | this region.

14 | Thank you.

15 | COMMISSIONER MONTOYA: Thank you very much, Mayor
16 | Harris.

17 | Mr. Appezzato.

18 | MR. APPEZZATO: I am Ralph Appezzato, Mayor of
19 | the City of Alameda.

20 | I would like to thank you, Commissioners, for
21 | allowing me the opportunity to make a few comments. I will reserve
22 | my comments only to the Naval Fleet Industrial activity in Oakland,
23 | specifically for the Supply Annex portion that is located in the
24 | City of Alameda.

25 | I would like to hit upon two points and I will be
26 | very brief.

1 I want to voice my strong support for the position
2 taken by the City of Oakland and the Port of Oakland supporting the
3 Naval Supply Center land within the City of Oakland. Oakland has
4 an important plan for use of those lands that is focused, and that
5 the goals they will achieve most assuredly will be of economic
6 benefit to the entire region. There is no doubt in my mind Oakland
7 will be successful and the region will reap the economic benefits,
8 including replacement of the jobs lost by base closure.

9 The second issue: As for the Naval Supply lands
10 located in the City of Alameda, we welcome the opportunity to
11 acquire the 163 acres, better known as the Naval Supply Annex,
12 Alameda. The only question is how that land will be turned over to
13 our City. Since Alameda is an island, the Naval Supply lands
14 located in Alameda are not contiguous to the lands located in
15 Oakland. However, they are contiguous to the Naval Air Station in
16 Alameda, which was on base closure list 1993 BRAC. As you know,
17 the Naval Supply has in place legislation to lease the Naval Supply
18 lands to Alameda. However, before we enter into a long-term lease
19 arrangement with the Navy, we must be sure it is in the best
20 interest of the City of Alameda.

21 I understand this Commission can recommend
22 realignment action of the Naval Supply Annex in Alameda. If so,
23 the advantages and disadvantages of placing the Naval Supply Annex
24 under the jurisdiction of the Naval Air Station Alameda through
25 BRAC '93 closure, must be investigated before any final action is
26 taken.

1 We support the incorporation of these lands into
2 Alameda. The only question is what process will be in the best
3 interest of our City, a long-term lease, or realignment and closure
4 as to BRAC '95 action.

5 We have begun the process, as of Tuesday, at looking
6 at the best solution for our community.

7 Thank you.

8 COMMISSIONER MONTOYA: Thank you, Mayor.

9 MS. CORBIN: I am Rosemary Corbin of
10 Richmond.

11 COMMISSIONER MONTOYA: Ma'am, I don't think I swore you
12 in. I am required to do that. If you would raise your right hand,
13 I will do that.

14 (Witness sworn.)

15 COMMISSIONER MONTOYA: Thank you. Proceed.

16 MS. CORBIN: Mr. Chairman and members of the
17 Commission. I am Rosemary Corbin, the Mayor of Richmond.

18 I am here to point out the unique nature of Point
19 Molate and the fact that we only learned last week that it was
20 being added to the list. We are playing catch-up here.

21 However, Point Molate has been under plans for
22 closing for some time and we have been working in a process to try
23 to have that area transitioned into the highest and best use for
24 our City. So for a lot of reasons we would like you to help us
25 keep that process moving forward.

26 The background of the area is, as you may know,

1 Richmond was only 20,000 people before World War II, and Richmond
2 stepped up to the plate when Kaiser came in and the shipyards came
3 to Richmond, and it swelled to 120,000 before the war was over, in
4 only four years. We are still suffering from the unplanned growth
5 of six fold during the war, and the unplanned infrastructure as a
6 result, and the toxins that were left behind.

7 So we ask your indulgence in working with us to try
8 to see, in this time, if we can turn a military facility into
9 something positive for the citizens of Richmond.

10 This facility is located totally within the boundary
11 of the City of Richmond, which has a very high unemployment rate,
12 and we need desperately to have economic development and develop
13 jobs for the people who live in Richmond. We have been having
14 ongoing discussions with interested groups in the area that could
15 help us develop that area into something that would meet all of our
16 goals. We are talking to the community college, we are talking
17 about attracting business and industry that can train and hire our
18 unemployed. We are talking with the Park District, which has a
19 portion of Point Molate -- which is a beautiful area, if any of you
20 haven't seen it -- and has a portion of the area in its master plan
21 for expansion and the bay trail that is planned to encircle the bay
22 does include this area. And we are talking to all of those
23 entities.

24 We have a history in Richmond of working with the
25 five cities of West County in many cooperative ventures. We have
26 been facilitators in many areas in bringing all of West Contra

1 Costa together, to the betterment of the whole, and we see
2 ourselves as the logical choice to be watchguard of this property.

3 We have land use jurisdiction over the area, and I
4 happen to be on the East Bay Area, on the Bay Conservation
5 Development Commission, which also has land use authority in this
6 area.

7 There is an enormous historical value out there also.
8 As you know, Winehaven, that beautiful old brick winery -- which
9 you have only seen in pictures, and maybe have seen in person -- is
10 on the National Register of Historic Places. We have other
11 buildings that we have worked with the City of Richmond and are
12 very familiar with the process of working through the Redevelopment
13 of Buildings, that are in that process.

14 For all of the reasons I have mentioned, I hope that
15 you will look to the City of Richmond as the steward to
16 transitioness to the highest and best use for our citizens. Thank
17 you.

18 COMMISSIONER MONTOYA: Thank you very much.

19 Mr. Beasley, I think you are anchor of this group.

20 MR. BEASLEY: My name is Brooke Beasley. I
21 represent the Public Safety Officers at Fleet Industrial Supply
22 Center, Oakland. I will keep my comments brief.

23 It is indeed a pleasure to testify, once again,
24 before the Commission, as it relates to some employee
25 representative concerns. I basically have just a couple of
26 concerns.

1 The firefighters put together a reappointment model
2 that was in partnership with the Navy, the surrounding communities
3 impacted by base closure, Congressman Dellums' office. We crafted
4 legislation that provided incentives for cities to come into the
5 displaced safety officers so we don't have to relocate, move, which
6 would impact our lives, which this particular issue does, and all
7 of the elements were in place to concentrate on a high degree of
8 reappointment.

9 Department of Defense gave us their word, basically,
10 that they would support and meet all of the qualifications. Today,
11 the Department of Defense has not stepped forward and shown us, in
12 good faith, or helped move to support the reemployment concepts
13 that have been authorized and appropriated and which we have been
14 duly given by authorization of the Legislature, which we were able
15 to get enacted through Congressman Dellums' office. That is, I
16 guess, one of my gripes with the government.

17 If the Department of Defense really, truly intends to
18 fund reemployment concepts, it needs to have the chance to get off
19 the ground.

20 My second concern is what is in the best interest for
21 employees that I represent at the Fleet Industrial Center, Public
22 Safety Office in particular.

23 Other employees impacted by base closure have certain
24 benefits and entitlements because of the fact of base closure.
25 Particularly since FISC has not been slated for closure to date, we
26 haven't been entitled to the same benefits as I think has

1 everyone else in the Bay Area, in-placement, out-placement
2 programs, annual leave. Since the FISC is not technically closed,
3 I am not sure what is in the best interest for the positions I
4 represent. Should it be the practice that we get the benefits, can
5 we do it by way of policy. That is a concern of mine.

6 I think that employees impacted by the downsizing and
7 base closure should certainly be entitled to all of the benefits
8 and entitlement, even if it's under the unique circumstances we see
9 over at FISC.

10 I appreciate your indulgence in giving me time to
11 make my comments.

12 COMMISSIONER MONTOYA: The next presentation on FISC
13 Oakland -- do the Commissioners have any questions?

14 MS. STEELE: I just want to let you know that
15 I am looking forward to working with you. Through some of the
16 exchange, some questions have been raised both on the site visit
17 which was beneficial the other day and we learned an awful lot.
18 Some of the questions I, or concerns I have at this point: I do
19 appreciate that the status has already been passed which puts your
20 facility in a different type of category. However, it concerns me
21 it circumvents the BRAC process which could, because the
22 Department, you know, at minimum, it could lose potential funds
23 they would receive for the property if the property went through
24 the BRAC process, because it is so valuable. Or the next case
25 scenario, they would have to extend funds to move tenants they
26 otherwise could have. They wouldn't have to spend the money

1 or it would offset, again, from sales of the property. I can
2 appreciate that, looking at the surveys and reviewing your
3 facility, your installation, that the highest and best use clearly
4 appears to be an incredible port facility.

5 I know a lot of homework has been done on that, you
6 know, licenses -- not licenses are signed, but licenses going in
7 that direction. However, when it was mentioned the other day there
8 could be disagreement within the community if, indeed, that was the
9 way the community wanted to do. It concerns me at this point, as a
10 Commissioner, that I would be making a decision for the -- or the
11 BRAC process for a city which usually the decision falls back onto
12 the community, not in my lap. I think that is your opportunity and
13 responsibility, and not mine, sitting in this chair.

14 Lastly, my concern would be that there are other
15 cities that are paying because they would like to move. While
16 Chicago, they would like to move a unit out, they would like to
17 reuse the property, that is going to cost the city money to do so.
18 But the special statute allows your city to get the property for a
19 dollar lease. I want to tell you that up front, that I do have
20 some concerns, but I will look forward to working with you. I, for
21 sure, hope the end result is the best case for the Department and
22 the City of Oakland.

23 COMMISSIONER MONTOYA: Thank you very much,
24 Commissioner Steele. Thank you all for your presentations.

25 MR. APPEZZATO: Let me make a quick comment.
26 Alameda gave the Naval Air Base to the Federal Government for

1 a dollar.

2 MR. HARRIS: The Naval Supply Center as well.
3 Sometimes we tend to have short memories.

4 COMMISSIONER MONTOYA: If you are ready, I will swear
5 those who have not been sworn in already.

6 (Witnesses sworn.)

7 COMMISSIONER MONTOYA: Very well.

8 MR. CADORETTE: Chairman, members of the
9 Commission. I am Colonel Richard Cadorette, Commander of the
10 Richmond Traffic Command. In that role, and a member of the
11 Western Area Command, we are responsible for the management and
12 movement of the Department of Defense freight cargo and passengers
13 throughout the 20 states west of the Mississippi, Alaska, Hawaii,
14 and throughout the Pacific Rim, for the Straits of Alaska and
15 Indian Ocean, a very large, diverse, geographical area of
16 responsibility.

17 As you know, our nation has a military strategy that
18 calls for the rapid projection of forces for the Continental United
19 States for the Joint Service Command, which is one of its major
20 missions in support of national defense.

21 To operate the Department of defense, a single
22 manager for seaport operations, the military ocean terminal at
23 Oakland Army Base is a key element to that defense strategy.
24 Especially where it is, it is a key factor as a potential
25 contingency for the military port of Oakland. It is the military-
26 owned port facility in the West Coast and Fleet facilities for the

1 rapid deployment of men and equipment; without it these forces and
2 equipment cannot be accomplished.

3 As you know, the Army has, and came to the conclusion
4 that the closure represented an unacceptable risk to our national
5 strategy. In light of the Commission's recent decision to study
6 Oakland, just yesterday the Chief of Staff, Colonel Gordon R.
7 Sullivan sent a letter reiterating the Army's position, and again
8 it was stated that closure represents an unacceptable risk, and
9 that Oakland Army Base is viewed critical to the strategy of both
10 peace and war.

11 The Deputy Commander of the western area is prepared
12 to present a more detailed account of the personal value of the
13 Oakland Army Base.

14 CAPTAIN ENSMINGER: Mr. Chairman, members of the
15 Commission.

16 We understand that most important criteria for
17 evaluating bases for closure is military value. The Oakland Army
18 Base study team primarily used physical attributes to compare the
19 military bases. The model, as good as it was, was deficient. It
20 was deficient because it was missing a critical attribute. What
21 the missing critical attribute is, in a word, was geography. The
22 model also made no attempt to make an assessment of the capability
23 of commercial ports to replace the military ports, especially
24 replacing the military Port of Oakland Army Base. Military value
25 must consider the strategic importance of Oakland's geographic
26 location, plus the relative capability of Oakland Army Base and

1 commercial ports.

2 Why is geography so important? The military used to
3 be on the evil empire, NATO versus the WARSAW PACT. Evil empire is
4 no more. Neither is the WARSAW PACT. The focus militarily has
5 shifted, it's shifted to Korea, Iran and Iraq, to the Pacific Rim
6 and Indian Ocean. Seventy-six of the ten largest armies of the
7 world are located in that region of the world. When considering
8 geography, look at the location and the number of commercial
9 strategic ports in the United States. Far more are on the East
10 Coast than on the West Coast. That means that relatively fewer
11 commercial ports on the West Coast with relatively more than the
12 numerous commercial ports on the East Coast.

13 Next slide, please.

14 It is a similar picture for the military operated
15 common user terminals in the United States. There are more on the
16 East Coast than the West Coast. Note that the West Coast common
17 user military terminals on this particular chart have different
18 size stars. That is significant. There is a message there. The
19 small star in Southern California represents our smallest terminal
20 in common. Twenty people, owns no property. They are just another
21 small customer of the commercial port of Long Beach.

22 The medium star up north is our Seattle military
23 terminal. Forty people. Again owns no property. It is another
24 customer on the commercial port of Tacoma.

25 The large star in the middle is the Oakland Army
26 Base. Six hundred people employed directly by the port and the

1 base. It owns the piers. It owns the staging area. It owns the
2 base property. That makes it the only true military port on the
3 entire West Coast. Not only is Oakland Army Base the only true
4 common user military port on the West Coast, it will be the only
5 remaining full service base in the immediate San Francisco-Bay
6 Area, supporting over 1700 military and 20,000 retirees that will
7 remain in the Bay Area.

8 Oakland Army Base is designed for rapid movement of
9 military cargo in a crisis. Its facilities are immediately
10 available and suitable for handling non-containerized cargo, thus
11 making Oakland Army Base the premier power projection platform on
12 the West Coast.

13 Not only is Oakland the military power projection for
14 the Pacific Rim, it is also the focus for deploying military units,
15 home of the 3rd Cavalry Regiment and 2nd Army Division. Both are
16 part of the Army's 5th, and a third contingency can be deployed
17 from Oakland with heavy armor. Another important key is the
18 deployment of equipment from a base port. Equipment can be
19 deployed through Oakland to any location in the world.

20 I don't want to think that those seven bases on the
21 previous slide are the only bases with military cargo moving
22 through Oakland Army Base. This slide shows more bases, all with
23 at least some non-containerized military cargo moving through
24 Oakland's Army Base during a major regional contingency with Korea.

25 Part of the reason for Oakland being the conus focus
26 for west deployment is the excellent highways and railroads. You

1 obviously used the freeways to arrive in Oakland. What may not be
2 so obvious to you is that Oakland also has excellent railroad
3 infrastructure. This map illustrates most of the major western
4 railroads through Oakland. Oakland is serviced by three full
5 service railroads, the Santa Fe, Union Pacific and Southern
6 Pacific. By the way, rail is the preferred mode of transportation
7 for moving containerized military cargo. The geographic location
8 is a critical component of military value. It was the one critical
9 component ignored in the previous evaluation.

10 Oakland, as a gateway to the Pacific, makes its
11 military value irreplaceable.

12 Let's move from the geographic side of the equation
13 to the capability side of the equation.

14 What distinguishes military port capability from
15 commercial port capability? The answer is: The unique
16 characteristics of military cargo. For example, crises occur with
17 little or no notice, and that means huge amounts of military cargo
18 must move quickly. Another characteristic is that, during
19 contingencies and unit moves, most military equipment is not
20 containerizable. Well, one reason it's not containerizable is
21 size. Picture the M-1 tank. That should make that obvious. You
22 can't fit an M-1 tank into an eight foot wide opening of a
23 container.

24 Another reason not so obvious is the inability to
25 off-load and move containers in undeveloped ports or countries.
26 Mogadishu and Somalia and Hatti is an example of that lesson

1 | relearned. Because military cargo is heavy and overweight, it
2 | often requires special heavy lift cranes, a unique problem for most
3 | ports. The size and nature of military vehicles means you can't
4 | stack them one on top of another like you can containers. That
5 | means military cargo typically requires large amounts of staging
6 | area, more so than typical commercial cargo. Military cargo also
7 | frequently has security requirements, has hazardous waste
8 | considerations.

9 | All of these unique characteristics make military
10 | cargo different and more difficult than typical commercial cargo.

11 | Knowing the unique characteristics of military cargo,
12 | and knowing that military ports like Oakland Army Base are designed
13 | and built for military cargo, it is not surprising that military
14 | cargo works best in military ports.

15 | Let's extend that fact and explore why commercial
16 | ports have limited capability in moving military, non-containerized
17 | cargo.

18 | First, most commercial ports are optimized to handle
19 | commercial cargo in containers. Large amount of military cargo
20 | can't be containerized, for reasons we just discussed.

