

2005 BRAC COMMISSION REGIONAL HEARING

MONDAY, JUNE 27, 2005

1:00 PM

CENTER FOR THE ARTS, MAINSTAGE THEATER

STATE UNIVERSITY OF NEW YORK

UNIVERSITY OF BUFFALO

BUFFALO, NEW YORK

STATES TESTIFYING:

NEW YORK AND OHIO

COMMISSIONERS PRESIDING:

GENERAL LLOYD NEWTON, RETIRED, CHAIRMAN

THE HONORABLE ANTHONY PRINCIPI

THE HONORABLE JAMES BILBRAY

THE HONORABLE SUE TURNER

COMMISSIONER CHAIRING THIS HEARING:

GENERAL LLOYD NEWTON, RETIRED

P R O C E E D I N G S

(1:00 p.m.)

GENERAL NEWTON: Good afternoon, ladies and gentlemen. This BRAC commission hearing is called to order. I'm Retired General Lloyd "Fig" Newton and I will be the chairperson for the regional hearing of the Defense Base Closure and Realignment Commission. I'm pleased to be joined by my fellow commissioners Anthony Principi, James Bilbray and Sue Turner for today's session.

As this commission has observed -- every dollar consumed on redundant, unnecessary, obsolete and inappropriate defense infrastructure is a dollar not available to provide the training that might save a Marine's life, purchase munition to win a soldier's firefight or fund advances that could ensure contingent dollars in the air or the seas. Congress entrusted our armed forces with vast but not unlimited resources. We have a responsibility to our nation and to the men and women who bring the Army, Navy, Air Force and Marine Corps to life to demand the best possible use of these money and resources.

Congress recognized that fact when authorized the Department of Defense to prepare a proposal to realign or close domestic bases. However, that authorization was not a blank check. The members of this commission accept the challenge and mission of providing independent, fair and equitable assessment and evaluation of the Department of

Defense proposal, the data and methodology used to develop that proposal.

We commit to the Congress, the President of the United States and to the American people that our deliberations and decision will be open and transparent and that our decisions will be based on the criteria set forth in statute. We continue to examine the proposed recommendations set forth by the Secretary of Defense on May 13 and measure them against the criteria for military value set forth in law, especially the need for surge and homeland security. But be assured, we are not conducting this review as an exercise in sterile cost accounting. This commission is committed to conducting an inquiry that we know will not only shape our military capabilities for decades to come but will also have profound effects on our communities and on the people who bring our communities to life.

We also committed that our deliberations and decisions would be devoid of politics and that the people and the communities affected by the BRAC proposal will have through our site visits and public hearings a chance to provide us with direct input on the substance of the proposal and the methodology and assumptions behind it.

I would like to take this opportunity to thank the thousands of involved citizens who have already contacted the commission and shared with us their thoughts, concerns and

suggestions about the base closure and realignment proposals.

Unfortunately the volume of correspondence we have received makes it impossible for us to respond directly to each of you in the short time with which a commission must complete its mission. But we want everyone to know the public inputs we receive are appreciated and taken into consideration as part of our review process. And while everyone in this room will not have the opportunity to speak, every piece of correspondence received by the commission will be made part of our permanent public record as appropriate.

Today we will hear testimony from the states of New York and Ohio. Each state's elected delegation has been allotted a block of time determined by the overall impact of the Department of Defense closure and realignment recommendations on that state. The delegation members have worked closely with their communities to develop agendas that I am certain will provide information and insight that will make a valuable part of our review.

We would greatly appreciate it if you would adhere to the limited time which we have available because every voice today is important.

Now I request that our witnesses and the delegation from the State of New York to please stand for the administration of the oath required by the base closure and realignment statute. The oath will be administered by Major Dan Cowhig,

the administration's designated officer.

(Whereupon, members of the delegation from New York States were sworn in by Major Cowhig.)

MAJOR COWHIG: Thank you. Mr. Chairman, please be seated. Mr. Chairman?

GENERAL NEWTON: Thank you. As I mentioned earlier, every bit of information provided today will be critical. As we've gone through hearings at other locations, we've certainly appreciate the audience and the public and what they bring to this effort. However, to ensure that we can use the time wisely today, we would ask that the audience hold your applause until the appropriate time so that we can ensure we get the full testimony of those that present today. So for the delegation at this time, sir or ma'am, I would like to turn the time over to you to conduct this part of your time as you see fit.

GOVERNOR PATAKI: Thank you, General Newton. George Pataki, Governor of the State of New York. Let me begin on behalf of our State.

First let me thank you for the opportunity to share my perspectives on the Pentagon's recommendations for base realignment and closure. First I'd like to thank you, Chairman Principi and commission members for agreeing to hold this regional hearing here in western New York.

Mr. Chairman, as I heard when these facilities were

targeted for closure in 1995, I strongly disagreed with the initial recommendations regarding our facilities in Niagara Falls and Rome. Respectfully, the decision to close these facilities was wrong then and it was wrong now. The decision was reversed then, and it should be reversed now. Last week I met and spoke with Commissioner Newton at Griffiss Air Force Base in Rome. At last week's meeting the Rome group made an excellent case for the retention of the facility, based on the commission's military value criteria. They also illustrated how the high cost of realigning the Rome lab's information director runs counter to BRAC's goal of achieving cost safeness.

