

**Testimony of Senator Raymond A. Meier  
To the BRAC Commission  
June 27, 2005**

**Introduction**

Good afternoon. I am proud to stand before you today to discuss the Air Force Research Laboratory, or AFRL-Rome, and Defense Finance and Accounting Services, or DFAS-Rome. A decade ago, Griffiss Air Force Base at Rome was realigned, and many in our community feared for the economic future of Central New York. But rather than dwell on what we had lost, our community embraced the recommendations of the Department of Defense which encouraged us to strengthen the Air Force Research Laboratory as the pillar of a Central New York technology corridor, tap and recruit the next generation of talent from the nation's leading institutions, and cultivate cost-sharing partnerships that have become an award-winning model for the nation. As you will see in today's presentation, Rome now is being lauded as the most successful example of post-realignment transformation.

This brief presentation is divided into three sections. First, I'll touch on BRAC 2005 as it applies to Rome. Second, we'll discuss BRAC 2005 recommendations that have an impact on the Air Force Research Laboratory at Rome. Lastly, I'll conclude with a discussion of the Defense Finance and Accounting Service field office at Rome.

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**Rome Context**

In general BRAC 2005 put forward three recommendations that have serious implications for Rome. The first two I'll discuss apply to AFRL Rome. The first recommendation asserts that the Sensors function located at the Lab at Rome should be consolidated at Sensors headquarters at Wright-Patterson in Dayton, OH. The second recommendation that has implications for AFRL Rome is that the Information Technology Research function currently located at Wright Patterson should not be consolidated at the Information Technology Research Headquarters at Rome, but instead should be relocated to Massachusetts.

The third BRAC 2005 recommendation that has serious implications for Rome applies to DFAS Rome. BRAC 2005 suggests that DFAS Rome be closed and consolidated at one of three national Megacenters.

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We understand that the Commission has dedicated considerable thought and energy to all of its recommendations. Yet we feel that our careful review and analysis has surfaced a

number of issues and questions that should be considered as the Commission moves toward finalizing its recommendations.

There is no doubt that AFRL Rome and DFAS Rome are among the most important employers in Central New York. AFRL Rome generates \$212 million per year in economic impact. Among the Lab's employees are 137 Sensors employees that are slated to be relocated. DFAS Rome employs 380 people and generates over \$20 million in annual economic impact. All of this activity takes place in a region notable for its affordability. Rome has a lower cost of living than most other urban locations, with affordable homes. A comparatively low household income in Rome makes AFRL Rome and DFAS Rome salaries prized, offering a high quality of life to these employees.

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### **Rome Research Site**

Above all else, AFRL Rome or Rome Research Site is distinguished by its unparalleled military value. Rome Research Site remain DOD's premier C4ISR lab, offering a full spectrum of research and development capability across the services.

Evidence of AFRL Rome's military value includes a ranking of "World Class" or "Outstanding" in six of seven disciplines by the Air Force Scientific Advisory Board. These are the highest rankings that can be conferred on a laboratory facility.

AFRL Rome also has a broad and growing customer base that extends beyond the Air Force.

Further, a proximity of top-tier institutions along a Central NY Information Corridor elevates the Lab's R&D initiatives, and facilitates recruitment of young science and engineering graduates: 70 in the past four years.

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A booming post-realignment success, Rome Research Site and DFAS Rome now anchor a thriving business and technology park.

A \$25 million new laboratory facility funded jointly by New York State and the Air Force encourages R&D collaboration and reduces floor area (38%) and government operating costs (15%)

The Rome Partnership Model formalized a City, County, State, and private sector coalition that has municipalized road, sewer, and public safety functions, privatized utilities, and made over \$252 million in capital investment since 1995

As a result of these groundbreaking achievements, the organizers of the Rome Partnership Model were proclaimed "Developer of the Year" by the nation's association of defense communities.

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BRAC 2005's Technical Joint Cross Service Group (TJCSG) recommended realigning Research Labs consistent with clear objectives.

The first objective was to Enhance Military Value. To this end, the TJCSG proposed (1) consolidating Labs according to focus area, and (2) Realigning Labs with the same functions to the highest military value locations.

The second objective was to reduce costs. The TJCSG proposed that reducing the number of Lab locations would generate savings for the military.