21 | Commercial ports, like the commercial port of
22 | Oakland, are busy. That means limited availability, congestion in
23 | their ports, and very little access capacity. Commercial ports are
24 | profit-making organizations, and there aren't too many profit-
25 | making organizations that can afford to maintain excess capacity.
26 | That limits their availability, especially when we need them on

1 short notice.

2 Also, commercial ports have limited suitability. As
3 I mentioned before, they are optimized for containers, and in
4 crisis, military cargo often moves outside of containers.

5 They are limited in suitability because of inadequate
6 staging, heavy lifting capability. Commercial ports have limited
7 availability and limited suitability for military cargo for the
8 obvious reasons. We have described the characteristics of military
9 cargo.

10 Key military value characteristics.

11 Geography must be considered when assessing military
12 value. When considering geography, you must recognize Oakland Army
13 Base's strategic location. It is ideal for projecting military
14 power from the United States into the Pacific and Southwest, Asian
15 region.

16 The other key characteristic is capability,
17 capability to move the required type of cargo. The military port
18 of Oakland Army Base is optimized for non-containerized military
19 cargo, exactly the type of military cargo needed during
20 contingencies. Commercial ports are optimized for containerized
21 cargo, which makes it a limited capability for non-containerized
22 cargo.

23 That doesn't mean we don't need the commercial ports.
24 On the contrary. In both peacetime and during contingencies, there
25 still is a lot of militarized cargoes moving in containers. The
26 commercial ports complement the military ports. We need them

1 both.

2 What is the risk of losing the Oakland Army Base? We
3 use the widely-accepted computer model to quantify that cost or
4 risk for a major regional contingency in the Pacific. This is what
5 happens:

6 If the Oakland Army Base goes away and we depend
7 solely on the commercial Port of Oakland based on PPO's, or Port
8 Planning Orders, the first column is an example of six different
9 types of units deploying through Oakland Army Base. This is time
10 phase appointed data, which is the actual data of our war planes.

11 The second column is a percentage of cargo equipment
12 that is delayed.

13 The third column is a column that I would like to
14 draw your attention to, which shows the number of days delayed due
15 solely to the loss of Oakland Army Base. You will notice that the
16 top two units, infantry division, along with its associated field
17 artillery, are delayed 50 days, almost two months if we lose the
18 Oakland Army Base. That is after we re-route the cargo to all of
19 the other commercial ports on the West Coast.

20 A reminder for those of us used to dealings in fact
21 and figures, in a time of war delay equals lives. Major wars,
22 which may painfully occur infrequently, is not the only risk in
23 losing the Oakland Army Base.

24 Oakland Army Base also provides power projection
25 during the relatively frequent contingencies the world experiences.
26 Characteristics of contingencies are short notice, quick movement

1 response, security requirements. A recent example of this is last
2 year when Oakland Army Base moved the Patriot Missile Battalion to
3 Korea. It had short notice, stringent security, covert
4 requirements, at least in the beginning, and Oakland Army Base was
5 uniquely qualified to carry out that mission that commercial ports
6 would not be able to have carried that out.

7 There are requirements in time frame to carry out
8 those missions. We have shown the loss of the Oakland Army Base
9 will equal delays in risk. Commercial ports operating in
10 conjunction with military support of the Oakland Army Base equals
11 success.

12 The military value of Oakland Army Base far outweighs
13 the commercial value. It is necessary to maintain Oakland's Army
14 Base which is the only full-service military-owned port on the West
15 Coast.

16 The bottom line: The Department of the Army,
17 Commander in Chief and Secretary of Defense, recommend retaining
18 the Oakland Army Base. Why? Because the Oakland Army Base of the
19 pyro-projection capability that this nation needs. The loss of
20 unacceptable risk to our nation's security is the loss of the
21 Oakland Army Base.

22 Thank you. Subject to your questions, that concludes
23 my presentation.

24 COMMISSIONER MONTOYA: Thank you, Commander.

25 Mr. Tuney?

26 MR. TUNEY: Welcome back to Oakland,

1 Treasure Island and the Bay Area.

2 My name is Don Tuney, retired Admiral, United States
3 Navy, and CEO of the Oakland Metropolitan Chamber of Commerce, and
4 a citizen of this area.

5 I have lived in Oakland for more than 50 years. As a
6 boy, I used to raft on the bay, albeit illegally, but it was quite
7 adventuresome. Later in my life I decided to get some real
8 adventure, joining the Navy, where I remained for over 34 years. I
9 am not a member of the business community of Oakland, an
10 association of more than 1600 businesses.

11 We have been associated with the Army and Navy here
12 in the Bay Area since the very beginning. As you know, the Army
13 and Navy were here in San Francisco Bay before California was a
14 state. Some of the oldest buildings and real estate here were
15 built by the Army. The Navy came to Oakland in the late 1930's,
16 and the business community has been associated with the Navy ever
17 since.

18 The Oakland Metropolitan Chamber of Commerce, being
19 more than 90 years old, we have had a great partnership. Together
20 we have produce that military and industrial team and have helped
21 to protect the interest of the United States here and abroad.

22 I, for one, with my background, know that we have too
23 much infrastructure today, and we have to downsize. But I think
24 that downsizing any more than we have donwsized in this area, is
25 just too much. In fact, Senator Feinstein has said she believes
26 that it's piling on too much. for those of us who believe we

1 haven't given at the office, consider this:

2 In BRAC '93, 44,000 combined military and civilian
3 jobs lost to this area, and more than \$2.6 million worth of
4 economic dynamics.

5 Madam Commissioner Steele, I think we have given at
6 the office. I think you would agree with that.

7 We are suffering in Oakland from an unemployment rate
8 of over eight percent. I am not sure exactly what it is, but
9 Oakland has an unemployment rate that is the highest in Alameda
10 County, the highest in the area. We are suffering from that. In
11 fact the entire State of California is suffering from a deep
12 recession, and the business community is trying to work to bring it
13 back. We think we have found a way to do it.

14 We know our economic essence is in transportation,
15 distribution and trade. We are working very closely with the FISC
16 to flush out a premier port, one of the best ports in the world,
17 for purposes of trade.

18 The Colonel mentioned -- the Captain mentioned we
19 are blessed by geography. We are located in the central part of
20 part of our country. We have three major railroads, the Union
21 Pacific, the Santa Fe and the Southern Pacific. We have three
22 major freeway, defense highways. We have Caltrans District 4
23 office here. We have AMTRAK, we have BART and others. We have
24 major business, businesses here, APL, Sealand, Matsun, OOCL,
25 Evergreen; all of the sea lines are in Oakland. We are a major
26 transportation hub. There are only three other places in

1 | the world that compare to Oakland, sea, land and air, and that is
2 | Brisbane, Australia, Vancouver B.C. and Rotterdam. We are a true
3 | national defense asset.

4 | The business community and the military has worked
5 | hand in glove to protect our interests in the past, and we will
6 | continue to do so in the future.

7 | In my career, I have spent more than ten years in the
8 | military here in the Bay Area, one as the Commander of the Naval
9 | Base in San Francisco. My last tour of duty was Director of --
10 | responsible for logistics support in transportation for all of our
11 | units, Army, Navy, Air Force, and Marines protecting the United
12 | States' interests here, in Hawaii, and in the entire Pacific area.

13 | Speaking of the Oakland Army Base, the Oakland Army
14 | Base is a perfect military asset, as Captain Ensminger and Colonel
15 | Cadorette have explained prior, for the continued pursuit of the
16 | interest, our interest in the Pacific.

17 | We have already, the Chairman of the Board, has
18 | already pointed out that we are working very amicably here. We are
19 | trying to recognize that the base closure act does not permit you
20 | to be surgical. It does not permit you to treat every area
21 | differently. I have to treat us rather uniformly.

22 | However, we are trying to produce a Rembrandt. We
23 | are trying to paint a perfect picture here in the Bay Area. We
24 | have been working hard at it. The port has been working with the
25 | naval base, and has also been working with the Oakland Army Base.
26 | We think we have reached a very reasonable, very agreeable, and a

1 very efficient arrangement.

2 I would also like to make a conclusion to you,
3 Commissioners, my final point, that militarily, valuable importance
4 is strategic air space and strategic water space, and land, which
5 is in short supply. The good Lord is not making any more of it,
6 and if we give it up, those of us who are responsible for the
7 military defense of this country, if we give it up without some
8 kind of a string attached where we can come back and get it in
9 event there is a contingency or emergency, I think we will cause
10 the taxpayers to pay twice. We already paid for it, and we will
11 have to come back and pay again.

12 I think the Rembrandt that his community has painted,
13 the business community, the military and the community at large,
14 and with the support of our political leaders, Ron Dellums, Mayor
15 Harris, Senator Feinstein and others, we have painted that
16 Rembrandt. We think we are ready to move forward.

17 We are ready to bring our state back economically.
18 We are ready to continue the important strategic support of our
19 interests abroad.

20 I, in conclusion, as a representative of the business
21 community, would like to support the position that has been taken
22 by Colonel Commander Cordette and Captain Scott Ensminger, as far
23 as the Oakland Army Base is concerned, which is you maintain the
24 Army Base in its present form in order to protect the strategic
25 position of our country as far as the Supply Center is concerned.

26 I believe we have already downsized in this area

1 enough. I think if we downsize any further, we are going to
2 jeopardize the defense of our country. I think the Supply Center
3 and the Port of Oakland has reached an efficient and amicable and
4 workable agreement that will contribute to the economic development
5 of our community and the reemployment of our people.

6 Thank you very much. It's been a pleasure to talk to
7 you again.

8 COMMISSIONER MONTOYA: Thank you very much.

9 Mr. Swanson?

10 MR. SWANSON: Mr. Chairman, Commissioners. My
11 name is Sandre Swanson. I am District Representative for
12 Congressman Dellums. I have worked for Congressman Dellums for 23
13 years and head his operations here in California.

14 Congressman Dellums has asked me to offer you this
15 statement today in support of the Oakland Fleet Industrial Supply
16 Center, and Oakland Army Base. If you will allow me, I would like
17 to present this statement to you, and I would be willing to answer
18 any questions you might have.

19 COMMISSIONER MONTOYA: I will accept it for the record.
20 Thank you.

21 MS. SWANSON: Mr. Chairman, members of the
22 Commission.

23 I regret that the House National Security Committee
24 for the fiscal year 1996 Defense Authorization Act prevents me from
25 appearing before you and contributing more fully to your
26 deliberation of base closure of the Oakland Fleet Industrial Supply

1 Center and the Oakland Army Base.

2 Let me sat at the outset, I believe firmly that
3 military infrastructure downsizing is both warranted and required.
4 I have argued for such downsizing in the past, and believe it is
5 appropriate to completed this activity.

6 In the closure process, I do not believe that any
7 community with a military base can stand apart from consideration,
8 the pain of dislocation and unemployment notwithstanding. Thus, I
9 am not here to argue: Not in my district, not in our area, for we
10 have bourn too much already, although it is true that previous
11 closure has caused rift, disruption in people's lives, has been
12 potentially economically disastrous, dislocation in communities
13 that I represent.

14 My response to that pain and trauma has been to
15 develop an outstanding mechanism to drive forward the process of
16 economic conversion, planning and base reuse.

17 I believe we have established a model for the
18 mission, one that will create real, new, and even expanded
19 opportunity for our communities base workers and for the citizens
20 of the area.

21 In that regard, it will be empowered to handle
22 significantly any additional problems that will be created by the
23 potential closures considered here today, although that is truly
24 not a reason for this Commission to conclude that closure is
25 warranted.

26 Our national security interest should be among

1 | your priority for consideration for you who must, in your mind, be
2 | finding the answers to the questions.

3 | What is required to ensure that the United States has
4 | adequate and not excessive, adequate industrial infrastructure to
5 | support systems to handle that national security needs? How do we
6 | meet economically, meet those requirements?

7 | Based, on the surface, the answers to both of those
8 | questions, I believe the Commission will conclude that neither
9 | Oakland FISC or Oakland Army Base should close. In the 1993 round,
10 | BRAC came to understand the brilliant strategy that had been worked
11 | out and allowed the Oakland FISC to downsize in place, while
12 | freeing up nearly 80 percent of the base land for utilization by
13 | Oakland ports international mode of transportation, the shipping of
14 | containers throughout the world and throughout the United States.
15 | What the Navy got was a streamlined efficient base operation, with
16 | capacity to serve the nation in times of critical national
17 | emergency.

18 | The reduction of based and the savings realized
19 | allowed the FISC to discharge much more effectively its
20 | responsibility, both to itself and its tenant command. What the
21 | community got was ability to use these magnificent maritime
22 | facilities during time of peace, in a manner that is entirely
23 | consistent with the opportunity one should expect in the downsizing
24 | process.

25 | Nothing really has changed in this regard, and this
26 | model of community-Navy cooperation should remain in place.

1 The Oakland Army Base. Even a more compelling case
2 can be made for the Oakland Army Base. Literally if the facility
3 was closed, the Army would have to go out and create another one at
4 considerable cost and waste. It is indisputable that the Oakland
5 Army Base provide a critical needed function for the ship -- a
6 shipment of materials to the Pacific and beyond. The military
7 cannot function with such a facility, and would have to replace it
8 if it were closed. That type of planning is financially
9 irresponsible and would cause local community paying without
10 justification that it needs, given goals of saving resources of the
11 Federal Department and Department of Defense.

12 For all of those reasons it is my considered opinion
13 that these facilities should remain open.

14 I offer these as one who has had a deep and abiding
15 interest in reducing the military budget to levels of sufficiency.
16 I cannot achieve my goal if the military is forced to spend
17 millions of dollars to replace perfectly good and existing
18 facilities with ones that they would have to build someplace else.

19 I would like to add parenthetically, in conversations
20 that I had with Congressman Dellums, that he wanted me to mention
21 to you that, even though we have organized a process of base
22 conversion and we are very proud of that, very proud of that
23 approach, we have taken, between FISC and the Port and the City,
24 that -- and it has been crucial to our success of converting the
25 bases in Northern California -- that the role that EFA West San
26 Bruno plays in that process -- and I know you have considered

1 statements on that earlier -- but we would be remiss if we didn't
2 say to you that the successful completion, not only legal
3 responsibility for completion of conversion, but more the
4 responsibility of community that has been hit so drastically by
5 closure, is to keep us, make sure we have the tools to do it
6 successfully. And we believe EFA West serves that purpose.

7 We close with that, and I would be very happy to
8 answer any questions about either of the three bases I mentioned.

9 Thank you very much.

10 COMMISSIONER MONTOYA: Thank you, Mr. Swanson.

11 Do any of the Commissioners have any questions?

12 There will be no questions.

13 It's nice to see the Army and Navy supporting each
14 other so well.

15 Admiral, please say hello to my childhood friend and
16 a lady, your spouse.

17 Good to see you all.

18 COMMISSIONER MONTOYA: Mr. Pate, are you ready to go?
19 I will swear you in.

20 (Witness sworn.)

21 COMMISSIONER MONTOYA: Very well. Take a minute, and I
22 think we will have the courtesy, please, Mr. Pate is about to
23 testify on behalf of SUPSHIP, ship building of San Francisco.

24 Mr. Pate, you have five minutes. Thank you.

25 MR. PATE: I have given you a handout here
26 that pretty much covers the entire fact about the SUPSHIP of

1 San Francisco. I would like to submit that for the record.

2 COMMISSIONER MONTOYA: It is accepted. Thank you.

3 MR. PATE: Basically, SUPSHIP of San
4 Francisco has been downsizing since I have been working up in the
5 building area since 1991. When I first went up there they had 250,
6 218 people.

7 Their mission basically is to administer contracts
8 for repair to Navy ships and crafts.

9 Since the Navy has been downsizing in the Bay Area,
10 they have been downsizing accordingly. They have one rift going on
11 at this time. They will be downsizing to, I believe, 25 people by
12 September 30th.

13 Included in my package here I have a letter that I
14 wrote to Rear Admiral Porter, Sea 07, who is Commander of the
15 SUPSHIPS, on 20 October, and I was concerned at that point, that
16 they were, in effect, closing SUPSHIP. I was asking him to please
17 state his contention, because if they were closing them, there were
18 certain privileges that you get, like an unlimited annual leave
19 savings and that type of thing. So I was concerned that if they
20 were going to, he should announce it. He wrote back, which is also
21 included in my packet, a December letter, and he basically stated
22 that since they were cutting back a number of ships, eventually the
23 missing would just go downhill. But there was going to be a
24 continuing need to have a function of SUPSHIP there again as a
25 contract administrator. And he talks about a level, a Category 2
26 detachment of approximately eight to twelve people by next year,

1 | and that, along with that, that the SUPSHIP of San Francisco will
2 | become a detachment of San Diego.