The BRAC commission would be wise to consider Rome as a place of more investment and jobs instead of a place from which to take such assets. Here in western New York the economic value of the Niagara Falls area reserve station cannot be ignored. The potential loss of thousands of jobs and \$150 million from the local economy would be devastating to the families affected and indeed, to the entire region.

Based both on its tremendous importance to the people of western New York and its military value, the primary BRAC criteria, I strongly urge the commission to reject the proposed closure, both Niagara Falls Air Reserve Station. The basic military value is indeed great. The New York National Guard's 107th Air Refueling Wing and the U.S. Air Force

Reserve's 914th Airlift Wing have proven themselves time and again to be crucial and relevant assets to the accomplishment of our nation's overseas military objectives. The 107th is a critical component of the Air Force's Northeast Tanker Task Force that refuels every aircraft bound for Europe and Southwest Asia. Niagara's extended runway as you saw today supports the 107th critical combat fuel operations, and its location outside the weather patterns affecting other NTT bases means lower risks for aircraft and for crews. The active duty performance of the 107th is second to no other active reserve fueling wing in the Air Force.

The 914th has most recently proven their capabilities, their excellence on a number of special operation missions in Iraq. They were the first reserve unit to be deployed 24/7 inside Iraq and later became the first reserve unit to be deployed in Iraq for a second time. Their night vision capabilities provided crucial support to operations throughout the Iraqi campaign. And let me just say that having flown into Iraq on an Air Reserve C-130, if I have the privilege to go visit our fighting men and women again, I would like to be on a C-130 flown by the men and women of the 914th. They are the best America has.

[APPLAUSE]

The applause counts against our time, and we want to make as strong as possible a case. But thank you. Niagara

Falls Air Reserve Station affords the 914 the ability to maintain the highest levels of readiness by providing access to the 15,000 square mile low altitude training and navigation area and assaults which in four drop zones, and I believe the commission members have the opportunity this morning to see not just the base itself but the surrounding potential for training, in an area where we're improving in what continues to be one of the military's greatest challenges.

To eliminate 2,752 full and part-time positions would squander a rare and vital manpower resource and jeopardize the National Guard's strength in New York. Western New York and Niagara Falls are communities that have consistently helped its flying links achieve for sea and land strength goals.

I'd just like to add a couple more statistics here. Re-enlistment in the 914th is over 97%. The experience in the 914th and the 107th averages 50 years. These are units that have combat experience second to none. Their average ages are 36 and 38. And maybe you can replace the plane or the facility but you cannot replace that combat experience and the patriotism and commitment the men and women of the 107th and 914th show day in and day out when our nation calls. In today's postwar strategic environment the tactical value of the military installation can no longer be measured by its role in the overseas war fighting strategy.

On September 11, 2001, New York became the epicenter of

the war on terror. Since then we've leveraged our National Guard forces and dedicated considerable state resources to create the most robust and reliable homeland security defense in the nation. In the aftermath of September 11, our nearby federal facilities at West Tenth and Stewart and Fort Hamilton provided platforms for air support, troop building task force headquarters as well as staging areas for vehicles, equipment and supplies. Niagara Falls Air Reserve Station's proximity to Buffalo, New York's second largest urban center, the Great Lakes and one of the nation's busiest international border crossings, makes it an indispensable and invaluable asset to the security of New York State and our nation well.

You'll see from the PowerPoint presentation that New York's military infrastructure was devastated over the course of seven years before the last decade. Between 1988 and 1995, we lost both our active Air Force Bases, Griffiss and Plattsburgh, naval stations in Manhattan and Brooklyn, Seneca Army Depot and Roslyn Air National Guard station. The closure of Niagara would eliminate a facility that is irreplaceable -- that isn't a replaceable strategic asset to New York State and Western New York in particular. The base is not only Western New York's only remaining federal institution, it is the headquarters of Western New York's joint military task force charged with commanding control of any homeland defense or response mission in this part of the state. Mr. Chairman,

distinguished commissioners, let me assure you that the chance for the preservation and continued operation of the Niagara Falls Air Reserve Station is rock solid. It is in the best interest of the people of Western New York, the Department of Defense and most importantly, the American people. Niagara Falls is one of the last bases to be put on the list for closure; it should be the first to come off. Thank you, Chairman Principi, commission members for visiting.

GENERAL NEWTON: Thank you, Governor. Thank you very much.

[APPLAUSE].

SENATOR SCHUMER: Members of the BRAC commission, I thank you for coming to Western New York today for this very important hearing. The fact that we have four commissioners here which is rare indeed as you hold hearings across the country shows that you are listening to us and we thank you for taking the time for being here. I'd also like to thank one of the finest institutions in all of New York and the country, the University of Buffalo, for opening up its doors for us today. I believe today's testimony and the overwhelming show of support from the communities across New York will clearly demonstrate the critical role our bases play in defending America. The Secretary of Defense's recommendations for facilities like the Niagara Air Reserve Station, portions of the Air Force's Rome research site, DFAS

and others would undermine this role and comes as a devastating blow to communities who have strongly supported our military. These decisions are unfair, unwise and unfounded.

I would first like to discuss Niagara Falls. Niagara's location and record of excellence make a key contributor to our nation's homeland security and defense. The recommendation to close Niagara makes no sense when you consider how strongly Western New York has supported the military and the base. Like yesterday's Bison's game, the community turned out to send a loud and clear message. Keep Niagara open. Many of those in attendance brought home -- brought home-made signs or wore t-shirts emblazoned with a t-shirt we all support, we fight for us now. We fight for them.