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To enhance military value and reduce costs, the TJCSG recommended that geographically separated labs be centralized at Headquarters locations.

As you can see from the map, AFRL Rome is the Headquarters for the Information Directorate. Wright-Patterson in Dayton is the Headquarters for Sensors.

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Not all moves were consistent with the TJCSG recommendation however.

For example, non-Headquarters Sensors Lab functions at Rome and Hanscom were proposed to be moved to Sensors Lab Headquarters at Wright Patterson.

Likewise, Human Effectiveness Lab functions at Mesa and Brooks were slated to be moved to Wright Patterson Headquarters at Dayton.

Similarly, the Space Vehicles function at Hanscom was slated to be moved to SV Headquarters at Kirtland.

The one exception to the TJCSG's recommendation was in moving Wright Patterson Information Technology to Hanscom, and not to Rome, where Information Technology Headquarters is located.

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In the lead up to a May 13<sup>th</sup> announcement, the BRAC 2005 Infrastructure Steering Group contemplated alternative means of consolidating IF and SN.

In one scenario, "Tech 009", Wright Patterson's IF function would have been moved to Rome IF Headquarters. Within this scenario, Rome and Hanscom Sensors functions would move to Wright Patterson SN Headquarters.

A second scenario had Rome and Wright Patterson IF functions moving to Hanscom. Within this scenario, Rome SN and Hanscom SN functions would move to Wright Patterson.

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As I stated, IF components were not consolidated at Rome, in spite of the TJCSG recommendation that lower military value labs move to higher value locations.

As you can see from the graphic, Rome ranked first among military research labs in terms of the military value of the Lab. Wright Patterson, which currently has the IF function in question, ranked eighth. Hanscom, where the Wright Patterson component is proposed to be moved, ranked 60<sup>th</sup>.

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Sited in a low-cost area, and with space in a world-class facility available, Rome IF represents a less costly option for receiving Wright Patterson's IF function.

The community undertook a COBRA analysis consistent with DoD data and methodology. Moving Wright Patterson's IF function to Rome IF HQ would save millions of dollars. The move to Rome versus Hanscom would increase 20-year NPV savings. It would decrease one-time costs. It would increase personnel savings. It would reduce total implementation costs. And it would increase annual recurring savings.

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As stated previously, the TJCSG recommended moving the Rome SN function to SN headquarters at Wright-Patterson. This recommendation however seemed to overlook topographical and cost factors that argue against moving SN from Rome.

Central New York's unique physical landscape makes it an ideal test-bed for joint SN/IF research and simulation.

It seems unlikely that Wright Patterson could acquire the necessary radar/communications licenses through the FCC due to its flatter topography.

The cost of relocating radar antennas and building specialized labs from Rome does not appear to have been included in the COBRA analyses.

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At Rome, Information Technology Research (IF) and Sensors (SN), as two highly-interconnected functions, fulfill the TJCSG's definition of military value.

In analyzing the recommendation to move Sensors from Rome, the most important criterion is "military value." Most Sensors employees at Rome will not move, and therefore the intellectual capital that they represent would be lost.

The criterion of second-most importance is "physical structures." However, the TJCSG did not contemplate the costly relocation of Rome test sites and antennas.

"Synergy" ranks as the third most important criterion. The synergistic relationship between SN and IF is well-documented, with collaboration among the disciplines frequent and contributing to innovation. This research partnership also collaborates with its counterparts and customers in the armed forces and the intelligence community.

"Operational Impact" is cited as the fourth criterion. It is clear that existing customers of SN Rome (DARPA, NASA, Fr Drum) face disruption.

"Physical Environment" is the fifth criterion. As stated previously, Central New York's unique topography protects against radar frequency encroachments.

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The significant costs and disruption of functions that would result from moving the SN component from Rome may outweigh the perceived benefits.

- 1) Millions in savings would be achieved by retaining SN in Rome and IF at Wright Patterson
  - 2) As stated by Raymond DuBois, Deputy Undersecretary, Department of Defense, July 28, 2004, "...developments in telecommunications mean far-flung research centers can share information and may not need to consolidate. Where we might have concluded that base X or laboratory Y ought to be realigned 15 years ago, that's not the conclusion we might reach at this point."
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Given the challenges laid out in the community response, the Commission must evaluate whether these moves meet BRAC 2005 objective for AFRL.