3 | So, in effect, the Navy is closing the SUPSHIP San
4 | Francisco, and moving the function to SUPSHIP San Diego, and
5 | leaving a small core of people here to cover emergent work, a small
6 | craft repair special boat unit in Stockton.

7 | It's kind of amusing when I read it in the paper, the
8 | press release that the Navy was announcing that they were saving
9 | SUPSHIP San Francisco where, in effect, it is, you know, it is
10 | going away as SUPSHIP San Francisco. It is becoming another
11 | entity. But, you know, in effect it is the same. There will no
12 | longer be a SUPSHIP San Francisco.

13 | I just think that the BRAC Commission has a lot more
14 | pressing items to look at than this activity, which basically has
15 | been handled, you know, according to the way the thing should have
16 | been done in the DOD all along.

17 | I would also like to comment the SUPSHIP management
18 | has been outstanding in the treatment of their people and making
19 | sure that they find jobs and get all of the benefits they are
20 | entitled to. I don't believe anybody has actually gone out on a
21 | rift. They have either found them a job somewhere or they very
22 | actively have given them the buyouts. They are handling the whole
23 | program in a very efficient manner.

24 | Included in here is a question, though, on the
25 | interpretation of the BRAC language. It's in my cover letter. I
26 | also cover the paraservice office employees, and we are on the

1 BRAC '93, and in the process of locating our function to San Diego.
2 I have a question on the interpretation of the language, if, in
3 fact, it says relocate. If a detachment of a core of people are
4 left up here, would the savings in the money to move, would in fact
5 that be a satisfactory claim? I hope I can get an answer from your
6 staff in a timely manner on that. I am not expecting it today,
7 naturally.

8 I appreciate your time, and if you have any
9 questions, I will certainly try to answer them.

10 COMMISSIONER MONTOYA: Thank you very much, Mr. Pate.
11 I will take that burden, to prod our job staff to respond to your
12 question, to that particular question.

13 MR. PATE: Thank you. Any questions from
14 the Commission?

15 COMMISSIONER MONTOYA: Thanks a lot, Mr. Pate. Thank
16 you.

17 ---oOo---

18

19

20

21

22

23

24

25

26

PUBLIC COMMENT: CALIFORNIA

PAGES 155-164

1 COMMISSIONER MONTOYA: We are now ready to begin a
2 period set aside for public comment. Our assignment is to try to
3 ensure all opinions on recommendations of the additions of bases
4 affected in California are heard. We have assigned 34 minutes to
5 this period. We have asked persons who wish to speak to sign up
6 before the hearing began, and they have done so by now. We also
7 asked them to limit their comments to two minutes. We will ring a
8 bell at the end of that time. We want to strictly enforce that.
9 Please stop after your two minutes are up. Written testimony of
10 any length is welcomed by the Commission at any time in this
11 process.

12 If all those who signed up would come forward so I
13 can swear you in, we will begin the process.

14 (Witnesses sworn.)

15 COMMISSIONER MONTOYA: I have five names for McClellan,
16 beginning with Mike Will.

17 (No response.)

18 COMMISSIONER MONTOYA: He may have already have left.

19 How about Paul Storey?

20 (No response.)

21 COMMISSIONER MONTOYA: How about Mr. Al Horjus?

22 (No response.)

23 COMMISSIONER MONTOYA: Andrea Brooks?

24 (No response.)

25 COMMISSIONER MONTOYA: Charles Weaver, Jr.? Mr.

26 Weaver.

1 MR. WEAVER: My name is Charles Weaver, Jr.
2 I am a worker at McClellan. I wasn't planning on speaking. I just
3 wanted to come and listen to the hearing, except that you asked the
4 question about Bradley workload.

5 My personal involvement with the movement of the
6 Bradley workload from the Army Depot. I was assigned to that
7 project in Oakland, and two years ago, after the '93 BRAC
8 Commission closed the Sacramento Army Depot, and the work group, I
9 was part of that team that went to the Oakland Army Depot. We
10 moved the Bradley workload from their facilities to the McClellan
11 facilities. It took us approximately two to six months to get back
12 into operation. I would like to make you aware of the fact that we
13 lost all of the engineering expertise on that project. We were
14 transferred to other places.

15 In the last year, we have actually produced, to the
16 Army's satisfaction, everything that has been required as far as
17 the North CB Gyro and the TSAD.

18 The other thing I would like to make you aware of is
19 that, even though I am Air Force employee, I have learned to be an
20 Army employee, and I have also learned to be an Australian
21 employee. So every week I go in, I end up giving ten for ten. But
22 we have diversified our expertise in both computer, and all of the
23 avionics area. We have also been asked to do minor engineering,
24 because that is no longer supportable due to economic constraints.
25 Reverse engineering, which is no longer feasible due to economic
26 constraints. And we have really been, to some extent, asked to

1 expand our expertise.

2 End of my comment. If you have any questions on the
3 Bradley workload, I would be more than happy to answer them for
4 you.

5 COMMISSIONER MONTOYA: Thank you.

6 Next we have, for NWAD Corona, Captain Edward
7 Schweir.

8 CAPTAIN SCHWEIR: I am Captain Edward Schwier,
9 Commanding Officer, Naval Warfare Assessment Division.

10 Commissioners, NWAD has its roots in the National
11 Bureau of Standards post World War II Missile Development Program.
12 In 1953, DOD, specifically the Navy, assumed this responsibility.
13 Various associated and complementary functions were integrated into
14 the commands during the 1950's.

15 In 1963, as a result of a conflict of interest
16 arising from Navy Ordinance Lab Corona's dual role as a weapons
17 developer and assessor, a separate command was created: Its
18 mission very similar to today's.

19 Throughout the next 27 years, numerous studies were
20 conducted on how best to organize the Navy Shore Support structure.
21 In every case, the service and independent activities such as GAO,
22 GSA and Inspectors General found that the independence which was
23 essential for accurate, unbiased assessment of weapons and combat
24 systems capability and performance would be lost if the functions
25 were submitted by another station with in-servicing engineering as
26 its main focus, such as the China Lake and Crane Warfare Centers.

1 The 1990 Navy study of RDT&E consolidation found the
2 idea of independence so important, that the function of NWAD was
3 specifically excluded from those of the functional or warfare
4 centers. NWAD satisfies an urgent and continuing need for
5 independent assessment across the entire life cycle.

6 It consolidated fragmented assessment efforts.
7 Established and improved neglected assessment areas. Integrated
8 the functions and resources to serve our customers in an efficient
9 and effective manner. These customers reported a \$275 million
10 savings over the past two years, and 80 percent annual return on
11 investment.

12 The great value of NWAD is in its facilities,
13 analytic tools, the expertise of nearly 2,000 government and
14 contract employees, and our independent integrated organization.

15 Split it up, move it, and you run a great risk of
16 losing this critical capability. Ask the Fleet commanders, the
17 program managers, the 1700 GIDEP program members about our value to
18 them and the risk. Remember, there is only one NWAD.

19 And, Mrs. Cox, in a direct answer to your earlier
20 question this morning, to answer your question correctly: Yes,
21 there is a conflict.

22 COMMISSIONER MONTOYA: EFA West San Bruno, Don Frate.

23 MR. FRATE: I am Don Frate from San Bruno
24 Chamber of Commerce. As your neighbors and being part of our city
25 with the Naval Base San Bruno, we have gone through a period of
26 five years of constant hits, starting with the Loma Prieta

1 Earthquake, five years of very heavy recession in the area. We are
2 very, very concerned about the loss of the payroll at San Bruno.
3 We see the possibility of maximizing the base, rather than closing
4 it. There is a lot of land that can be used by other services
5 within the GSA and within the Navy Department. We know that the
6 Navy base serves the West Coast rather well, and we have served a
7 lot of ethnic groups and merchants in our city that are just
8 borderline. The closing of the base could very well send the death
9 notice throughout the downtown area and our shopping areas.

10 The size of the downtown area will also be affected.
11 We have a large shopping center immediately across the street from
12 the base that will be impacted as well.

13 Again, I would ask you to look at not closing the
14 base, but maximizing the base. Thank you.

15 COMMISSIONER MONTOYA: Thank you, Mr. Frate.

16 Point Mugu, we have a Mr. Lowell Boardman?

17 MR. BOARDMAN: Good afternoon, Mr. Chairman and
18 members of the Committee.

19 I am an employee of Point Mugu, and also a
20 representative for the National Union of Government Employees.

21 The very consideration of Point Mugu which seems to
22 be the updated inaccurate view of the IG Report has been refuted,
23 rejected and now reenacted for the sole purpose of placing Point
24 Mugu on the hit list.

25 We strongly agree with the Navy and GOE analysis
26 against the IG Report of further consideration of realigning

1 Point Mugu.

2 Secondly, we strongly oppose the relocation function
3 to other sites. We feel this will result in double-billing the
4 taxpayer for removing our function and establishing it elsewhere, a
5 function for which taxpayers have already paid for once.

6 The DOD requirement for these facilities and
7 personnel are ongoing. NORCO has a variety of DOD critical weapons
8 systems and would require the replacement of \$13 million for the
9 test site of Point Mugu, which demonstrates a potential loss.

10 Should you consider closing the Point Mugu and many
11 other facilities, these critical functions may not be successfully
12 replicated at another facility. Furthermore, many of the
13 experienced personnel required to operate and support these
14 functions will not relocate. Their corporate knowledge, and in
15 some cases more than 30 years of productivity, represent a real
16 cost savings by intuitively being able to recognize problems and
17 cost effectively resolve them.

18 The COBRA now, since computing the cost of moving
19 equipment, does not accurately measure -- it might give us a cost
20 factor to move slow flow charts and tonnage. It does not tell us
21 how much it will cost to move the operational function of that
22 facility.

23 Thank you.

24 COMMISSIONER MONTOYA: Thank you very much.

25 Mr. Harry Berman?

26 MR. BERMAN: Good afternoon, Mr. Chairman,

1 members of the Commission. My name is Harry Berman. I am an
2 attorney for the National Association of Government Employees, the
3 union representing many of the civilian employees at Point Mugu.
4 Spokespeople more eloquent and knowledgeable than I have addressed
5 the economic impact of closing Point Mugu and Point Mugu's
6 strategic value. I would like to simply remind the Commission of
7 the affect that amending the base closure list land a thought on
8 the method of reviewing and validating that decision in relation to
9 Point Mugu.

10 When a decision to close a base is pending, it places
11 a tremendous burden on people's lives. People have to hold their
12 breaths, worrying about jobs, homes and families. When a decision
13 is reached, people go out and make major life choices based on the
14 inclusion or exclusion from the base closure list of the base where
15 they work or live.

16 In the case of Point Mugu and the other bases, the
17 employees and the communities had a reasonable belief that the base
18 would not be closed because Point Mugu was not on the initial list
19 of bases to be closed. People made decisions based on that belief.
20 They bought homes, enrolled children in schools, started
21 businesses, and even entered into personal relationships.

22 Now them employees and communities are being told:
23 We have reconsidered. The decisions you made may be wrong. Your
24 jobs may be gone, your businesses may devalued, and your families
25 may have to be uprooted and moved. There is no question that the
26 Commission has the right to make the decisions on base closures,

1 | which may create these results.

2 | However, in the case of Point Mugu, I believe the
3 | evidence presented today shows that Point Mugu was correctly
4 | omitted from the initial list of bases to be closed and should not
5 | have been considered for closure today.

6 | I implore the Commission to give the greatest weight
7 | to the evidence presented today and look, with the most critical
8 | and skeptical eye, on those reports and data that was used to reach
9 | the decision to modify the base closure list to include Point Mugu.

10 | I ask this because the employees and community around
11 | Point Mugu are, again, holding their breath. I ask this so the
12 | Commission will --

13 | COMMISSIONER MONTROYA: Thank you very much. You submit
14 | the rest for the record, if you like.

15 | Mr. Louis Rogers?

16 | MR. ROGERS: I am a heavy equipment operator
17 | at Point Mugu. I represent the National Association of Government
18 | Employees, Local 33, ARP 33. We represent about 2,000 GSA wage
19 | employees on the base, and I have been through a rift twice before.
20 | I just know what it does to the community, and I can tell you, and
21 | Mr. Berman has alluded to that, already homes are started to
22 | devalue because, just because they were going on the list.
23 | Businesses are already starting to lay people off. It has a
24 | dramatic effect on the community, just the hint of being closed.

25 | I would urge you, at this time, to consider what the
26 | Department of Defense and the Department of Navy has said in taking

1 Mugu off that list. Thank you.

2 COMMISSIONER MONTOYA: Thank you very much. I have an
3 alternate, if she would like to speak. Ms. Carol Lezniewicz?

4 (No response.)

5 COMMISSIONER MONTOYA: All right. Going down the list,
6 Oakland Army Base, Ms. Jeanette Cordero.

7 MS. CORDERO: Members of the Commission. My
8 name is Jeanette Cordero. I am a resident of Oakland and employed
9 at the Oakland Army Base.

10 My superior has already told me in detail the
11 strategic importance of the Oakland Army Base, and they say: You
12 can't leave home without us.

13 I am a part of the finest workers in the area,
14 colleagues of both civilian and military, who are dedicated to
15 service to our country. I am proud to call them co-workers, proud
16 to have them as friends.

17 As work talent, we are educated in our field and
18 hard-working. Our mission is clear and we strive to accomplish
19 that mission every day. We could probably go somewhere else and
20 find new jobs. This would break up a community, put distance
21 between family and friends and churches.

22 We are already rebuilding from natural disasters this
23 region has been through, earthquakes, fires, floods and far too
24 many base closures. We have employees that have jumped from one
25 base to another, just a jump ahead of the BRAC action.

26 There are employees who are close to retirement,

1 | for which a move might not be feasible and there is nothing else.

2 | In the recent base closure, local military reserve
3 | units are frantically searching for a place to train. Presently
4 | there is a shortage of military terminals with the capability for
5 | these reservists to train. Without training, the reservists,
6 | during contingencies, is critical hindered.

7 | A decision to close the Oakland Army Base at this
8 | point would impact our lives tremendously. We are important to you
9 | and our mission as individuals.

10 | Oakland Army Base is important to the world and the
11 | nation as a military transportation hub. It is important to the
12 | community, for our survival, and it is important to our families.

13 | Please give this decision careful consideration.

14 | Thank you for your time.

15 | COMMISSIONER MONTOYA: Thank you very much.

16 | I have an alternative, Ms. Mary Meyers?

17 | (No response.)

18 | COMMISSIONER MONTOYA: I thank you all very much, and
19 | that concludes the California public comment period.

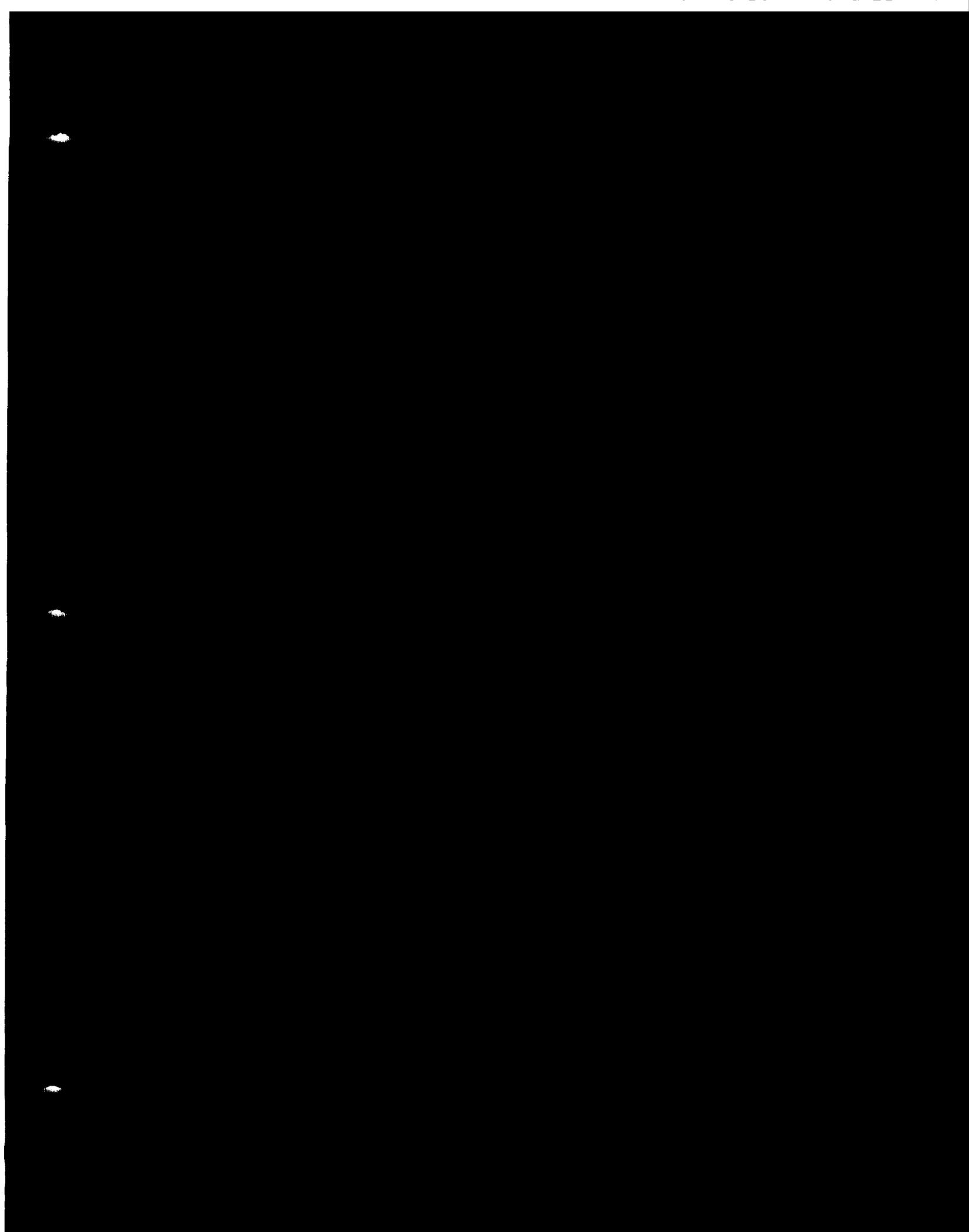
20 | We will begin the Utah portion of the session as soon
21 | as the Utah delegation is in place and we will start a little
22 | early. We will start right away when they are in place.