Recruitment and retention are two of the dire problems facing our armed forces. Everywhere you read one of the great problems our military faces as they seek to fight the war on terror is recruitment and re-enlistment. The bottom line is in order to respond to that crisis, the military should be strengthening ties to communities like Western New York, not severing them, because Western New York and Western New Yorkers from generations have stepped up to the plate and served our armed forces far out of proportion to their numbers in population. At a time when military recruiters are coming

up short of their targets, closing Niagara would eliminate recruitment in a region where the communities have maintained over 100% manning rates. This flies in the face of BRAC criteria and of common sense. It's unrealistic to assume that these rates could be maintained if the units move elsewhere. A functioning and fighting Guard and Reserve are vital to the war on terror and the only way to make sure these units can continue their honorable service is to keep them right here at the Niagara Air Reserve Station. Niagara also provides irreplaceable training and operation capability that would be lost under the recommendation. Unlike the proposed receiver sites in Arkansas and Maine, Niagara is not encumbered by infrastructure, weather and space restraints. You all saw there's room for expansion, the enormously long runway, and why Niagara is suited in this post-9/11 world like just about no other base. Little Rock Air Force Base, legislated to receive Niagara's C-130s, is located in a high risk area tornado pattern. Send our best planes to a place that is regularly afflicted with tornadoes? No way.

Bangor International Air Guard Base which would receive Niagara's tankers is affected by the same weather patterns that cause problems at other northeast tanker task force sites in New Hampshire. The Niagara area has never had a tornado and was added to the task force to provide back-up capabilities should weather keep planes at other bases

grounded. The DOD recommendation disregards the most fundamental fact. Planes can't do their jobs if they can't fly, and moving away from Niagara increases that risk. Niagara has no physical or air space encroachment to conduct training operational issues. If the number of planes at Little Rock doubles it will experience significant constraints on operational and training missions, because it cannot cope with so many new planes and preserve pilot proficiency. For example, training issues at Niagara can be operated on a touch-and-go basis where many issues can be flown per day, where at Little Rock crews are limited to one a day.

As their quick mobilization on 9/11 showed, the men and women of Niagara play a crucial homeland security role. Moving them would weaken efforts to man bridges and border crossings with Canada and drastically disrupt tactical aircraft in a region with three of the nation's biggest cities. A needless risk is a reckless risk. I know the commission will recognize that. And, of course, the community supports Niagara just as Niagara supports the community. Its economic impact is irreplaceable, it's a linchpin of our community.

Today you have seen what it means to be a great place called Western New York and why we can't let it close. The fatally flawed recommendations to close the base threaten recruitment readiness and homeland defense where they are more

needed than ever. Niagara's joint Guard and Reserve operations, multiple deployments to Iraq and training of the active duty component make it a model base. I can tell you this, our whole delegation will fight tooth and nail to keep Niagara open.

Mr. Chairman, I'm also seriously troubled by the Secretary's recommendation to realign significant portions of the Air Force's Rome research site. The Rome site remains one of DOD's top labs. It's received world class or outstanding ratings from the most recent Air Force scientific advisory board in six of the seven focus areas. As headquarters for the information directorate, it's the nexus of an information technology network comprised of more than 100 businesses and 95 universities. Rome's pioneering role in information warfare and cyber security places it at the cutting edge of efforts to ensure that America can defend itself in the 21st century. The Pentagon's recommendations are rooted in a desire to consolidate functions at one headquarters location.

Accordingly DOD recommended Rome's sensor division move to Wright Patterson. Unfortunately something in the recommendation didn't add up. Under this philosophy, Wright Patterson's information system would have been transferred to information headquarters at Rome not at Hanscom. I urge you to carefully look at this which we think might have been a mistake.

I'm not raising these points to argue the efforts of consolidation or co-location, just one of consistency. Rome's an integral part of the mission's Economist Mission Thunderstorm and Advanced Technologies. We can't allow inconsistencies in the Pentagon's recommendations to threaten this important work. I also think the decision to streamline Defense Finance and Accounting at DFAS are short sighted given the enormous concerns that exist about its abilities to cope with its new war time obligations. The increasing Guard and Reserve need to distribute special combat disability and other benefits has presented DFAS with enormous new responsibilities. Throughout the country stories have emerged of service men being billed for service-related healthcare or experiencing problems receiving their pay. We must do everything to prevent these incidents. Consolidation will only make things worse, and the decision to consolidate by closing Rome facility is doubly puzzling. The Rome facility is new, highly efficient, highly performing, with access to a highly trained and intelligent work force. I'm not sure consolidation is the way to go, Commissioners, but if you're going to consolidate, consolidate in Rome. It has the space, it has the work force, it has the ability to do the job.

Finally with respect to the Watervliet Arsenal, I'd like to reaffirm my support for the plan has been put forth in coordination with the Defense Department. This plan meets our

nation's current and future military requirements. In conclusion, Mr. Chairman, the Secretary of Defense's recommendations for Niagara and Rome are wrong on the merits, wrong for our region, and wrong for our long-term military needs. By sending its sons and daughters into service and by opening its community and its facilities, New York has always, always supported the military. I urge the commission to help us ensure that it does, by reviewing the Pentagon's decisions on the merits, maintain Niagara, Rome and New York's base. Thank you.

[APPLAUSE].

GENERAL NEWTON: Thank you, Senator.