The community has posed several question which help frame the discussion:

- Will military value be enhanced as defined by TJCSG criteria?
- Are projected cost savings accurate and all-inclusive?
- Will alternative recommendations more effectively meet BRAC 2005 objectives?

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### DFAS Rome

As with the Research Lab at Rome, the community has asked a number of questions regarding the proposal to shutter DFAS Rome.

Maintaining the DFAS Rome location represents a clear opportunity to provide essential and specialized finance and accounting services to the armed forces. DFAS Rome has a number of attributes that distinguish it as a leading DFAS service provider.

1. A trained, award-winning work force
2. A unique critical role in Operation Iraqi Freedom and the Global War on Terror
3. Recent investments in state-of-the-art facilities and technology
4. A location that mitigates against security threats
5. A low cost area for DoD, and an affordable area for DFAS employees

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In a recent customer survey, DFAS Rome scored far above the DFAS average in a number of categories. These included:

- Customer orientation
- Training
- Leadership
- Communication
- Teamwork, and
- Performance measures

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After absorbing scheduled workload increases through 1999, DFAS Rome has taken on new work due to customer requests and exemplary performance.

New customers since 1999 include the Defense Acquisition University, the Army Contracting Agency, and the Army Europe Customer Joint Program Executive Office—Chemical and Biological Defense

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DFAS Rome, the primary DFAS site managing confiscated wartime holdings, plays a key role in Operation Iraqi Freedom and the Global War on Terror

The process works as follows:

1. U.S. troops seize holdings from the old Iraqi regime, or from frozen U.S.-based accounts
2. Through the U.S. Department of Treasury, these confiscated and Congressionally-appropriated funds are processed, accounted for, and reported
3. Finally DFAS Rome accounts for the redirection of seized and appropriated funds to finance the rebuilding effort

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In 2004, DFAS Rome managed and processed over \$3 billion in seized assets from the previous Iraq regime and in U.S. development appropriations to Iraq.

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These funds from Operation Iraqi Freedom represent just one component of DFAS Rome's \$29 billion annual workload.

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Strategic investments ensure that DFAS Rome maintains world-class, low-cost facilities, including construction of a recently renovated facility.

From a real estate perspective, DFAS Rome has the following advantages:

- 50-year, no-cost building permit
- \$10 million, 2-year MILCON completed in 2001
- Additional space and work stations currently available (up to 1,000)
- Ample free parking exists for up to 1,000 employees

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Comparatively low operating costs in Rome represent a tremendous cost savings to DoD.

DFAS Rome's \$4.26/sf operating cost is ½ to 1/10 the cost of many other DFAS locations.

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DFAS Rome handles mission-critical, sensitive data in a secure location with 24-hour policing.

DFAS Rome is in a Central New York region that is at low risk for terrorism.

Co-located NEADS and AFRL facilities meet Force Protection Requirements.

Multiple DFAS Locations around the country safeguard against security threats.

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BRAC 2005's Headquarter Support and Activities Subgroup analysis produced several ratings for DFAS Rome that appear questionable.

DFAS Rome received a "red" rating for facility condition, yet it has recently renovated space for up to 1,000 people.

DFAS Rome received a "no" rating for one-of-a-kind corporation process applications in spite of a one-of-a-kind Operation Iraqi Freedom workload.

DFAS Rome received a "no" rating on being located on a DoD location, yet DFAS Rome is federally retained property under ownership of the Air Force.

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At face value, a BRAC 2005 proposal to align 26 DFAS locations at three Megacenters appears credible, but a thorough review raises important questions.

- Will the proposed consolidation save DoD money, or can the affordability of some existing low-cost centers be leveraged?
- Will crucial wartime skills and expertise be compromised?
- Do just three Megacenters present an unnecessary security risk?
- Would an alternative model for DFAS consolidation better meet the goals for BRAC 2005?

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On behalf of the people of Central New York, who rely on AFRL Rome and DFAS Rome as pillars of the community and the economy, I ask you to seriously consider the information we have presented today. Thank you very much for being such an attentive audience.