23 | ---o0o---

24 |

25 |

26 |



UTAH

PAGES 200-237

1 COMMISSIONER MONTOYA: If the Utah team is in
2 place, all those who are planning to testify, if you will all
3 raise your right hands, we will go through the swearing-in
4 process.

5 All those who are going to testify, please raise
6 your right hand.

7 (Witnesses sworn in.)

8 COMMISSIONER MONTOYA: Very well.

9 Governor, I have you as the lead-off witness,
10 so we will start the clock when you begin, sir. We have
11 75 minutes for the State of Utah.

12 MR. LEAVITT: Commissioners:

13 Thank you very much for the opportunity to appear
14 before you again today.

15 For over 30 years, Keller Air Force Base and
16 the Ogden Air Logistics Command has been the largest single
17 munitions stockpile in our state. Even though we have gone
18 through tremendous downsizing, that continues to be true.

19 We look at the history of defense downsizing
20 in our state. Back to 1949, Fort Douglas, it was closed,
21 and the maintenance mission at Tooele, it was closed.
22 Significant downsizing. If we were to add the ALC at Ogden
23 Army Air Force Base, and add the major realignment of Dugway,
24 there will be virtually nothing left in our state except
25 42 percent of our country's munitions stockpile.

26 If all of those things were to occur, we would be

 LUSK & SNYDER
 (415)362-5991/FAX (415)362-6198

1 glad to have that relocated as well.

2 The decision you are making, while not an economic
3 one, we recognize out of the eight categories economic impact
4 as number 8, it is a criteria. We would like to acknowledge,
5 in passing, when it comes to defense downsizing,
6 on a per-capita basis, you would have a hard time finding
7 a state that has shouldered a greater burden than our state.

8 Your purpose, however, today, is not to make solely
9 economic decisions, but to make a military decision.

10 Military value, and your purpose is to call
11 Ogden ALC to the other four. It's very simple.

12 Hill/Ogden ALC is ranked at the top, in the top tier
13 by the Air Force, both in operational, as an operational
14 base, and as a maintenance base. That is by both Air Force
15 data and listed by the charts by the Commission.

16 Hill is ranked number 1 of the five. Let me repeat
17 that for emphasis. On military value, the Ogden ALC is
18 ranked number 1. What else is there to say? What more could
19 I say? It seems that Hill and Ogden ALC are number 1.

20 If there is to be an Air Logistics Command left
21 open, by that criteria, by independent criteria, it would be
22 the Ogden ALC and Hill Air Force Base.

23 The people of this state, Utah, have always been
24 a glad receiver and a proud receiver of military missions,
25 whether they were good or difficult. In testing, or storage,
26 or chemical weapons, or biological agents, our communities

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 have not taken the position of "not in our backyard,"
2 but we have been proud receivers and proud to be part of
3 the military mission.

4 The people of Utah have faith in this independent
5 Commission to make a judgment on the basis of military value,
6 and to reaffirm the historic commitment of our people.

7 Today our presenters will include Congressman
8 Jim Hansen, and also retired Major Mike Pavitch.
9 Our United States senators, Senators Hatch and Bennett,
10 both were required to be in Washington today for an important
11 Appropriations vote. As a result, they have asked to
12 communicate to you by a short video, Senator Hatch first,
13 and then we will ask Congressman Hansen to proceed,
14 followed by retired General Mike Pavitch, and then
15 Congressman Hansen will summarize.

16 Thank you, Governor.

17 (Two videos shown of two speakers, Senator
18 Orin Hatch and Senator Bob Bennett, both from Utah;
not reported.)

19 MS. HANSEN: Thank you. I appreciate the
20 opportunity of appearing before the Commission, and I
21 personally want to thank the Commissioners who visited with
22 us yesterday at Hill. It was very kind of you to be there,
23 and also your staff people.

24 In 1993 the Commission voted to look at all of
25 the ALCs, except Hill, because of Hill's high military
26 value. We had the videotape testimony at the hearing

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 when those additions took place. Former analyst for the
2 Commission, Robert Hock, stated, in response to a question
3 whether there were any ALCs that should be shielded from
4 consideration, quote, in my opinion, there is an ALC which
5 should be shielded from consideration. Hill Air Force Base
6 in Utah. Its proximity to the Utah Test and Training Range,
7 its work on intercontinental ballistic missiles, also make it
8 irreplaceable. End of quote.

9 It is ironic to me, then, the 1993 Commission later
10 cited, for not closing ALCs, its failure to add Hill
11 Air Force Base to the study list. Therefore, I
12 optimistically view the Commission's act of adding all five
13 ALCs as potentially a good thing, although a bit unnerving,
14 if I may say so.

15 Let me say: We all know where Hill ranks.
16 It's number 1 by almost every measure, although which ALC
17 or ALCs should be closed, the press in particular, always
18 seems to pick on Hill Air Force Base. It is as if all
19 reporters look at it purely from the economical standpoint.
20 In 1993, no less authority than The New York Times filed
21 two different stories citing unnamed Pentagon sources as
22 targeting Hill as the number 1 for closure. That turned out
23 to be false also. Again, the public called on sources
24 "inside of the Pentagon," "unnamed Pentagon officials."
25 Sometime I would like to find out who all of the "unnamed
26 officials" are in the Pentagon targeting Hill as the number 1

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 choice to close.

2 I was concerned and asked the Department of Defense
3 officials for an explanation. Those we contacted obviously
4 denied Hill was the number 1 target and disallowed any
5 knowledge of the source of that article.

6 I then met with Undersecretary of the Air Force,
7 Rudy Deleon, who agreed to advise me with a written statement
8 on the official Air Force position. That position couldn't
9 be more clear. I have asked that each of you and your staff
10 receive a copy of this.

11 "Mr. Hansen, I appreciate your calling my attention
12 to the article in the May 18th edition to the 'inside
13 Pentagon sources' regarding Hill. I can assure you this is
14 not an Air Force position. The closure of Hill Air Force
15 Base would be inconsistent with Air Force analysis of
16 Air Force installation closure in the top ten."

17 What could be more clear than that? The Air Force
18 does not support the closure of Hill and Ogden ALC. The
19 Hill Air Force Base ranked in the top tier in both the
20 operational bases and the depot.

21 Let me go on record at this point that it will be
22 my position, and I believe it is shared by the Governor
23 and the rest of Utah, if Hill Air Force Base and Ogden
24 Air Logistic Center were closed, it would be purely political
25 and not based on military value, which Congress intended,
26 and the law requires.

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 I remember when we debated that issue. I am not
2 too worried about that. I was reassured yesterday,
3 when you all responded to a question by Lori Sullivan of
4 the Tribune, and I want to thank you for your reassurance
5 on that particular point.

6 We in Utah have been willing, and are willing,
7 to be compared and scrutinized according to the eight
8 criteria. We do not feel to be totally immune from the
9 selected realignment, those that make military and economic
10 sense.

11 We think you should, and by the position of the
12 Department of Defense, should relocate the tactile missile
13 work, if you decide to close Tempe Army Depot. I am not
14 pushing for that. We are not pushing for that. If you
15 decide, that is the way it is. Ogden has the capacity and
16 facility and expertise to handle it all. To be sure, most
17 facilities can be replicated elsewhere, given enough time
18 or money. However, this process of closing bases was
19 necessitated by the lack of money. We don't have the money
20 to needlessly duplicate facilities elsewhere.

21 Hill has certain capability duplicated nowhere else,
22 which are vital, which cannot be duplicated without huge sums
23 of money being spent. Those include intercontinental missile
24 repair facilities, vast areas for missile storage, and
25 the only landing-gear repair facility in the Department
26 that remains. Sure, it can be replaced for \$1.5 million.

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 That is more money than we have budgeted for the entire
2 BRAC process. If you move the missiles at Hill, and close
3 the ALC, as was studied in the past and also rejected,
4 one thing that drives my mind, you can't move -- if you
5 had all the money in Fort Knox -- that vast, hundreds of
6 square miles of vast desert known as the Utah Test and
7 Training Range.

8 I have another letter from Lieutenant Colonel,
9 Deputy Mormon, which states: "Utah Test and Training Range
10 is a national asset which must be preserved."

11 I should have all received copies of his letter
12 as well.

13 The Utah Test and Training Range is the only place
14 in the United States with the vast air space unencumbered
15 by human encroachment, reserved solely for military training
16 and testing. It goes to ground level 358,000 feet just for
17 the military. Nowhere else is this to be found.

18 The Department of Defense officials can see that
19 the Utah Test and Training Range is the only place we can
20 adequately and safely test our cruise missiles, such as
21 the Tomahawk. With our new weapons coming on F-22, large
22 areas for training are necessary. UTTR is absolutely vital.
23 You can't shut down Hill and keep UTTR. Once UTTR is not
24 utilized or underutilized, it is virtually certain that
25 the FAA -- and frankly, I received a call from the FAA
26 about this, and other federal agencies, the chairman of the

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 Committee of the National Lands and Forest Service.
2 Many people are salivating to collect that wilderness area
3 in the west desert, once it's lost and gone forever.
4 There is a whole bunch of folks that would like to get their
5 hands on this. But Blue Air, in that study, UTTR came out
6 on top. Reports stated that the Department of Defense
7 shouldn't make every effort to preserve this superb national
8 asset. In fact, the so-called bottoms-up review, President
9 Clinton stated we should look at consolidation, test and
10 evaluation activities into the so-called -- as they reported
11 in this "bottoms-up review" -- western test complexes,
12 linking those western ranges such as the UTTR, Edwards,
13 China Lake, White Sands, electronically. It cited problems
14 in the eastern ranges where human encroachment and
15 more severe environmental does not allow this. As such,
16 the UTTR would be keeping consistent with this analysis.

17 Interservices. Some folks refer to that as
18 "cross-servicing." As long as I have been in Congress
19 and national security committees, I have joined many of
20 my colleagues in pushing the Department of Defense to do
21 more interservicing, in an effort to reduce needless
22 military capability. One of the last conversations
23 I had with General Colin Powell after he stepped down
24 as Chairman of the Joint Chiefs, included his observations
25 that he wished he could have done more in interservicing.

26 For too long, in my opinion, each of the services

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 have gone its own way, and there has been very little
2 cooperation. And I have given this speech for 15 years
3 from 2118 in the Rayburn Building, to the Joint Chiefs,
4 and they all say "Yes," but it doesn't happen. In my
5 opinion, despite all the rhetoric and good work, we needed
6 to do more. Little or no action is taken, and I speak from
7 experience of one who has been on that committee for a long
8 time.

9 The first major fixed-wing air wars occurred
10 pursuant to the public and private competition that occurred
11 about two years ago. In that competition, Hill Air Force
12 Base won a \$16 million contract, despite numerous changes
13 in the specifications or requirement of the contract
14 by the Navy, Hill completed the work on 32 aircraft
15 in a very satisfactory manner. There is an option to renew.
16 In the end, the Navy decided not to renew the contract
17 at Hill, after extensive analysis, and decided to return
18 the work to North Island Depot.

19 It is my personal opinion, on record, that the Navy
20 inappropriately and unjustifiedly chose not to renew the
21 contract with Hill. It is my view that the Navy's primary
22 concern was to reserve workload for its own aviation depot
23 at North Island, rather than to Hill, who would do the work
24 in a more cost-effective fashion.

25 This simply points out the fact that everyone says
26 that interservicing makes sense. It should be done. But

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 nothing is ever done about it. If left alone, the services
2 will hold out and not cooperate, despite a good start
3 in BRAC '95. Unless this Commission steps in, as it did
4 in 1993 on the tactile mission and forces interservicing
5 to occur, it is doubtful progress will ever be made in this
6 area in the foreseeable future.

7 I know one thing: Hill Air Force Base and Ogden ALC
8 should be the Department of Defense's repair source for
9 missile and landing gears. That is what Hill does. That is
10 their specialty. They do these things better than anyone
11 else.

12 As I close my statement, I want to tell you my
13 personal feeling on the Air Logistics Center, having sat on
14 that committee for an awful long time.

15 They are each excellent installations, some of the
16 best in the Department of Defense. My own preference would
17 be to do more interservicing of aircraft items from other
18 services, to more fully utilize the ALC capability. However,
19 if this is too difficult to occur, I am of the opinion that,
20 given our current and projected force structure, there is
21 too much overcapacity in the ALC system. Year after year
22 workload goes down, and for the past five year, Hill has
23 experienced reductions in force in excess of a thousand
24 workers a year. It's like water torture. It's like the pain
25 of downsizing never seems to end. It needs to end. We need
26 to get some stability back in our workforce in these ALCs.

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 It's tremendously unproductive, demoralizing, and expensive
2 to undergo this annual RIF procedure.

3 If interservicing occurs, and I believe,
4 in my opinion, this position will and should be taken,
5 the difficult steps of identifying an ALC, possibly two,
6 for closure, should that occur, the work can then be
7 redirected to the remaining three ALCs, more fully utilizing
8 their capacity, instead of five ALCs, who would then be
9 three or four more robust ALCs.

10 I know that is probably not a popular thing to say,
11 but I believe it.

12 The nation is watching to see how this will be
13 handled. The ALC issue is under a microscope. Everyone
14 seems to know who the more obvious candidates for closure
15 are. I hope this committee will withstand the tremendous
16 political pressure for which it was designed to be insulated
17 against. You may recall the debate on this. That is what
18 we discussed the whole time, actively supporting your
19 independence, as I am sure the Governor of Utah delegation
20 would be.

21 Far and above the sway of political pressure,
22 you are doing the nation a tremendous public service.
23 I thank you for your efforts. I know it will be difficult.

24 Now I think it is time for General Farrell.

25 COMMISSIONER MONTOYA: Mr. Farrell?

26 MR. FARRELL: Commissioners, good afternoon.

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

COMMISSIONER MONTOYA: General, good afternoon.

MR. FARRELL: It is good to see you again, sir. If I said, however, that I am happy to see you here to testify, this being the fourth time in front of many BRAC Commissions, if I certified that, I might retract the credibility of my future remarks. I won't say that.

However, the reason I am here is that the Chief of Staff of the Air Force and the Secretary asked me to come to the Base Closure Regional Commission hearings, and to represent the position of the Department, and if asked by the communities, to testify in their behalf.

I have been asked by Congressman Hansen and the community to testify here today. That is why I am here. I will be brief, because General Patton says an extensive briefing is not necessary to give to justify communities' position.

But very briefly I would just like to remind the people in the audience that the Air Force's position is the realignment at the five logistic centers and to downsize in place.

The analysis proceeded in accordance with the eight criteria, were laid down after the analysis was fully complete and the ALCs were arranged in three tiers, Tier 1, Tier 2, and Tier 3.

The Air Force, in turn, turned to the consideration of what a closure would mean. Let me briefly run through the

1 considerations.

2 Number one, a lot of the workload, as you are seeing
3 in your tours, is nonmodulous workload, in that it's not
4 very similar to the workload that is being done at other
5 depots. It is a unique type of workload. That is not true
6 in all cases, but in many cases and in large amounts of
7 workload, it is true. Therefore, if you move that, close
8 that depot and try to move that workload, you are facing
9 potential workload admission disruption as you move
10 the unique tool that is associated with that workload.
11 Because of that, also because you have to move so much,
12 the savings tend to be lower, and you are dealing with
13 a lot of "uniques," not only at Hill, but all of the
14 Air Force depots.

