

COMMITTEE ON
WAYS AND MEANS

SUBCOMMITTEES:
SELECT REVENUE MEASURES
SOCIAL SECURITY

COMMITTEE ON
STANDARDS OF OFFICIAL CONDUCT



WASHINGTON OFFICE
 1009 LONGWORTH HOUSE OFFICE BUILDING
HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515
(202) 225-7032
FAX: (202) 225-1339

DISTRICT OFFICE
 3645 WARRENSVILLE CENTER ROAD
SUITE 204
SHAKER HEIGHTS, OH 44122
(216) 522-4900
FAX: (216) 522-4908

Stephanie Tubbs Jones
Congress of the United States
11th District, Ohio

BRAC website: www.house.gov/tubbsjones

August 11, 2005

AUG 15 2005

Received

The Honorable Anthony J. Principi
Chairman
Base Realignment and Closure Commission
2521 Jefferson Davis Highway
Arlington, VA 22202

General Lloyd W. Newton
Commissioner
Base Realignment and Closure Commission
2521 Jefferson Davis Highway
Arlington, VA 22202

Dear Chairman Principi and General Newton,

As the Base Realignment and Closure Commission prepares to send its recommendations for base realignment and closure to the President, I am writing to urge the Commission to remove the Cleveland office of the Defense Finance and Accounting Service from the list as proposed on May 13, 2005.

I understand that the Department of Defense must reconfigure its infrastructure into one where operational and support capacity is optimized for both war fighting capability and efficiency. I agree that the BRAC process assists the Department in maximizing joint utilization of defense resources, and reallocates military personnel from supporting and operating unnecessary and underutilized infrastructure.

While the Department of Defense has used specific criteria for recommending the closure or realignment of a particular facility, it is widely recognized that the data used to recommend the Cleveland DFAS facility for realignment are flawed. In consideration of this flawed process, it would be appropriate to reconsider the realignment of the Cleveland DFAS facility.

It is my understanding that The Commission is required to assess each recommendation to ensure it meets the eight selection criteria set forth by Congress in P.L. 108-375. In addition, recommendations by DoD that substantially deviate from these selection criteria can be modified or rejected by the Commission by a simple majority vote of the Commissioners.

As presented in testimony at the Buffalo, New York BRAC hearings on June 27, 2005, I along with several of my colleagues provided data to reveal that the DoD recommendation was random and substantially deviated from the BRAC military value and economic impact criteria. Should this recommendation be sustained, substantial economic hardship will accrue to the City of Cleveland.

Criteria # 6 The economic impact of existing communities in the vicinity of the military installations.

Selection criterion 6 requires the Department to consider the "economic impact on existing communities in the vicinity of military installations. It is my understanding that the Department used a certified database and Economic Impact Tool (EIT) calculator to assess the impact of closures and realignments on communities. The Economic Impact Tool measures the total potential job change in the area, the total potential job change as a percentage of total employment in that region; the installations authorized manpower, and the population and employment of the region of influence.

Total Job Change

If the Cleveland DFAS office is realigned, the total job loss sustained would be 1,028 direct and 847 indirect jobs. That is almost a 1 to 1 ratio. For each DFAS position lost, another worker in another industry will lose their job.

Along with 2,000 jobs being lost, the economy will sustain a major reduction in;

Gross Regional Product	-\$156,586,552
Personal Income	-\$92,330,000
Disposable Personal Income	-\$73,703,060
State Revenues	-\$15,571,423
Local Revenues	-\$6,863,006

The Economic Impact Tool Calculator does not take into account loss of revenue, personal income, or state and local revenue sustained by communities. Losing DFAS Cleveland would be a substantial loss for city of Cleveland, and may provide no chance of recovery as it has been named the poorest city in America.

Total Job Change as a Percentage of the Region's Employment

The Cleveland DFAS facility is 4th largest employer in the area. Cleveland's direct job loss is underestimated by the BRAC findings. When measured against the City of Cleveland's employment rate rather than the entire Metropolitan Statistical Area, the loss is .6% instead of .1% as reported in the Base Realignment and Closure Report (Volume I, May 2005).

Installations Authorized Manpower

Cleveland is a labor surplus area and has the ability to absorb additional DFAS workers. The option of a new facility has been discussed before the BRAC Commission. This facility would have the ability to accommodate contingency, mobilization, surge, and future total force requirements. It would also have the ability to accommodate a 25% growth rate and significantly reduce overhead costs to the federal government by offering office space at a substantially lower rent.

Population and employment of the region of influence

Cleveland's poverty level is concentrated within five miles of Cleveland DFAS. The economic impact of the loss would be devastating to our community, which has suffered many losses of manufacturing jobs as companies have either been forced to close or outsource their jobs and services. More notably, The City of Cleveland consistently has the highest unemployment rate among major DFAS cities: Kansas City, Columbus, Denver, and Indianapolis.

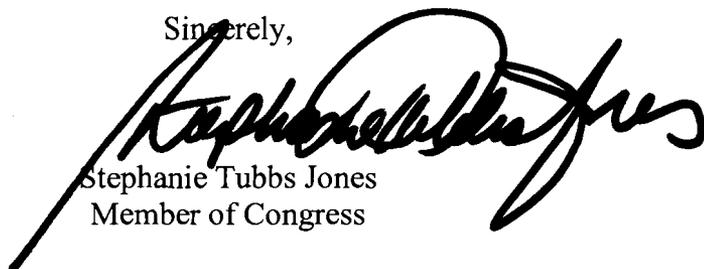
As the Commission saw during their site visit June 23, the people at Cleveland DFAS take pride in what they do. The Cleveland DFAS facility employs over 1,200 people in the Northeast Ohio area and is a cutting edge model of operational efficiency and customer service of U.S. military pay operations around the world. They have earned bragging rights as the world center of Navy payroll services and personal data management as well as the Reserve Pay Center of Excellence.

Today, the Cleveland DFAS office accomplishes its mission with 27 percent fewer employees than in 1999, reducing the workforce from approximately 27,000 to 15,000 personnel. In addition it has consolidated more than 300 installation level finance and accounting offices into 26 and reduced hundreds of finance and accounting systems by more than 75 percent, as highlighted by the DFAS balance scorecard and the DFAS fiscal year 2004 report.

The BRAC process involves complex determinations that must be weighed and balanced. I respect the integrity of the Commission and its process. In consideration of the factors enumerated above, I ask that the Commission reverse the Department of Defense's recommendation to realign jobs at Cleveland DFAS. A reversal would provide value to the military through the excellent work of the Cleveland DFAS facility, and preserve the economic vitality of the City of Cleveland.

Thank you for your consideration of this request.

Sincerely,



Stephanie Tubbs Jones
Member of Congress

STJ: no

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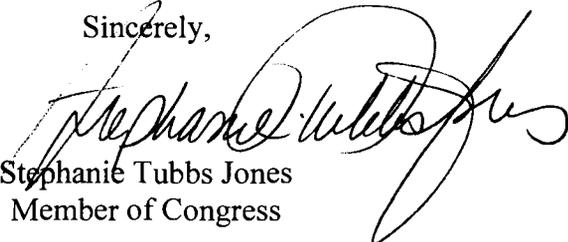
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