SENATOR CLINTON: Thank you. And I want to thank the commission for holding this hearing and for the four commissioners who have come here. It is very heartening that you've taken the responsibility that you've been given to carry, because of course under the BRAC process, this is an independent commission that is conducting independent examination of the Defense Department's recommendations.

I intend to focus my testimony on those areas where I believe that the Department of Defense's recommendations are wrong. New York installations that have been recommended for closure or realignment, of course, the Niagara falls joint Air Reserve Station, the Defense Finance and Accounting Service facility in Rome, and the Air Force Research Laboratory in

Rome. I believe that if you examine these installations closely as you are doing and scrutinize the Defense Department's data for errors, you will find that it does a real disservice to our national and homeland security and the well-being of our men and women in uniform to close either the Niagara Falls air station or the Rome DFAS facility. Furthermore, to avoid the loss of critical synergies, the Sensors Directorate at the Rome Air Force Research Laboratory should not be realigned. As my colleagues have described, New York has a strong military tradition going back to even before the Revolutionary War and among all states, New York is fourth in the number of servicemen and women deployed in support of our operations in Iraq.

New York took some very difficult hits in prior base closing rounds, losing its only two active duty Air Force bases. And I think I speak for all New Yorkers when we say that we're very proud of the men and women from our state who wear the uniform of our country, and the closure of any military installation in New York would leave a gaping hole in the local communities. If you look at the analysis that DOD used to support the closing of Niagara as well as the impact that this recommendation would have on our nation's reserve component and our homeland defense in this region, this recommendation cannot withstand close scrutiny.

First as a member of the Senate Armed Services

Committee, I had the opportunity to observe firsthand the role that the men and women in our reserve component have been playing in Iraq, Afghanistan, and in homeland defense. Based on these experiences and observations, I am deeply concerned by the Department of Defense's recommendation to take the C-130s out of the reserve component and shift them to the active duty Air Force. When DOD explained why it needed a base closing round, it argued that BRAC was needed to rationalize infrastructure. However, what we are seeing here in New York is a departure from that goal. It is all too clear that DOD and the Air Force are circumventing the legislative process and using BRAC to rebalance the force between the active duty and the reserves. The proper balance of airlift between the active duty and the reserve component should have a thorough debate that includes the participation of Congress. It should not be forced through in a BRAC round. And indeed we can already see some of the negative consequences of the Air Force and the DOD's decision to rebalance its airlift force structure in its recommendation to close Niagara Falls.

The Air Force recommendation to close Niagara would move the planes but not the people. I can attest also through firsthand experience the 914th pilots are among the most proficient in the night vision goggles in the entire Air Force. I had the opportunity to see their expertise first

hand when a C-130 crew from Niagara flew me out of Baghdad at night into Kuwait using night vision goggles. Indeed their skills are in such high demand the 914th has already served two tours in Iraq and is scheduled for a third tour this fall.

Now, while the Air Force might argue they can train new pilots in night vision goggles, they will not be able to replace the years of experience and proficiency of the 914th.

Our men and women serving in combat zones deserve to have the best crews flying them in and out of dangerous situations at night, and we should not give up the expertise that resides in the 914th airlift wing out of Niagara Falls.

As you know, Niagara Falls is also unique in that it is a reserve installation that also has an Air National Guard unit, the 107th Air Refueling Wing, as a tenant. Thus, the decision to move the eight C-130s from Niagara to Little Rock also means that the 107th area refueling wing's KC 135s will need a new home and thus move to Bangor, Maine. This domino effect means planes from Niagara Falls will no longer serve as the southeast tanker task force. Since Niagara has different weather patterns than the other base on the East Coast and it is ideally located for tanker missions because of its proximity to both the Midwest and the East Coast, the end result of the Air Force's decision to remove its reserve unit from Niagara Falls will be to force the loss of a critical Air National Guard tanker refueling capability that is currently

in an ideal location.

Finally, just a brief word about homeland defense. We all know, we saw it, obviously, on September 11. We continue to be aware of the fact that New York remains a target for terrorists. Having a base like Niagara Falls located on the border with Canada with the ability to provide airlift and refueling capability is vital to our nation's homeland defense efforts. We specifically added among the BRAC criteria a reference to homeland security because of the impact of September 11. It is therefore irresponsible to be giving up an installation so well positioned for homeland defense when we know that New York and the Northeast continue to face ongoing threats.

Just a word or two about Rome. The Department of Defense proposal to close the Rome DFAS is ill-advised. DFAS Rome is playing a crucial role in Operation Iraqi Freedom and the Global War on Terror. It is managing and tracking funds confiscated from the former Iraqi regime and from illegal accounts that have been frozen in this country. Disruption of DFAS Rome's learned expertise in these wartime activities would be unnecessarily disruptive, particularly because the level of service at DFAS Rome is uniformly recognized as the best in the business.

Indeed as you will hear later from Rome community representatives, Rome DFAS closing makes no sense. It has the

lowest cost of any DFAS facility and has the capacity to add 600 new positions within its existing low-cost facilities. Rome DFAS employees outperform all of their peers in performance evaluations. And moreover, it costs less to train new employees in Rome. Housing and other costs in the Rome area allow for a higher quality of life to Rome employees, and the Rome DFAS facility has undergone a \$10 million renovation over the last few years. I'd strongly encourage you to examine the data closely. I believe you will find that keeping Rome DFAS open and possibly even expanding it will maximize the quality of service at the lowest cost available.