15 Another fact, we looked at the large tenant
16 population. Not large tenants doing esthetical missions.
17 Large tenants doing worldwide-type missions, Navy tactile,
18 tanker, and the AWACs, the J STARS at Robbins, and
19 significantly at Hill, the 3D AWAC, the fighter wing.

20 There are also a lot of nonmaintenance functions
21 associated with the depot. I think you talked to General
22 Leo Marquez when we went to Kirkland. He probably conversed
23 with you. Weapons depots were designed -- they were designed
24 with the intent to do not only the maintenance, not only the
25 program maintenance, but the item management associated with
26 the workload was also there.

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 In the Navy depot, you find Aneth up at North Island
2 with the program management assumption. The audit management
3 associated with that system would be in North Bila.

4 In the Air Force case, we have located all of those
5 functions on one base. You are not closing an ALC; you are
6 also moving all of those management functions.

7 We looked at the cost to do this, and it's quite
8 expensive. You are dealing with a huge population. When you
9 get 20,000 people doing a multitude of functions at a base,
10 it's going to be very costly.

11 We looked also at the mission impact, not only
12 maintenance, that would be disruptive. The mission support
13 that would be associated with that, and the disruption of
14 the units it would have to move. Some of these units,
15 I might dare say, it would be very hard to find a base --
16 it would be difficult to find a place to put the AWACs
17 mission and the Tactile mission, which I dare say should
18 remain at all costs. In the case of ED38, W38, 3DAL, to have
19 access to the UTTR, there is no place that could replace
20 that.

21 Finally, the Air Force looked at the cost to do this
22 and how it would impact the Air Force budget. You have seen
23 the figures, but just to review, you have seen a series of
24 cost figures, a series of savings figures, and there was
25 a differential there. But the most important figure
26 we think, in the Air Force, was the difference between what

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 it cost to do it and what is budgeted in the BRAC to do it.
2 And if you look at the numbers, even with the recommendation
3 we have made in the Air Force right now, we are still going
4 to be short about \$500 million to be able to fund the BRAC
5 implementation over the five-year period.

6 If you add one depot closure to that, you increase
7 the money that we are going to have to find over this period
8 to \$2 billion. And if you add two depots, have to find money
9 we don't have in the budget of up to 2.2.

10 The reason that is important to us is that because
11 there is only three pots you can take this money out of.
12 The infrastructure pot, which is now squeezed down pretty
13 tight. The readiness pot, which funds are low; and
14 the admonitions[?] pot which is acquisition. We know that
15 the F-22 is already sliding to the right. There is lots
16 of pressure on the C-17, which is an important acquisition
17 program we need to keep on-line. We are afraid this large
18 deficit might cause expense of some of those systems.

19 In the context of Ogden's capability in the field,
20 in context of these considerations which I have just laid
21 down, number one, Hill and Ogden ALC is a 2-to-1 base.
22 It ranked very high in our rankings. You have got that
23 analysis. It's already been presented to you. It's also --
24 I believe one of the senators may have said -- Senator
25 Bennett said -- it is the most costly base to close. That
26 is, in fact, true. If you go to all of our bases, I think

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 you will probably find more "uniques" that are almost
2 impossible to duplicate anywhere else, than you will
3 at Ogden. Number one, you have got a landing-gear facility,
4 which you have already toured through. That is a unique
5 facility not duplicated anywhere in the ALC structure.
6 We simply don't do that work anywhere else.

7 About four years ago there was a study that said
8 that if the United States went to war, the leading item
9 in our acquisition and procurement, would be landing gears,
10 and landing gears generally take the order of four years
11 in lead time to produce. If we went to war, that is
12 a facility we have to have.

13 You try to close the ALC and move the mission
14 somewhere else, you would impact the ability to produce
15 landing gears. You have to duplicate the new tooling
16 somewhere at a new location. You have to take some mission
17 degradation of the closing at the ALC. I was stationed
18 at Ogden in 1981 to 1985. I spent two years in the ALC,
19 weapons system management. I have flown many places
20 in the world. I have flown in Korea, flown in Vietnam.
21 I have flown all over Europe. I can tell you, and any pilot
22 will tell you, that is the finest training opportunity
23 anywhere in the world. You can't afford to give that up.
24 And that is one of the reasons that Hill made Tier 1 base.

25 In summary, after looking at all of the factors,
26 we in the United States Air Force and the Department of

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 Defense decided while savings is not as much to downsize and
2 in place, all of these other factors included, we think
3 it's probably the smartest decision for the next 20 years
4 of the Department of Defense to downsize and in place ALCs.

5 Thank you.

6 MR. PAVITCH: I hope you don't mind if I come over
7 here to talk to you. You can hear me all right on this mike?

8 I am going to use this chart. As sophisticated
9 as we are nowadays, when you get down to the last minute,
10 you have to improvise. That is what I am going to do today.

11 Except for you, Commissioner Montoya, I talked to
12 almost everybody in this room yesterday in lunch. They all
13 know our community's position. I don't suppose to go over
14 that again in detail.

15 I do want to hit a couple of key points, though,
16 and I would be -- I know the folks behind you are making
17 a book on this -- did Pavitch talk for 5 minutes or
18 15 minutes?

19 Did anybody yesterday have any questions still on
20 their minds from your visit at Hill Air Force Base yesterday
21 afternoon that I can put to rest before I reemphasize a
22 couple of points?

23 (No response.)

24 MR. PAVITCH: Let me talk just about a couple of
25 things.

26 The Governor was too modest to mention that the

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 State of Utah has invested almost \$10 million to preclude
2 encroachment on Hill Air Force Base runways. They have just
3 finished up the biggest easements that are necessary. That
4 money is all but a few dollar spent in buying those easements
5 that will protect the encroachment on that runway
6 indefinitely, because the State will control that.
7 That partnership is essential.

8 You have heard everybody talk about the Utah Test
9 and Training Range. There is a brochure in the material that
10 we gave you that has all of the statistics and all of the
11 data. Commissioner Kling and I were talking about a million
12 acres, 900,000-plus acres, 17,000 square miles. The
13 testimony in the two letters of the 388 and 419th Wing is
14 probably as great as testimony as you can give, except maybe
15 General Farrell, who has just been in the same situation and
16 just talked about that. I am not going to talk any more
17 about the Utah Test and Training Range.

18 Next slide?

19 For those of you who haven't seen it, probably
20 through happenstance -- I like to think that it was not
21 thoughtful but probably through happenstance, in the 1920s
22 and the 1930s, the Department of the Army and the War
23 Department took an Army munitions depot and an aviation
24 depot, built a runway there, combined them together,
25 and in the 1940s named it Hill Air Force Base. With that,
26 and with the partnership of the State of Utah, and the unique

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 geographics of the State of Utah, they created an entity that
2 has military value unsurpassed, not surpassed by any other
3 installation that exists that I have ever been to or seen.
4 I have spent 29 years in almost every Air Force Base that is
5 in the world. I have been to a lot of Army and a lot of
6 Navy bases also. It brings a unique capability together,
7 to do the kinds of things that can be done.

8 I showed you a lot of quotes. You have heard a lot
9 of comments. Probably the most important is the one that
10 we got by telephone yesterday, and I am going to reiterate
11 that, because General Lowe said: Pavitch, you tell that
12 Commission what I want them to hear. This is what I want
13 them to hear, is that the Air Combat Command has closed
14 12 bases. They have downsized into the best of the best,
15 and that is Hill Air Force Base. The Air Combat Command has
16 plans for Hill Air Force Base far into the future.
17 He doesn't say what those plans are. I would surmise, by
18 what the Division Chief of Staff of the Air Force said on the
19 supersonic air space and the F-22, Hill Air Force Base even
20 makes an ideal location to base F-22s, or ideal location of
21 the depot for F-22s or both. He is concerned. If they close
22 the Air Logistics Center, I can say this: You can't pick up
23 those costs.

24 Everybody saw yesterday all of the things that
25 the Air Logistics Center does for the wing. It allows
26 the wing to operate very efficiently. And then he points

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 out: We need Hill Air Force Base and the Air Force Test and
2 Training Range as a combination.

3 What are the drivers? This is improvisation. I had
4 two slides on "drivers" yesterday. About an hour ago we
5 spilled a glass of water and the blue ink from the first
6 slide basically got eaten up.

7 What the first slide says is what other people have
8 said. The Air Force has invested a lot of money in Hill Air
9 Force Base, and to recreate that someplace else, they say
10 it's \$1.4 billion. We can argue about the cost. Whatever
11 the cost is for Hill Air Force Base, it is more for Hill
12 Air Force Base than it is for other Air Logistics Centers.
13 That is pretty much undisputed.

14 It also had on there all of the unique capabilities
15 that General Farrell talked about, which drive it into
16 the top tier. So that slide is gone. This is what is left.

17 This talk about what the fighter pilot says about
18 the UTTR, about the air space, about strategic missiles and
19 tactile missiles, it is an extremely cost-competitive depot.
20 It won, one of the 9 of 13 competitions.

21 You have heard about enclaving of missions.
22 The senators refer to it. There have been rumors about it.
23 The idea was the cost drivers to close Hill Air Force Base,
24 or Ogden Logistics Center. What about the ICBMs, the
25 munitions mission and the landing-gear mission? What if we
26 enclave those missions? Close the rest of the Air Logistics

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 Center and let the air fighter wings operate out there.
2 We can take credit for the closing of an Air Logistics
3 Center.

4 Was that smart to do? It was studied during
5 an AFMC-21 study. What they found out, those things which
6 account for most of the money to close, basically only
7 supports about 30 percent of the depot work. Therefore,
8 if you move the rest of the depot assets, basically
9 the aircraft associated workload, that 30 percent has to pick
10 up an additional 70 percent of the overhead, which drives
11 the cost of the customers up, and the idea, concept of
12 enclaving makes no sense at all.

13 When Lowe then came onboard, then said you can
14 forget that. I am not taking over that base as Air Combat
15 Commander. I can't afford that. The concept of enclave
16 basically was thrown out.

17 I have given you a point paper on your books there,
18 and the result of that AFMC-21 study.

19 Next slide?

20 What we get down to, when we really take everything
21 off, we are worried about business. Because the Air
22 Logistics Center operation, just like the Defense Logistic
23 Agency, is a business-proffering proposition. What makes
24 good business here? If the Air Force and the Department of
25 Defense has said this installation is at the top and we need
26 to keep this installation, then it makes good business sense

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 to take the capabilities of that installation and maximize
2 the workload. Okay?

3 There are ways to do that. Tactile missile --
4 Lockheed easily comes to mind. If somebody is going to
5 transfer Lead Kenny landing-gear consolidation, it does all
6 of the Air Force landing gear, which is 70 percent. It ships
7 landing gear from all over the world to be repaired there.
8 We could easily do all of the landing gear in the Department
9 of Defense, without a hiccup, and probably save everybody
10 money.

11 There are other things that you can do. We talked
12 about FAT and all of that. You heard me when I gave you my
13 personal opinion yesterday at lunch. I firmly believe there
14 are some things that ought to be done in that area.

15 Let's talk a minute about tactile missiles, tactile
16 missiles which is very charged. It's charged because it's
17 a roles admission between the Army and Air Force. It's
18 charged because there was a '93 BRAC decision which seemed
19 to satisfy the issue, and now it's being revisited because of
20 the Army. It's charged because it essentially closes a
21 facility, basically closes a facility.

22 If we look specifically at the facts, the decision
23 process in '93 said: There is an Army accounting study that
24 says it's as cost-effective to move all of the tactile work,
25 missile workload to Lead Kenny as it is to close Lead Kenny.
26 That was 1993. That was consider 2.2 million hours of work,

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 is what it said it was going to move.

2 That workload has dwindled. The work that was
3 scheduled to move there, 2.2 million scheduled to work there,
4 is now somewhere between 6- and 700,000 hours, depending on
5 what we talk about. So it's down significantly. So that
6 calls to question:" If the same business strategy that
7 talked about consolidating all of the tactile missile at
8 Lead Kenny is still a cost-effective approach, if we look
9 at guidance and control workload, that is the guts of
10 the workload. That is the technology we are talking about.
11 The majority of that work is done today, 2700 guidance
12 workload, 30 percent on contract and 53 percent at Hill
13 Air Force.

14 You heard Undersecretary Kling -- I apologize --
15 Commissioner Kling, talk about the fact that maybe you are
16 going to privitization tactile missiles. With that kind of
17 feeling in the Department of Defense, it's obvious to me that
18 contract workload isn't going to move anyplace. The Army
19 hasn't moved. They were supposed to move and probably
20 never will. And so if we are going to try and consolidate,
21 what is the best way to do that?

22 Even if you move the Maverick and the Sidewinder
23 from Hill, you are still doing mission, guided mission work
24 at Ogden. You have increased the cost of doing it a little
25 bit, broken a little bit of synergism of the Air Force.
26 You had -- doesn't exist anywhere else organically. So when

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 the new missiles come in, they are going to have to stay
2 on contract or have to go to Ogden, or build another
3 Stealth capability. We don't want to do that.

4 Let's talk about the key driving issues. This is
5 when I get to this.

6 The Army came in. When you ask them what would it
7 cost to move to Hill Air Force Base, they said it's going to
8 cost \$220 million. Now I understand who put that analysis
9 together, and I understand what is driving it.

10 Basically there are three issues. \$124 million for
11 a military construction of storage facilities, \$51 million
12 for PCS, and \$21 million for Patriot training. That is
13 \$197 million of this 220 million. The Delta \$23 million,
14 we won't talk about. Let's accept it, and let's talk about
15 MILCON and CPS, okay?

16 MILCON. Storage. That is what drives the MILCON.
17 They say you need to build a radar range for Patriot,
18 and that will cost \$2 million. We will accept that. That is
19 not a big deal. You have got to have a million square feet
20 of storage to take all of the tactile missiles in the Army,
21 Navy, and Air Force, store them in one location. Does that
22 make any sense at all? If you look at what the DOD
23 requirement is, it's basically mute because the majority of
24 the tactile missiles are in the hands of the war fighters.
25 They are stationed in Europe. They are stationed in the
26 Pacific Theater, stationed at the rapid deployment bases in

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 the United States. It makes absolutely no sense, no sense
2 at all, either statically or tactically. I think General
3 Lowe pointed this out yesterday. Take all of your missiles
4 and put them in one garage, that's just one more thing.
5 You can't get them out. You can't get them out in a timely
6 fashion.

7 The Army Department of Defense has said: We will
8 tell you what our plan says for storing tactile missiles.
9 Our plan says we are going to store these precision-guided
10 munitions, those things we will need in the first 30 days of
11 any combat, we are going to store those in our Tier 1 depots,
12 because those are the depots that can, most rapidly, get them
13 in the hands of the war fighters. They have identified those
14 Tier 1 depots, Tooele in the West, McAllister in the Central
15 United States, and Crane and Blue Grass on the East Coast.
16 That is where the DOD storage plan says they are going to
17 store tactical munitions, precision-guided munitions Okay?

18 What the DOD plan says: In your repair facility,
19 they say you have to have enough storage in order to take
20 care of what is necessary for the repairs that you are doing.

21 Ogden has 187,000 square feet of 1.1 storage
22 available, now available. That is more than enough to take
23 care of the repair requirement for storage. It's also only
24 60 to 70 miles from Tooele, one of these Tier 1 depots where
25 most of the Air Force stuff is right now. So when you get
26 down to it and you talk about this million square feet of

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 storage, that is a red herring. There is no military
2 construction required for storage of missiles anyplace.
3 Anyplace.

4 Personnel cost. The driving factor on personnel
5 cost, they say we are authorized 923 people. You have got
6 to move those 923 people. There is only 505 onboard.
7 The 923 is what is projected if you are going to hire
8 everybody between '96 and '95, after all of the workload.
9 Certainly you don't have to move 923. 505 is how many they
10 have.

11 What does history tell us? History tells us,
12 through this BRAC process, that about 20 percent of those
13 folks raise their hand and say "I want to go." It also tell
14 us the gaining organization only picks up those that
15 they need, regardless of how many want to go. Only picks up
16 those they need. How many have transferred to Lead Kenny
17 through the transition process going on there? 18 percent,
18 pretty close.

19 How about the basic skills at Ogden? The basic
20 skill pool, we have given you six pages of detailed analysis
21 on this, in the paper. The basic skill pool exceed
22 2,000 people. Basically we are going to move about
23 20 percent of the folks. That is what we would do.
24 The cost is 5.4 for 153 PE. Is it 150 or is it 275?

25 The number is something you can work out in detail,
26 but the costs are in the \$5 million area, not in the

1 \$50 million area.

2 Let's talk about the training. For all training,
3 for all of the systems, except for Hawk and Patriot, okay?
4 The training bill has been about \$6 million. That is
5 the Lead Kenny budget. Okay? 1.9 million of that was for
6 basic electronics. This was to take people who had no
7 experience in this kind of workload, basically vehicle
8 mechanics, and give them the electronic skills they need to
9 move into the weapon systems skill level. This is from
10 Lead Kenny data. We didn't make all of the systems,
11 except Patriot and Hawk. We have got \$3.5 million. Okay?
12 For Patriot and Hawk, the folks said \$67,000 for PE.
13 We traded 328 PE for \$22 million. If they spent that,
14 that is fine.

15 Let's talk about experience They train every
16 employee. That is what they have to do to get those 22
17 employees at 67,000 a person. When Hill took on the advanced
18 Cruise missiles, highest technology missile there is, Stealth
19 technology, they spent \$36,000 a person to give them Cadillac
20 training, per diem, everything, transportation, hotel rooms.
21 36. Which is bought from a contractor.

22 We considered it expensive. So let's use \$40,000.
23 Just use \$40,000 for a number. The training concept within
24 the Air Force and in the Air Logistics Center is, because of
25 the technology base you have already got, you train 50
26 percent of your workforce, and that 50 percent of the

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 workforce then takes those folks who have the basic skills
2 already, and bring them up to speed, through on-the-job
3 training as the workload moves in. If we are going to move
4 20 percent of the trained folks already, we are going to
5 train 30 percent of the people, which says your training
6 dollars are probably in the \$5 million area for Patriot and
7 Hawk. If you add those two together, anticipated training is
8 about 8-1/2 million.

9 Lead Kenny's experience. They said 17.5 million.
10 We will use Lead Kenny's 17.5. We don't believe it. We will
11 use 17.5. That is what their actual figure is on budget.

12 Now here we have \$197 million. When you add those
13 figures up that I just talked about, what you find out is
14 that really is 25.7. You put that with the Delta, which
15 we said was \$25 million -- we will accept that. We won't
16 even quibble about that -- you are in the \$48.7 million
17 bracket. We think that is high. Ballpark figure of
18 \$40 million to move that workload, that is probably pretty
19 reasonable, probably pretty reasonable. And what it does,
20 it consolidates all of the tactile missile workload at one
21 place. All of it.

22 The solution that we have now doesn't do that.
23 The solution that is recommended doesn't do that. This
24 does. And it's not really very possible. I don't know
25 if this is -- let's jump back to the next slide over here.
26 Something that we didn't even talk about with this.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Next slide?

But the recurring cost avoidance. This gets into that terrible situation of how much does it cost to do work at what place, which nobody can give any credence to any numbers. Everybody says nothing can tell you how much it costs to do work at any one place. They are all different. We use different accounting systems. We pick the two that are available in DOD, which are DOD's numbers. One uses the Cost Comparability Handbook out of the Defense Maintenance Council. The other uses --

One says Hill is tremendously cheap and one says Hill is a little cheaper. Basically what it tells you is, because of the tremendous base you've got at Hill Air Force Base already and that really isn't even the cost of the tactile missile area. That is average cost of Air Logistics Center bought material involved, which is the best way to look at things. Workload depends on material. What that says, the average cost for tactile missiles is less than that, because they are very, very efficient. What they do in 35 years of experience, that is put in there. That gives you a recurring savings, depending how many man-hours of work you put in there, ad infinitum. It goes back to that good business sense we talked about. If you have got a facility that looks like the Department of Defense says they need to keep around, the smart thing to do is to work with it.

Depot management.

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Any questions on tactile missiles?

COMMISSIONER COX: This is a general question. I apologize for asking you this, but there is -- you are the only one I can ask.

DODD obviously recommended closing, more or less recommended closing Lead Kenny, and moving this work, and presumably they had all of this information before them, and nonetheless they decided that Tobyhanna made more sense than Hill. Do you have any idea why that might be?

MR. PAVITCH: I talked to Jim Clue about this. I went to see him in his office and we discussed this. The '93 base closure decision gave the tactile missile workload to the Army. When the Army got around to what they were deciding to do, they assumed they had control of it. I mean they weren't interested in moving Army workload to an Air Force Base. That, you know, that certainly didn't make sense to them. That is in what that is about, okay?

The help that they could get was from the joint cross-service group on depot maintenance. The joint cross-service group said, we recommend you do this: Take all of the stuff that is launched from an airplane, Army, Navy, Air Force, Marine, whatever is launched from an airplane, and put that at Ogden. It's the only place you can have a single site, and put it at Ogden. Take all of the stuff that is launched from the ground and put it

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 at Anderson and close Letter Kenny. That is what the joint
2 service group says.

3 COMMISSIONER COX: I am trying to -- said to move
4 the missiles?

5 MR. PAVITCH: I read the minutes of the joint
6 cross-service group. That is where I got this. The minutes
7 of the cross-service group, their analysis group, answering
8 the question that Mr. Clue had asked about: Can you
9 single-site aviation ordnance? They came back and said:
10 Yes. The only place you can single-site aviation ordnance is
11 at Ogden. The recommendation they process to the services
12 was to split the tactile missile workload, put the airborne
13 stuff at Ogden, put the ground stuff at Anderson. The Army
14 said we disagree with that. We have to put some at Anderson
15 and some at Tobyhanna and some at Lead Kenny.

16 I think what is really in the Army's mind --
17 you have to ask them -- I think really what is in the Army's
18 mind, they are saying we want to close this depot,
19 but we really don't. We want to align Lead Kenny as
20 a satellite under Tobyhanna. If we use this tactile missiles
21 ploy, we get away with that, or -- "we get away with" is
22 a wrong word. We could do that.

23 If I were in the Army, I would probably be looking
24 to do the same thing. It gives you an opportunity to retain
25 infrastructure and still take credit for base closure.
26 If you look at their COBRA --- we just did this --

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 and you look at their costs, it says -- well, how many people
2 are they moving from Lead Kenny to Tobyhanna? Not too many.
3 How much equipment are they moving from Lead Kenny to
4 Tobyhanna? None. There is no cost in their moving
5 equipment. What is their plan? We hope to get all that
6 Air Force work so we can support that financially.
7 That is what I think personally, my personal opinion what
8 it's all about.

9 I have read all of the minutes of the joint
10 cross-service group. I have talked to Mr. Clue. I talked to
11 the people who worked on the project. I am trying to be
12 as honest with you as I can.

13 COMMISSIONER COX: One other question. I am sure
14 the Army -- I would appreciate your answering it.

15 The report that you mentioned, the '93 report?

16 MR. PAVITCH: I think it's the '92 report, Army
17 Accounting Office. I am not sure which office it came
18 out of. It was an Army study that looked at the cost
19 analysis. It mentioned it in the '93 Base Closure Report.

20 COMMISSIONER COX: Do you remember what steps that
21 report dealt with with the communication equipment?

22 MR. PAVITCH: What I read, that was dealing with
23 Lead Kenny, did not talk about that. But I wouldn't be
24 surprised, you know -- it's probably a comprehensive report
25 and probably included all of that. Generally --

26 Do you have anything to add to my comment?

1 THE SPEAKER: No. Just Hill Air Force Base already
2 did -- most cost-effective, not just in real-time cost,
3 one-time closing cost, but also long-term, nonrecurring
4 cost. It also provides the least impact to the user,
5 which none of these scenarios have dealt with. It provides
6 a customer with the best support.

7 MR. PAVITCH: I think our plea would be: It's not
8 possible to consolidate at Ogden, what is at Ogden already.
9 There is not really any benefit to do that. The idea,
10 the concept of consolidation and interservicing is good.
11 I mean it's really a heartfelt effort that this Commission
12 took on, and I think it took a lot of courage in '93,
13 but the way it is playing out, you know, it's not working,
14 and it could really -- the Air Force is not going to speak
15 against this, because the Air Force, they are not going
16 to speak against moving it to Tobyhanna. They have got
17 their own problems. They don't want to stir this issue up.
18 That is why it's left to us.

19 COMMISSIONER COX: Thank you.

20 MR. PAVITCH: I thought I would be much briefer.
21 I will not say anything else.

22 I will close with: I think this is probably the
23 last time I am going to get a chance to address this body.
24 It's been a pleasure for me to deal with you folks. I really
25 can't tell you how much I appreciate your patience, and how
26 much I appreciate the job you have to do. It is really

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 tremendous.

2 Thank you.

3 MR. HANSEN: The First Army's recommendation to
4 significantly realign by closing the English Village housing
5 area and realigning over 250 vital support positions,
6 including fire fighter and medical personnel, currently
7 between six and eight commanding patrol commissions is
8 unwarranted. To this day I can't find any Army official,
9 except General Shea and the BRAC office, who supports this
10 recommendation.

11 Even prior to release of the original BRAC list,
12 the Pentagon's chief analyst, Mr. Phillip Coyle and
13 Mr. John Burk, calls this decision a major show-stopper
14 and actually recommended the Department of Defense develop
15 the recommendations to "relocate and consolidate all chemical
16 testing and research activity to Dugway.

17 Shortly after the list was released, I met with
18 Mr. Lowell Heist, and Lieutenant General Colbert
19 from the Army Material Command. They told me the Army
20 had made a mistake. They said the Army has made a mistake
21 and they used the wrong numbers. I waited for them to make
22 the correction as I am sure the BRAC folks have. I have
23 learned nothing yet. Just last Friday, Assistant Secretary
24 for the Army Research Development and Acquisition, said
25 he also thought the recommendation before us is a bad one.
26 I now understand that Secretary Togo West is personally

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 engaged in this issue. I will look forward to a prompt
2 response in the struggling problem.

3 Dugway proving grounds is the size of Rhode Island.
4 It is the only place that chemical and biological test
5 missions are currently carried out. Commissioners Cling and
6 Steele can tell you that Dugway is very isolated. If the
7 dedicated professionals at Dugway proving grounds are to do
8 this important and dangerous work safely, they need the
9 decent quality of life. They must live at Dugway. There is
10 simply no housing outside of the gate. In fact, there is no
11 housing within 60 miles. They would have to go over high
12 mountain pass covered with snow.

13 Commissioners have rode in a helicopter and they can
14 tell you how isolated this is. They saw firsthand the
15 tremendous hardship these people would face without this
16 little town called English Village. I feel so strongly about
17 this issue, I told the Army they cannot see the tremendous
18 military value English Village has. English Village provides
19 the necessary support for Dugway proving grounds.
20 I will fight to close the whole base; and Senator Hatch
21 and Senator Bennett feel the same way. We simply cannot have
22 Dugway proving grounds without the support of English
23 Village.

24 I must say, and another subject that I was surprised
25 to find when the Commission failed to add distribution depots
26 for further analysis. Studying these facilities and leaving

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 out the original DLA analysis, the only way to guarantee a
2 full and fair hearing based on real numbers of the defense
3 depot at Ogden, Utah, I was concerned to learn that ALE-DLA
4 could not tell us what depot was most cost-efficient,
5 and that since it did not know which was the most efficient
6 depot, they could only make their closure recommendation
7 based on subjective factors such as depot geographical
8 location and the toxic facilities at each location.

9 DLA is closing their best depot and the best deal
10 for the American taxpayer. Over the first quarter,
11 DEOU has returned \$6 million to the Department of Defense.
12 Unheard of. I believe you will find that depots in
13 San Joaquin have cost the Department of Defense several
14 million dollars. I ask you to reconsider DEOU, particularly
15 in character as you are considering closing even more
16 DLA warehouse facilities associated with the closure of
17 one or more Air Logistics Centers.

18 I also want to point out DEOU is recommended
19 for closure. There are a number of important and
20 independent missions performed at the Computer Design Center
21 and the Defense Reutilization and Managing Service that
22 would be strategically affected by relocation with
23 no military, economic benefits. We recommend all of these
24 important missions be left in Ogden.

25 Let me thank you for your hard work and your honest,
26 diligent deliberation. I have been terribly impressed with

LUSK & SNYDER
(415)362-5991/FAX (415)362-6198

1 your work. I know the long hours you have put in. I have
2 to conduct three or four hearings myself. I know how long
3 and tedious they can be.

4 I thank you for your work. I thank you for what
5 you have done for the American taxpayers.

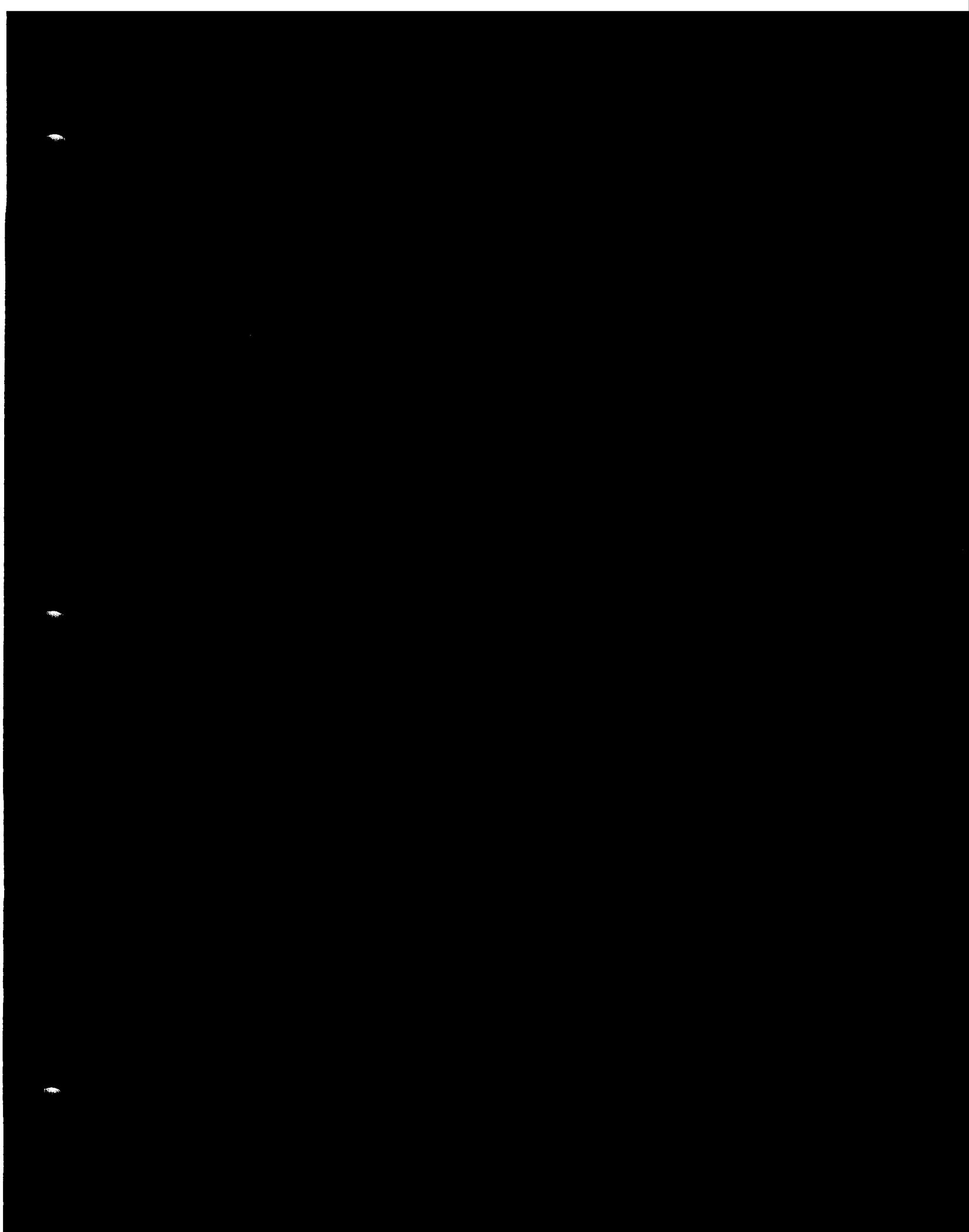
6 COMMISSIONER COX: Thank you very much,
7 Congressman Hansen. I think, on behalf of all of us
8 who visited Hill just yesterday, we very much appreciated
9 the presentation yesterday and today. It's certainly
10 very thorough and gave us a lot of things to think about.

11 Thank you particularly, Congressman Hansen. I feel
12 like I have seen you every day for the last several weeks.
13 Thank you very much.

14 We will now be moving on to the Guam folks.
15 We are a little bit early here.

16 ---o0o---

17
18
19
20
21
22
23
24
25
26



GUAM

PAGES 300-316

1 COMMISSIONER COX: We are delighted to welcome the
2 delegation from Guam.

3 Unfortunately, under the statute, as you know, we must
4 swear all of the witnesses in. If you wouldn't mind raising
5 your right hand, standing and raising your right hand.

6 (Whereupon, witnesses sworn.)