We should also look at the DOD recommendation to move the Sensors Directorate from Rome to Wright-Patterson. However, it did not consider several factors when it made this recommendation. The Sensors Directorate originally established the region in Rome because it's the ideal, topographically ideal place to test sensor technology. There's no evidence whether DOD considered topography at Wright Patterson would allow the same experimentation or testing. They also did not consider moving or rebuilding sensitive radar equipment that is part of infrastructure to Wright Patterson and I don't believe they looked at the history of ground-breaking collaborative research between sensory's research and technology researchers at Rome that will be needlessly lost if the Sensors Directorate is moved.

If the commission endorses a DOD recommendation to consolidate the directorate at their headquarters I would ask that you apply that recommendation to all the Air Force research laboratory directorates. The current DOD recommendation does not consolidate all the information directorates with Rome which is inconsistent with the DOD goal of consolidation.

I thank the commissioners for being here today. I am very pleased that you will be looking carefully at these recommendations. I know you're making considerable sacrifices in time and money and effort to serve; and we thank you for your devotion to public service.

GENERAL NEWTON: Thank you very much.

[APPLAUSE].

I think some other presenters, but first let me ask my colleagues do they have any questions for the commission or --

CHAIRMAN PRINCIPI: I have one question for the Governor. As you know, the Secretary's recommendations to move an Air National Guard out of Niagara Falls, and as you observed the Air National Guard Reserve fills a very important role for our active military. But the Air National Guard also fills a very important role for the people of the State of New York. As Governor, as commander in chief, were you consulted or perhaps your acting general consulted about this proposed move of the Air National Guard unit?

GOVERNOR PATAKI: Chairman, that's a very good and fair

question. The fact is neither one of us was consulted. We're proud of the Guard. We think it is one of if not the finest in America. I've called on them time and again. We've called on them time and again for everything from ice storms in the north country to flooding in other parts and of course September 11 when we called up virtually every single National Guard person. I spoke with General Blum about the critical role that our National Guard plays not just in national security but in homeland security. I think he understands but no, the acting general was not consulted and I was not consulted before the decision on the 107th was made.

CHAIRMAN PRINCIPI: Thank you.

GENERAL NEWTON: Are there any other questions? Governor and Senators, thank you very much. Again, I think you have some other representatives that you'd like to bring forward at this time.

[APPLAUSE].

GENERAL NEWTON: And if we could please ask the presenters to please stand for the oath that will be given by our federal officer.

(Whereupon, the next panel of representatives was sworn in by Major Cowhig.)

MAJOR COWHIG: Mr. Chairman?

GENERAL NEWTON: Thank you very much. And sir, you may proceed.

Mr. DEWITT: Chairman Principi, Presiding Chairman Newton, Commissioner Bilbray, Commissioner Turner, commission staff, I too want to welcome you to the Niagara frontier. It is an honor for me to represent the people, the passion and the command recognized performance of the Niagara Falls Air Reserve Station. My name is Richard DeWitt. I'm a member of the Niagara military affairs council. And I also had the privilege of serving for 20 years alongside the men and women of the 914th airlift wing. As we begin this afternoon, I simply want to take this moment to thank each of you for the time and care that you give to this important process.

On 13 May every member of the 914th airlift wing and the 107th air refueling wing, the Niagara Military Affairs Council and the residents of the entire Western New York region were shocked that the Department of Defense had recommended the closing of Niagara Falls Air Reserve Station and transfer or disbandment of its communities. Not only have the Niagara Falls air reserve base units compiled exemplary combat records and distinguished themselves as outstanding citizens of our community, the base itself is a modern, efficient operation and should serve as a national model for reserve component facilities.

We will demonstrate the military value of the Niagara Falls facility, discuss the ways in which the MCI program models have not been properly applied, and detail the United

States Air Force deviations and data inconsistencies that have been applied or misapplied in the process today. You will also receive information regarding the true economic impact this region would suffer if this base is closed.

Why was Niagara Falls chosen for closure? The Air Force developed the matrix to compare bases, but it ignored the MCI tool in favor of military objective. Although Niagara Falls did not outrank every base, it clearly outranked five that were retained. In addition, the Air Force created a false net present value savings in its analysis by claiming the elimination of part-time positions. Air Force chief of staff General John Jumper and Acting Secretary Michael Dominguez told the commission Air Force end strength will not be reduced. General Accounting Office guidelines clearly indicate COBRA additional savings cannot be counted unless end strength is reduced by a comparable level. Niagara Falls Air Reserve Station is a joint facility, a quality of critical importance to the DOD and the BRAC process. In addition, its closure will have severe implications for the reserve presence by removing the preeminent showcase for recruitment and retention in Western New York. Our unit's military value is validated by how often it is called upon to serve its country and how well it executes the mission.

The co-chairman of the Air Force process cites Niagara's repeated call ups to Iraq and Afghanistan as reasons to

justify its closure. According to published reports, Major General Barry Heckman said repeated call-ups show the Air Force has too many reservists and National Guard members flying C-130 cargo planes and not enough active duty performing the task. "We're working these guys, these reservists awfully hard. You have to ask if we're asking too much of our citizen airmen," General Hackman told the Buffalo News. Frankly, every citizen airman soldier and their families found that comment demeaning. If too much were being asked of them, they would be heading for the door at re-enlistment time. As you will see by their retention and re-enlistment numbers, even in war time they are staying the course and serving us proudly.

BRAC was authorized to eliminate excess. The 914th airlift wing which is scheduled this summer for its third deployment for Operation Iraqi Freedom and the 107th air refueling wing which has completed five major deployments overseas since September 11, 2001, are the very epitome of excellence. They are essential.

Mr. Chairman, here are five significant reasons to overturn the closure of the Niagara Falls Air Reserve Station.

This installation and its units have clearly demonstrated their ability to meet total force as well as current and future military initial requirements throughout Operation Iraqi Freedom and Operation Enduring Freedom. Air Force Cobra

data erroneously show a two-year payback and a 199 million dollar net present value savings. Corrected cobra data showed the cost of closing this installation exceeded the savings of what we realized. When we combine the direct COBRA numbers as well as the loss of capability the Air Force would incur you see a dramatically different picture than the one presented in May. The 914th airlift wing is the premiere night vision goggle qualified unit in the Air Force reserve. It was the first C-130 airlift unit in Air Force Reserve Command to be 100% MBG qualified both air drop and aerial. That's why the 914th was designated as the MBG unit for the combined Guard and unit expeditionary during initial combat in Operation Iraqi Enduring Freedom. That designation positions the 914th to support operations involved in the extraction of P.O.W. Jessica Lynch, 1 April 2003. The 914th airlift wing was the only Air Force Reserve Command C-130 unit activated and deployed for the invasion of Iraq. The only C-130 unit to set two air bases. Command and leave unit for three point squadrons in Operation Iraqi Freedom and the first tactical C-130 unit to set up and command the combined Guard and Reserve expeditionary airlift squadron based in Iraq. The intrinsic value of the Niagara Falls Air Reserve Station isn't limited to the experience and capabilities of its personnel.

Mr. Chairman and members of the commission, the base itself is a model of efficiency. Nearly 60% of this

installation is joint use. More than a third of its facilities have been modernized since 1995. And it's expandable. Not only does it have plenty of buildable acreage but Niagara air station can double its permanent complement of C-130s right now with no additional capital expenditures. And it possesses substantial aviation, mess and building capabilities for its served. Unlike the Quonset Air National Guard base, a northeast installation legislated to remain open, Niagara possesses two runways and sufficient ramp stays to meet Air Force criteria for maximum aircraft on the ground.

Mr. Chairman, this installation has always prepared for the future. In addition to its combat experience, its units conduct regular joint training with the Army's busiest division, the 107 supports Air Force development of unmanned combat vehicle refueling capabilities. Even the Army recognizes the Niagara Air Reserve Station as the key to its future. A \$6.2 million station is scheduled to open here in 2006. Demolition and renovation projects undertaken during that time frame have substantially lowered the average building age. \$345 million in operational enhancements have been funded. Power rates have been reduced by 45%. Leased airfield use payments have been negotiated downward from \$150,000 to just one dollar a year. Let me repeat. One dollar per year. These are not short-term savings. In the backup books we provided you, you'll find a letter from the

executive director of the Niagara frontier transportation authority, certifying their extension of the current joint use agreement for the same one dollar per year when the current pact expires in 2007.

It worked unceasingly to conform its efforts to its guidelines set forth by the Air Force and BRAC for mission capability and cost effectiveness. We were surprised and frankly disappointed to discover the BRAC guidelines we worked so diligently to address were inconsistently applied or ignored.

One glaring example, Niagara Falls Air Reserve Station, which as previously stated could add eight additional C-130s to its roster of primary assigned aircraft with no additional military constructing costs, has a higher military capability index than Bangor, Maine. Niagara also had a higher KC-135 military capability index than Bangor, while Bangor, six months ago studied for closure, is now to gain eight tankers from Niagara Falls and four from another source.

There are other examples. The Air Force retained reserve base as a single flying wing base even though we had comparable MCI stores. Our base supports two wings with the capacity for 16 C-130s and 12 KC-135s. The Air Force says the optimal size of both C-130 and KC-135 tactical units is 16 primary. The 914th has that capacity as we speak today. And so does the 107th, further enhancing Niagara's value as a

joint asset.

Now let's talk about the military value. The 914th and 107th consistently achieve retention rates that are 25% higher than those of active duty Air Force. The 914th's retention and re-enlistment rates have remained rock solid at 96% to 99% during the current hostilities.

Since 2003 the 107th's re-enlistment rate actually increased to 97.2% while its retention rate increased to 93.6%. Experience has demonstrated that retaining well trained, experienced and highly motivated personnel enhances military capability and sharply reduces cost.

Mr. Chairman, try as we might, we cannot comprehend the military value of dissolving the 914th, a fully mission-capable, cost-efficient, combat-tested unit with 90-plus percent retention rate in order to consolidate 115 C-130s at Little Rock Air Force Base. We're also hard pressed to understand why the Air Force has seen fit to deviate from the BRAC criteria.

Criteria number two emphasizes the availability of staging areas for the use of armed forces and homeland defense missions. Homeland defense is our business at the 914th and the 107th. The Niagara frontier has four major international vehicular bridges and two international rail bridges. The Niagara air reserve station is a stone's throw away from the Niagara Power Project, the largest producer of electricity in

New York State and Niagara Falls itself, a world-renowned tourist destination that attracts more than 12 million visitors each year.

Niagara Falls Air Reserve Station is Western New York's only staging site for homeland defense and disaster response.