7 COMMISSIONER COX: Thank you very much. We have
8 scheduled twenty-five minutes for the delegation and we will
9 leave it up to you, Congressman Underwood. We will turn it
10 over to you.

11 MR. UNDERWOOD: Thank you, Madam Chairman.
12 Thank you members of the Commission.

13 I am here speaking for Team Guam against the placing
14 of another facility on base closure, the Navy Public Works
15 Center, on BRAC's possible closure or realignment list. I am
16 informed the primary reason for this action by the BRAC
17 Commission is so the officer housing at the formal Naval Air
18 Station on Guam, which was disestablished in April of this
19 year as part of BRAC 1993, will be considered for land reuse.
20 Placing PWC on the BRAC list, and since PWC is the landlord
21 for all naval housing on Guam, has had the effect of causing
22 great anxiety among the federal workers, which has already
23 been stripped by the previous Department of Defense decision
24 to disestablish, disrepair the Fleet Industrial Center and
25 other facilities on Guam with over 2,600 civilian positions
26 affected.

1 Guam opposed the closure of PWC and realignment of
2 PWC. I want to be sure the commission appreciates the
3 contents of the add-on that Team Guam requested in the letter
4 to BRAC after the first hearing.

5 Three major items that are of priority have
6 significant report by the Navy. One, the transfer of the NSA
7 Officer Housing; transfer of the Piti Power Plant; return of
8 excess lands identified in the Guam Manual's Plan, 1994. Any
9 potential job losses at the Piti Power Plant would be offset
10 by power opportunities by the Guam Watershed Authority when
11 this transaction is complete. Other than this job loss at
12 Piti, which has been anticipated for the past few years, which
13 would be offset, the other two items were not affected,
14 admission of PWC and job rate of PWC.

15 The first recommendation of transfer of housing, the
16 transfer of Officer Housing units at NAS would meet the
17 closure process recommended by BRAC '93. Guam has maintained,
18 since BRAC '93, that the Navy can easily absorb the officers
19 in NAS, in our housing tract, and the Navy requested permanent
20 reassignment surveillance aircraft, along with further housing
21 under construction, which further reduces the need for this
22 unit. Retention of this small Navy officer enclave at the
23 fringe of Guam's base is unnecessary.

24 The second recommendation, the transfer of the Piti
25 Power Plant to Guam. The Piti Power Plant currently is
26 operated by the Navy, should be transferred to the government

1 as called for by the Act of Guam in 1950. Congress, in 1984
2 in the Defense Authorization Task Report 98-1159, mandated
3 that the Navy meet the transfer of utility assets to the
4 government of Guam, and transfer of these assets in good
5 working order. Compliance with the congressional direction,
6 the Navy has entered the agreement to pool its power-generated
7 resources in the island's wide power system, and to become a
8 customer of the Guam Power Authority. While BRAC afforded the
9 opportunity to acquire the Piti Power Plant expeditiously, we
10 must urge BRAC to qualify its recommendation with the added
11 stipulation: That this transfer, in no way, relieves the Navy
12 of its obligation to transfer the Piti Power Plant in good
13 working order. The Navy has recognized its contractual
14 agreement with the Guam Power Authority and has resolved to
15 take the necessary steps to repair the damage to the Piti
16 Power Plant damaged in the 1993 earthquake. This point is
17 very important. We do not want the Navy to dump a damaged
18 power plant on the people of Guam for us to repair. We urge
19 the commission to direct the Navy to transfer the Piti Power
20 Plant and to further direct the Navy the accomplish the
21 necessary equipment replacement before the plant is
22 transferred.

23 The third recommendation. The transfer of the excess
24 Navy lands to Guam. The land, Guam Land Use Plan, 1994,
25 better known as SLUT '94, identified 6,000 acres of excess
26 military land that is slated for potential release. Any

1 excess land under PWC's control not needed by the Navy should
2 be included in the BRAC recommendation, and this would
3 expedite the transfer of these lands. We would recommend that
4 any excess lands, that you recognize the unique historical
5 circumstances on how these lands were acquired by the Navy.
6 We would also recommend that the commission include lands
7 which the Secretary of Defense can use in the future in
8 disposing of property to Guam, that would allow for transfer
9 from the government Guam to original landowners, consistent
10 with Guam law and government, and Guam's efforts to resettle
11 those displaced by the original Navy land acquisition after
12 World War II. Again, it is important that the commission, in
13 its recommendation, use language that would help solve and not
14 aggravate historical issues on Guam.

15 Team Guam's preferred option: We note that Public
16 Works Center on Guam is a follower of activity, and we also
17 know that in order to save the maximum number of PWC jobs, we
18 really first have to save the Navy jobs on Guam. Team Guam
19 prefers that BRAC reject the DOD recommendations, and that DOD
20 retain a Naval presence on Guam, based on Guam's strategic
21 location. This means keeping the MSC ships and HC-5
22 Helicopter Squad on Guam. It also means FISC open and
23 running. On the other extreme is the DOD recommendation.
24 Somewhere in the middle there are various scenarios and Team
25 Guam will present a cost benefit analysis of one such possible
26 scenario that is illustrative of the savings that can be

1 achieved. While we have not fully conceded the first option,
2 first preferred option, we understand that the COBRA runs for
3 a second option would be helpful in your deliberations. At
4 least our COBRA run is less venomous for the people of Guam.

5 We also recommend that you provide guidance to the
6 Navy for future disposal of assets that may be less relevant
7 to the Navy mission, once the ultimate reduction has been
8 decided by the commission. In this sense, Guam wants
9 everything on the table in the event we are left to pick up
10 the pieces of our economy after the Navy leaves. This
11 includes Officer Housing, the land and facilities known as
12 Nimitz Hill, housing areas on Nimitz Hill and Apra Heights,
13 the Fena Lake Watershed, and other add-ons. While some of
14 those add-on items can be addressed in future legislation
15 after BRAC '95 decisions have been implemented, it would be
16 helpful for BRAC to give the Navy guidance in its report.

17 The PWC is the work force of the Navy on Guam. The
18 PWC maintains all of the building services, transportation
19 needs and supplies the support for the fleet operations. As
20 with every Navy activity, PWC has already seen its share of
21 reduction. So long as there is a Navy base on Guam, there
22 should be a Public Works center. While we recommend the
23 transfer of the NAS Officer Housing and Piti Power Plant to
24 Guam, we do not feel the PWC should be merged into Naval
25 Activity Guam. As any good maintenance worker will tell you,
26 if it's not broke, don't fix it, and the PWC ain't broke.

1 However, given the challenges Guam may be facing after BRAC
2 '95 decisions are made, making any change for the sake of
3 change would further, only further erode the morale of the
4 dedicated employees.

5 I am reminded of an antidote chronicled in the Journal
6 of -- in 1945, in order to build the Navy base we now see on
7 Guam quickly, the SEABEES were dedicated to a large project
8 such as building runways, the Quonset huts, hundreds of which
9 were built in the span of six months, were built by teams of
10 cooks, mechanics and other non-construction trades. There was
11 also a Temoro Team. And there was a healthy rivalry between
12 the teams to see who would build Quonset huts the fastest.
13 Invariably the Temoro Team won. Maybe back then it was pride,
14 because these were some of the new jobs that the Temoro's
15 could have, or maybe it was due to the enthusiasm of the
16 people who were all too eager to help their nation, after
17 thirty months of occupation. You can still see the pride
18 today amongst our employees at PWC. I sure hope before this
19 BRAC Commission, our people will again win.

20 Thank you very much for the opportunity to speak here.
21 I will turn it over to Manny Cruz.

22 MR. CRUZ: Members of the BRAC Commission:

23 I am here to speak on behalf of the thousands of Navy
24 employees who will be affected by your recommendations on the
25 Navy bases in Guam, but I need to speak specifically on your
26 action to add the Navy Public Works Center at Guam.

1 That announcement came as a bit of a surprise to
2 employees of PWC. We understand that the Navy had left it off
3 the BRAC list for economic reasons. As you have seen, Guam
4 stands to suffer considerably in terms of cumulative economic
5 impact. Just two years ago, Sacramento Air Logistics Center
6 was removed from the DOD list by the Secretary of Defense
7 because the area would suffer a 5.1 percent drop in
8 employment. By DOD's own figures, we will suffer a ten
9 percent drop, without adding PWC.

10 Most surprising to the employees, however, was the
11 news that the commission had to add PWC to the list because it
12 wants to consider a number of items that do not directly
13 impact on employment at PWC Guam -- NAS Officer Housing, Piti
14 Power Plant, excess lands and so forth.

15 Even though the employees were assured by Team Guam
16 that the addition of PWC was simply a procedural step, we were
17 suspicious that the closure of PWC is a bad omen in terms of
18 greater job losses and harder times ahead for Guam.

19 Attached to the record copy of my remarks are a number
20 of articles that appeared in the local press after your
21 announcement. Unfortunately, you will see why we are
22 suspicious.

23 You must also remember that my fellow union members
24 and I, as Navy employees, helped gather the certified data.
25 The scenario under which we were told to operate in 1994 was a
26 complete closure of NAVACTS. We didn't think this brought the

1 number of 550 job losses in PWC Guam. Thus, you can see the
2 beginnings of our concern when we heard that NAVACTS Guam was
3 not listed for closure, but was listed for realignment
4 instead. We believe that the 550 number no longer applies
5 under the realignment scenario.

6 For the commission to hold this number valid in light
7 of present BRAC recommendation, is not fair.

8 It is no secret that we do not support the closure of
9 PWC Guam. Our current mission of providing power, water,
10 sewage, transportation, maintenance, engineering,
11 environmental and housing support to all federal agencies on
12 Guam, cannot really be accomplished by a Public Works
13 Department. PWC Guam is executing over 150 million dollars of
14 work annually, with 15 military and 1426 civilian employees.

15 I do not have the military expertise to explain all of
16 the differences between a PWD and a PWC. However, I do have
17 enough practical experience to say that a PWC has many
18 advantages over a PWD, in terms of flexibility, technical
19 capabilities and contractual capacity.

20 Even in the Navy's proposed scenario, PWC Guam will
21 project over 115 million dollars in annual work. Ladies and
22 gentlemen, as Admiral Montoya can confirm, there is still
23 considerable Navy and Air Force activity in Guam that spreads
24 beyond just the bases you are considering, and we are the ones
25 who support it. If you decide to make us a PWD, our level of
26 workload will be larger than several other PWC's around the

1 world.

2 We now project a residual staffing requirement of 1190
3 civilian personnel, well above the previous 676 figure. Key
4 differences result from the retention of NAVACTS, keeping the
5 residual SRF and FISC functions, such as the floating dry
6 dock, tugboats, mobile cranes, pier access and purchasing
7 functions; keeping the tender, no reduction in the Naval
8 Hospital or NCTAMS. And we still have to take care of the
9 remaining 2,000 housing units for the Navy, as well as a great
10 deal of work for the Air Force.

11 A privatized SRF and FISC will still require
12 significant Public Works support by the Navy, as will numerous
13 tenant commands. Finally, after a transfer of the Piti Power
14 Plant, which seems inevitable one way or the other, PWC Guam
15 will continue to retain power distribution and emergency power
16 generation at all Navy and Air Force activities.

17 In conclusion, the federal employees in Guam want to
18 go on record in support of the efforts of Team Guam to work
19 with the commission to save jobs by keeping the ships of the
20 Military Sealift Command and their helicopters on Guam. We
21 also join with them in requesting at least a two-year
22 transition period. Please direct that no closure or
23 realignment actions begin until the end of the two-year period
24 permitted by law.

25 Finally, we support the retention of PWC Guam as a
26 base command to continue to serve the other commands in Guam

1 as they carry out their missions in the Western Pacific.

2 We want to thank Governor Gutierrez, Congressman
3 Underwood, Speaker Parkinson and the entirety of Team Guam for
4 giving the federal employees of Guam, and especially of PWC
5 Guam, an opportunity to express their feelings and beliefs
6 before this commission. Thank you.

7 COMMISSIONER COX: Thank you, Mr. Cruz.

8 MS. CRISTOBAL: Good evening. In continuing
9 with Team Guam's presentation, I would like to reiterate
10 concerns that have been consistently expressed by Legislative
11 Speaker Parkinson and members of the Guam Legislature on
12 previous occasions. Our hope is that this commission will
13 justly evaluate the economic conditions in Guam with respect
14 to jobs and land that will be directly affected by the
15 commission's final decision.

16 For the people of Guam, who have lived with the Navy's
17 command and control methodology for the past century, the
18 recommendations of the Pentagon to the commission are par for
19 the course. These recommendations propose an immediate
20 devastating impact on those who hold federal jobs in Guam,
21 while retaining control over assets which are among the most
22 valuable to Guam's progress.

23 Over the past two decades, since we have been afforded
24 a measure of civilian government, we have been able to
25 somewhat overlook the constraints placed on our island's
26 development by military landholding at our only port and other

1 imminently developable and economically valuable property.
2 Our people's ability to deal with the injustices of the Navy's
3 control of our natural development has been mitigated only by
4 the fact that the Navy has, in turn, contributed well-paying
5 jobs to our economy. However, as greater demands for economic
6 progress occur, and our requests for joint use of assets has
7 been rebuffed, our patience has worn thin.

8 Now the Pentagon proposes to remove their single-most
9 contribution to our economy, jobs. Given the history of the
10 Navy's limitations on our development through land control, we
11 are at least owed a decent period of transition, if closure is
12 your recommendation. I emphasize that we are owed a decent
13 transition for our people, because we have been forced to
14 forego other economic uses of our land as a result of Navy
15 land use in Guam, and require a period to rearm our economy.

16 However, a transition alone is meaningless unless we
17 are transferred the necessary assets to promote reuse
18 opportunities. Again on this point, the Pentagon's proposal
19 falls short of what is required, because its recommendations
20 would continue land use governing, through outright retention
21 or leases, of those properties which would be even less
22 utilized if its recommendations were adopted. This is simply
23 untenable, if not criminal, under the International
24 Conventions which guide colonial powers in dealing with their
25 subject territories.

26 We in Guam know injustice, because we live with it all

1 the time. The Pentagon's proposals to this commission,
2 however, adds further insult to injury. We know that justice
3 is illusive, but we believe that you are in a position to
4 direct an equitable solution rather than just acting on a
5 recommendation. Thus, we seek to impose upon you, and your
6 decision-making responsibilities, the weight of the unjust
7 recommendation the Pentagon extended to Guam and has forwarded
8 to you.

9 We are neither naive, nor so idealistic, that we are
10 not realistic. We know that any variation of the Pentagon
11 recommendation is a bitter pill to swallow in the short run.
12 All we seek is a measure of justice that reflects our unique
13 situation as a people.

14 If it is a lemon that is going to be served, then
15 think about how insignificant it would be, from your vantage
16 point, to offer a little sugar. You can count on us to make
17 the lemonade. Thank you.

18 MR. SABLAN: Members of the Commission, my
19 name is Rudolph Sablan, former Lieutenant Governor of Guam.

20 I have been requested by the governor, Carl Gutierrez,
21 to present his testimony and to convey his apologies on being
22 unable to attend this hearing, as he is on a previously
23 arranged tour in Asia.

24 In closing Team Guam's presentation, let me say that
25 the proposed changes being recommended to the commission are
26 of watershed importance to Guam's future. They are

1 significant, not only because of the potential economic impact
2 on our people, but also in the way that a decision will impact
3 the political relationship between Guam and the United States.

4 The political aspects of the decision, as it affects
5 the people of Guam, have not been included in the military
6 value matrix analysis. However, this is a very real matter of
7 considerable importance to the future military access in Guam.
8 While Pentagon is being pushed forward, and the other
9 communities cry for special dispensations from the commission,
10 we believe our case is quite different. We believe that, in
11 view of Guam's forward position, and the people of Guam's
12 ability to continue to welcome U.S. military activities, you
13 must weigh the political impact of your decision. There is an
14 innate military value in doing the right thing in this
15 decision.

16 Team Guam's goal is the development of a meaningful
17 partnership that recognizes our needs and our dignity as a
18 people. Our view of a partnership also directly relates to
19 the viability of U.S. military activity in Guam, now and in
20 the future.

21 Absent any BRAC action on the DOD recommendation, the
22 ideal option would be status quo military activities, with a
23 liberalization of the military's exclusive use policy for
24 viable assets around Apra Harbor. However, given the
25 Pentagon's proposed cost savings, we see the writing on the
26 wall. We would be foolish not to appreciate you are bound to

1 realize cost savings in your recommendations to the president.

2 Should that be the case, our preferred option, then,
3 would keep the MSC's in Guam and provide a base, although
4 reduced, workload for a privatized SRF and FISC, while keeping
5 the staff rolling at PWC near its present level. We are,
6 today, providing the commission with our COBRA runs, and
7 attendant data, on this scenario.

8 Under our preferred option, the U.S. government would
9 save 250 percent of the one-time savings that was identified
10 in the Pentagon's plans to move activity to Hawaii, saving the
11 U.S. government almost 100 million dollars up front in
12 implementation costs. Over a 20-year period, our preferred
13 option would save over 1.4 billion dollars, plus 25 percent,
14 less the DOD scenario to close Guam piers, SRF, FISC, and the
15 Navy Air Base at Anderson.

16 Under this scenario, we would still lose almost five
17 percent of our job market, one-half of what the DOD's scenario
18 proposed, while the DOD would give up less than a fifth of its
19 proposed savings in closing down activities in Guam. Under
20 this scenario we will lose more up front than does the U.S.
21 government, but we would also be provided the appropriate
22 tools for economic recovery.

23 We believe that this is the best scenario. It serves
24 our interests in maintaining at least a base load of military
25 work at SRF and FISC through privatization. We can build on
26 this base to create new jobs in industrial activities,

1 transpacific shipment opportunities, and regional maritime
2 expansion. Moreover, it serves the Navy's operational
3 interests because it would be able to retain forward
4 deployment of MSC vessels in Guam at significantly lower costs
5 and with substantial cost savings.

6 In military value terms, particularly as we look to
7 the unstable regional situation of the future, doing the right
8 thing in partnership with the people of Guam is the only way
9 that Guam's long-term military value can be assured.

10 Our minimum option, as we outlined in San Francisco
11 last month, simply calls for the return of the assets and real
12 property which are not going to be actively used by the
13 military in Guam after a BRAC-directed two-year delayed
14 implementation of the proposed cuts. This option, however,
15 lacks the base workload to allow Guam time for a reasonable
16 transition to civilian reuse. Finally, this option results in
17 a lower level of cost savings for the U.S. government than
18 does our preferred option.

19 The decision is in your hands. You can continue to
20 move forward with the DOD's recommendation, which ignores
21 Guam's need for a reasonable transition and control of
22 valuable assets; or you can look more closely at our proposal,
23 which best promotes our self-interest in a time of dramatic
24 change, while providing a basis for continuing to promote the
25 self-interest of the U.S. military through continued and
26 future military access in Guam.

1 For two-thirds of this century, the Navy directly
2 controlled our island's economy and many aspects of our
3 society. We have had a popularly-elected governor for only 25
4 years. As our civilian economy has developed, the economic
5 control of vital property by the Navy and the political
6 strings of our colonial status continue to constrain us.

7 Now, at this juncture, at this watershed decision in
8 Guam's history which you will make, we ask for you to do what
9 is right. We urge a decision which gives us the economic
10 tools to transition into a civilian-dominated economy, and to
11 control the assets to make our future prosperity a reality.

12 Thank you for the opportunity to present these views
13 on behalf of Governor Gutierrez and Lieutenant Governor
14 Bordallo, in concert with Team Guam.

15 COMMISSIONER COX: Thank you. Are there any other
16 presentations? We are out of time.

17 MR. UNDERWOOD: I was commenting on the fact
18 that we hit it right on the nose. Do we get a point for that?

19 COMMISSIONER COX: That is an excellent presentation.
20 Thank you for the help that Team Guam has provided to the
21 commission and the staff over the last few weeks. We have
22 very much appreciated working with you, and we hope to work
23 with you as we come to the right decision. Thank you. Thank
24 you, Congressman Underwood.

PUBLIC COMMENT: UTAH & GUAM

PAGES 317-328

1 COMMISSIONER COX: We now have a time for public
2 comment for those affected by the add-ons in Guam and Utah. I
3 understand that eight people have signed up for that period,
4 and I wonder if we might have all stand and raise their right
5 hands, as you all must be sworn in, as well as the other
6 witnesses.

7 Are there any others who intend to speak at the Public
8 Comment period? I see four of you all.

9 (Whereupon, witnesses sworn.)

10 COMMISSIONER COX: Thank you.

11 I have a Neldon Hamblin.

12 (No response.)

13 COMMISSIONER COX: Pam Lanier?

14 AUDIENCE SPEAKER: She is coming. She just walked
15 in.

16 COMMISSIONER COX: We will give Pam Lanier a little
17 time.

18 Linda Corbridge?

19 MS. CORBRIDGE: I am coming also.

20 COMMISSIONER COX: You are coming also?

21 Bob Moulding.

22 Okay, Bob, you have been sworn in so we will start
23 with you while they come down. There is a two-minute
24 limitation and we would appreciate your living with that.

25 MR. MOULDING: Thank you. My name is Bob
26 Moulding. I am currently employed by the Aircraft Division of

1 Hill Air Force Base.

2 We have the largest division on Hill Air Force Base,
3 over 1200 employees. My function there, I am chief of the
4 aircraft training section, but I grew up within the division
5 for the past 23 years from a mechanic, to my current position.

6 We work the F-16, C-130 aircraft, as well as the F-18.
7 As the challenges have changed since the Persian Gulf War and
8 we have the so-called peace, the destruction of power of the
9 USSR, we have been asked over and over again to meet the new
10 challenges, to do more with less. We have done those
11 challenges with exceptional savings. Again, you heard all of
12 the reports and all of the statistics. I am sure that you are
13 more than mindful of those. If I could tell you anything at
14 all, it would be one fact that the employees of Hill have
15 asked me to tell you. If you do nothing else, nothing else
16 with this commission, be honest according to your charter.
17 That is all we are asking.

18 Hill Air Force Base is the most valuable, the most
19 economic base we have. It has worked long and hard to be the
20 most profitable, the most economic to the Air Force. If we do
21 anything at all to save any base, let it be Hill.

22 A mechanic, as I was leaving this morning to come here
23 to San Francisco, smelling the hydraulic fluid and jet fluid
24 climbing out of the airplane, asked me that very thing. Tell
25 them to not degrade the work force of Hill Air Force Base by
26 making this decision political. Let all of the years of hard

1 work to become number one pay off and not send the wrong
2 message, that you can be lazy, that you can work 46 percent
3 effectively and still be saved because of who your congressman
4 is. That is what they tell you.

5 I thank you for your time.

6 COMMISSIONER COX: Thank you very much.

7 We have had a few people come in, Pam and Linda, Pam
8 Lanier and Linda Corbridge. I will go ahead and swear you all
9 in. Anyone else that plans to testify? We are required by
10 statute to sign up before someone testifies. Anyone else?
11 Okay. I don't think you all were sworn in either. If you all
12 wouldn't mind standing and raising your right hand.

13 (Whereupon, witnesses sworn.)

14 COMMISSIONER COX: Thank you very much. Pam
15 Lanier?

16 MS. LANIER: Honorable Commissioners: You
17 have been selected to decide which base and depots in this
18 country should be downsized, realigned or closed. This is a
19 very difficult job, one that could haunt you for the rest of
20 your lives. Not only are the jobs of thousands of people at
21 stake, but the safety and freedom of all Americans could be
22 jeopardized. I could only imagine how all of you must feel.
23 You have probably seen more statistics, heard more arguments
24 and seen enough finger pointing to last a lifetime.

25 Your decisions on which bases and depots are to be
26 closed must be made on their merits and military value. All

1 of this should be looked at in accordance to their past,
2 present and future abilities, keeping in mind the best
3 interest of this country. Your decision could affect your
4 children, grandchildren, friends and neighbors alike. Will
5 this be a decision that you can live with in the years to
6 come?

7 It is my understanding that the reason for BRAC is to
8 keep politics out of the closures and realignment decisions
9 and let the bases and depots be judged on merits and military
10 values alone. From what I have seen, I would say politics has
11 had a big portion to do with some of the decisions being made.
12 Why is this, and is this really fair to the American public?

13 The next time this country is faced with a crisis, are
14 the politicians going to get the parts and medical supplies to
15 the men and women who are putting their lives on the line so
16 your life and mine can be protected? How will you feel if
17 lives are lost because urgently needed supplies are stuck on
18 the freeways in congested traffic, or if the supplies do reach
19 their destination but cannot be used because they were stored
20 in the wrong type of climate and are now unusable. Keep in
21 mind this could be your loved ones desperately needing the
22 supplies.

23 When the next crisis occurs -- and it will -- will you
24 feel good in knowing that your selections were in the best
25 interest of America, or will you be wondering if the
26 politicians who yelled the loudest or cried the hardest have

1 personally delivered the needed supplies?

2 The employees of DDO and Hill Air Force Base will be
3 the most hurt. We know, given a chance, we could have saved
4 that situation.

5 Don't let Americans be caught with their pants down.
6 Let America survive. Thank you.

7 COMMISSIONER COX: Linda Corbridge?

8 MS. CORBRIDGE: Good afternoon. I am sure you
9 recognize these green shirts of DDOU. We are back again to
10 give a few responses to what has been said today.

11 I am here today as a representative of the government
12 workers of both Hill and DDOU. I am very proud to work at the
13 government installations there.

14 We want to just remind you of a couple of things that
15 DDOU and Hill that are significant to you and to the United
16 States.

17 First of all, what better military value can you have
18 than a Supply Depot and Air Force Base less than fifteen
19 minutes apart? We have been very efficient in getting the
20 equipment to places like Desert Storm and other areas that
21 have needed our help in a very short amount of time.

22 DDOU is the second largest distribution depot, and we
23 know that, and continually we can't understand why we are
24 downsizing DDOU because of that. Also, DDOU, as stated here
25 and I notice today, have the lowest costs. They are a low-
26 cost depot, one cause of that one reason is because of the

1 amount that is paid the employees. The employees are willing
2 to work for less money.

3 We feel like we were sold down the river, and the
4 minutes we read from DLA, we were told that we were the most
5 cost efficient depot, and you then say their study is no good.
6 We emphasize that BRAC is supposed to treat everyone as
7 equals, and we would just like the opportunity to be treated
8 as equals. We feel we have downsized enough. We at DDOU and
9 Hill both are going through rif in conjunction with this
10 downsizing and closure of the bases. So we ask you --

11 COMMISSIONER COX: Time's up.

12 MS. CORBRIDGE: Thank you very much.

13 COMMISSIONER COX: If you have further remarks, we
14 would be happy to have them for the record.

15 Miss Jackie Thompson?

16 MS. THOMPSON: My name is Jackie Thompson. I
17 am a former employee of Hill Air Force Base. I am currently
18 working at the Utah State Office of Education.

19 Hill Air Force Base is valuable to our community.
20 They are to be commended for their Be a Good Neighbor's
21 Program. Programs such as their Special Emphasis Programs,
22 which continually look at ethical issues, as well as promote
23 cultural development and awareness. Their STARS Program,
24 Students and Tutors For the Advancement of Reading Skills,
25 whereby volunteers go into the public schools and listen to
26 and help students read on a regular basis. Sub for Santa,

1 which helps needy families during the holidays, and combined
2 federal campaigns whereby they help out locally as well as on
3 a national level.

4 One unique program that I am especially excited to
5 share with you is the Hill African-American and Hispanic
6 Community Outreach Programs utilizing volunteers to share
7 positive role models, encourage students to stay in school,
8 get a good education, to overcome drug, alcohol and violence.
9 This is done through character portrayals of famous African-
10 Americans and Hispanics. These committees visit schools,
11 universities, churches, detention centers and community
12 organizations. The program has reached more than 100,000 Utah
13 students and citizens across the United States through live
14 presentations and videotapes which are produced at Hill Air
15 Force Base.

16 A partnership was formed between Hill Air Force Base
17 and the Utah State Office of Education to edit the tapes and
18 prepare teacher guides and student worksheets to be placed in
19 Utah schools statewide. These educational tools will be used
20 with the state's multi-cultural curriculum on diversity.

21 Hill Air Force Base is a vital and valuable part of
22 our community.

23 COMMISSIONER COX: Thank you.

24 Mr. Ed Thompson?

25 MR. THOMPSON: Good afternoon. My name is Ed
26 Thompson and I am a branch manager in Operational Contracting

1 at Hill. Our motto there is "Can do," "Will do."

2 To close Hill or DDOU would be disastrous for the Air
3 Force on Utah in general. In spite of a downsizing that we
4 face each year, our people continue to be hard-working and
5 dedicated. They still produce and provide excellent service
6 to the government and the community in general.

7 In the contracting area, we have formed the cell
8 concept. This concept brings key people in organizations
9 together. One cell in particular is called the "hazardous
10 cell," where we supply all hazardous materials that come onto
11 the base and facilities.

12 The cell is team-driven, contracting, supply,
13 bioenvironmental and transportation, all collated into one
14 area that helps us to be more functional as a team.

15 With all of the numbers and figures making Hill the
16 best in the command, I find it difficult to believe that Hill
17 or DDOU is even considered for closing at this time. The
18 reason we are number one is the fact that we work together as
19 a team. We continue to strive to bring down barriers, which
20 leads to effective communication and service.

21 Thank you.

22 COMMISSIONER COX: Robert Dandoy?

23 MR. DANDROY: Can I first say that I am very
24 proud to be a civilian servant and equally proud, obviously,
25 to be an American.

26 I understand, personally, the difficulty you are

1 facing to make these decisions.

2 May I also say that hundreds of people who would like
3 to be here today literally to voice their concerns, will not
4 be and, obviously, there are some reasons for that. But they
5 surely will be impacted by what you are going to do.

6 May I also indicate, in reference to Hill Air Force
7 Base, we currently have the skills and the talents to meet the
8 workload requirements, particularly in the tactical missile
9 area. We certainly have the facilities that are equipped to
10 meet the needs. I might also indicate to you we have the
11 capacity to meet those challenges.

12 May I also indicate to you, if I can for just a
13 second, that we do support the Air Force and Navy, and the
14 Marine Corps in servicing of tactical missiles, and
15 specifically in the guidance and control area, the Sidewinder
16 and the SLAM. And may I also indicate to you as well that,
17 during Desert Storm -- I bring that to your attention that I
18 really think that is really where the pavement meets the road
19 in reference to how we are supposed to respond. We were asked
20 to service 600 guidance and control sections to meet the
21 contingencies that were revolving around Desert Shield and
22 Desert Storm. We were asked to do that in a short period of
23 time, in this case three months. Not only did we meet the
24 task we were asked to, we did it under the schedule. The
25 people were committed to meeting the needs of the Department
26 of Defense.

1 I mentioned to you earlier about providing support to
2 the Maverick. Some of you have seen those in operation there.
3 You heard testimony which indicated that we were asked to
4 provide service to 2700 guidance control sections to our
5 customers, and a thousand missiles out of our facility to meet
6 our customers' needs, which we did all of that. What you may
7 not have known is the men and women behind those activities
8 that took place, are men and women who have dedicated their
9 lives --

10 COMMISSIONER COX: We have run out of time.
11 Do we have anybody else for the record? Lori
12 Florence?

13 MS. FLORENCE: Good afternoon. The BRAC Act of
14 1990 says to BRAC: Apply a fair process to all military
15 installations. It is hard for me as a military employee and
16 as a taxpayer that Utah bases, Hill and DDOU are being judged
17 fairly, especially after I read an article from the SAN DIEGO
18 UNION TRIBUNE saying the Clinton administration wants to
19 shield California bases, because that state is essential to
20 the president's re-election.

21 It has in the past and continues to be in the future,
22 it takes the unity of all fifty states to keep the United
23 State of America the land of the free. The amount of
24 electoral votes held by each state shouldn't be the
25 determining factor.

26 It seems that BRAC has turned into a fight between

1 states and politicians, and that that important fact that will
2 provide safety and savings to the taxpayers seems to be pushed
3 aside.

4 DDO and Hill have been recognized as number one
5 facilities for a long time, and we have earned that reputation
6 through a lot of hard work and loyalty to our country and
7 servicemen. We hope and pray your decision will be based
8 solely on what is in the best interest of all Americans, and
9 not by individual states. Thank you.

10 COMMISSIONER COX: Thank you very much.

11 This does conclude this hearing of the Defense Base
12 Closure and Realignment Committee. I want to thank all of the
13 witnesses who testified, both on the stand and from the
14 public. I can assure you that all of your views and your
15 thoughts and information that you have provided, will be given
16 very careful consideration and will make an important impact
17 on our final decision.

18 Also I want to thank all of the elected officials and
19 community members that assisted us during our base visits and
20 in the preparation for this hearing. Particularly I would
21 like to thank Governor Wilson and his staff who have done an
22 excellent job.

23 I would also like to thank all of the citizens of the
24 community represented here today, because you have all
25 supported the members of our Armed Services and the defense of
26 our country, making them feel welcome and valued in your town,

1 as well as providing the services and equipment necessary to
2 defend this nation. You are certainly true patriots. Thank
3 you.

4 (Whereupon, the hearing was concluded at
5 5:00 o'clock P.M.)

6

7

8

---oOo---

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

LUSK & SNYDER
690 MARKET STREET, SUITE 315
SAN FRANCISCO, CALIFORNIA 94104
(415) 362-5991/FAX (415) 362-6198