Criteria number four emphasizes cost and man power implications. COBRA eliminated 1,189 drilling reserve personnel at Niagara, falsely projecting a savings that will not be realized. Those slots will not be eliminated from DOD strength. Rather they will be reassigned to other units. Therefore, the recurring savings predicted by the elimination of spaces must be disregarded. Consistent with the GAO's finding in previous BRAC rounds. Properly recalculated as the realignment of positions rather than elimination, the 199 million in net present value savings becomes 8.5 million in cost in the year 2025.

Criterion number five takes into account the big picture, compare short-term cost to long-term savings, and analyze the associated time lines for those dynamics. The big picture presented to you by the Air Force is off point and out of date. It does not factor in the significant cost reductions realized through the renegotiated joint agreement or patriot power benefits, effective fiscal year 2005, that reduce electrical power costs to the base by 450,000 per year.

It ignores costs that will have to be absorbed in connection

with the military entrance processing station scheduled to come on-line in 2006.

Criterion number six attempts to quantify the costs of closure to the surrounding community. In this case, the Air Force has substantially diluted the ripple effect of that impact by allowing it to be swallowed up by the Buffalo MSA rather than appropriately allocating it to Niagara County, a point we will drive home in just a minute. We also found runway and ramp inconsistencies. Niagara's hardened and extended runway can accommodate any fully loaded aircraft in the inventory, including the C5, yet we receive no more MCI infrastructure points than any other base because of the way pavement condition is scored. Although Air Force rules included the inclusion of nearly 400,000 square feet of ramp space in the MCI analysis, our joint agreement ranks primary access to 2.4 million square feet of ramp space, enough space to park six C 17s on the south side of the runway and 30 runway ramps on the north side.

In the Buffalo News story I referred to earlier, General Heckman said he believed Niagara's fuel pumping capability didn't match the capabilities of Bangor. In fact as this chart shows, Niagara's fuel pumping capability exceeds that of Bangor which stands to our tankers and more than doubles Pittsburgh which is slated to retain all 16 of its KC-135s. We all use the same hydrant and stocking capabilities and

Niagara stores more fuel on site than the entire tanker task force off-loaded in one month during the run-up to Operation Iraqi Freedom. We were added to the tanker task force because we can support the air bridge as well as both the Northeast and Midwest combat air patrol missions, thus removing the cost required for crews to go to Bangor on a TDY basis. As previously mentioned, base support data used by the Air Force was outdated and therefore caused an estimated \$12 million overstatement of projected present value savings. The long-term reduction of these payments in our joint agreement from 150,000 dollars to one dollar per year accounts for 25% of that overstatement. The balance comes from patriot power benefits effective this year that reduce electrical power costs to the base by \$450,000. These adjustments are in addition to the personnel savings and net present value adjustments required under the GAO's force structure reduction rules.

Likewise, placing the economic impact of the proposed closure in its proper context gives a more accurate picture of the devastation that it would cause. The Niagara Falls Air Reserve Station plays a key role in stabilizing the community's economy by providing much-needed employment and training opportunities. Its closure would hasten the community's decline, perhaps to the point of no return. The military has artificially diluted the economic damage the

community would suffer should the Niagara Falls Air Reserve Station close. This was accomplished by calculating the economic loss as a fraction of overall Buffalo MSA activity. The proper unit of economic impact analysis is Niagara where the station ranks as the second largest employer. Niagara County is distinguished by higher unemployment, has lower incomes, less spending power and an older population. Home prices in Niagara County are 22% lower than those in Erie County, the hub of the Buffalo MSA. Bottom line: The base is in Niagara County and the economic impact of its closure would be felt there. The presence of lower incomes is attributable to the absence of job opportunities, more than one in five jobs still falls in the manufacturing classifications despite a 33% drop in Niagara County manufacturing jobs dating back to 1997. Despite that sharp decline, roughly one third of the county's jobs continue to be directly or indirectly related to the area's manufacturing base.

The closure of Niagara Falls Air Reserve Station would directly destroy 3.5% of the County's jobs, 2% of its gross county product and 8.5% of its payroll. Incredibly these figures do not include secondary or multiplier effects.

This community has been and continues to be in economic decline thanks to the relentless decline of the global economy. Businesses including highways and industries significantly handicaps prospects for the successful

redevelopment of the Niagara air reserve facility. But more important than the projected direct loss of more than 2,700 jobs, as devastating as that would be to Niagara County's fragile economy, is the impact it would have on the nation's defense. Therefore, we recommend the commission reject the closure.

Niagara Falls reserve station should be robusted, not retracted. In addition to the COBRA analysis not supporting the proposed recommendation, we offer five additional reasons to keep Niagara open. The closure of this efficient combat-proven joint use facility in order to consolidate air traffic in active duty bases with far less impressive manning and retention rates is clearly not in the nation's best interests. Removing aircraft and experienced personnel would cause irrefutable damage to the government's capability, Department of Defense and homeland security mission responsibilities in the northeastern United States and cripple recruiting efforts across western and central New York.

As we have demonstrated, the justification given for closing Niagara deviates from the BRAC criteria. The COBRA analysis shows savings when it will cost to close a base. It dramatically understates the local impact. We urge the commission, revisit this decision in light of the updated and accurate information regarding Niagara that we've presented. We respectfully request you focus on bases comparable to

Niagara for analysis of operational and cost effectiveness. We have provided a list of 6 such bases for your consideration. Additionally we hope you will examine other installations not on the Pentagon's list that are either redundant, have significant encroachment issues or are located in areas where excess tanker or airlift capacity exists. The performance and experience of Niagara's combat personnel, the strategic location for homeland security and its demonstrated importance to recruitment, direct with COBRA calculations showing a net loss not a net savings, make a compelling case to keep the station open. In fact, we believe its surge capability and its ability to accommodate up to eight additional primary assigned aircraft on both the National Guard and the Air Force reserve side with no capital investment make Niagara a prime candidate for expansion.

Mr. Chairman, members of the commission, you have an enormous assignment that will have a profound impact on national defense and homeland security, for which we offer our greatest respect. In the midst of your assessment, we are proud to express the heart and the passion of Niagara's personnel to serve and succeed. Our air space is open. Our accomplishments soar and our surge capability speaks for itself. Thank you for hearing us, and we wish you blessings and safe travel as you pursue this important work. Again, welcome to our home, Niagara.

[APPLAUSE].

GENERAL NEWTON: Thank you. Thank you very much. We have another presenter from this panel? Do we?

REPRESENTATIVE SLAUGHTER: Chairman Newton, my name is Louise Slaughter. I represent the 28th Congressional District. I want to thank the chairman, members of the commission and the commission staff for being here today. Your presence is most important to us, giving us an opportunity to show you why we believe a great mistake could be made here. I have represented the Niagara Falls Reserve Station for the last three years and I've become intimately familiar with its critical role and the brave men and women and all their families who serve here that are have a play in ensuring the continued security of Western New York and the northeastern United States.

After carefully reviewing the Pentagon's assessment of the air base I have concluded that the Air Force incorrectly evaluated a considerable homeland security value of the Niagara Falls Air Reserve Station. Furthermore it has become more and more apparent that the Pentagon has flawed data and subjective methodology to place this base at the last minute on its closure base. I want to emphasize what Mr. DeWitt said a few minutes ago. Homeland defense is our business at the division. Our base is responsible for emergency response and combat air patrols over large metropolitan areas and key

border crossings throughout the Northeast and the Midwest. No other example can demonstrate the effectiveness and enormous strategic value of the air base as clearly as the strategic events of September 11.

In the wake of the only foreign attack on U.S. soil since Pearl Harbor, the 107th was the first refueling wing to fly combat air patrols over New York City. When I ask why, the answer I got is because we're the best.

This unit also played an instrumental role in rescue and recovery operations that followed. In addition, a special unit of the 914 is trained in identifying the remains of disaster victims and were extensively utilized in the 9/11 recovery mission. Even today no other base in this region is capable of responding as quickly and as efficiently and effectively in the event of another terrorist attack or disaster. Since 9/11, the 914th has provided one, three and 12 - hour response alert aircraft and crews to support homeland defense response planners. In fact, this air reserve unit is the only staging area in Western New York for homeland defense and disaster response. And I find it a grave oversight that the Air Force did not even talk to our governor or to the state Air National Guard who have their own responsibilities for safety. The importance of the base's proximity to six northern border crossings, the New York Power Authority and the largest metropolitan area in the country

must not be undervalued. Especially when we consider that the Northeast region in the United States continues to be a primary target of those who wish to do us harm. For example, the base's fire and hazmat teams have had response to three threats in the last 90 days. A closure would eliminate the joint use advantages leaving the region more vulnerable to future attacks and rendering us unable to respond to natural or man-made disasters.

Closing this station would also accelerate military withdrawal from the Northeast. Since 1987 the Reserve and National Guard number of forces in this region has fallen by 37%. Compared to 21% in the rest of the nation. Home to over 20% of the nation's population, the Northeast accounts for less than 8% of its military forces. Under the Pentagon's plan, our region's combat air patrol would be reduced by more than 50%. To make even further cuts as the Pentagon has proposed, in my view and in the view of many experts would be foolhardy and could yield disasters for our homeland defense security. My biggest fear is if this goes through that in 10 years we will regret consolidating our strategic military resources in only one part of the country and we will have no choice but to revisit this issue and I would say the cost to taxpayers to maybe reinstitute military forces in the Northeast, that will certainly cost more than these prospective savings you have here. Have we forgotten the

painful lessons of Pearl Harbor? We should not put everything in one region in this country.

But the most startling evidence to me about flawed evidence that the Pentagon used is that the process is subjective rather than objective. Why did the Pentagon salvage criteria for evaluating installations' military value only to ignore its own analysis? As I'm sure the commission has been made repeatedly aware, military value of this base was ranked higher than a handful of other bases which are slated to stay open. To my knowledge, this air base's strategic proximity to the northern border was not even taken into consideration. We cannot afford in this country to reorganize our entire strategic military information based on outdated criteria, incorrect data, and supposedly objective methodologies that clearly were not adhered to.

It appears to me that we appeared on that closure list because the regular Air Force wanted to poach superior planes and equipment from the Reserve without any regard of the devastating consequences. It appears to me, ladies and gentlemen, that this is nothing more than a plane grab. As the commission finalizes their closure list, I ask you to acknowledge the importance of a strong military presence throughout the country. In this age of unconventional threats, I also request that you consider the valuable role that Niagara Falls plays in protecting this northern border.

I thank you again as everyone has for being here today and thank you for your wonderful and selfless service to the country. Thank you.

[APPLAUSE].

GENERAL NEWTON: Thank you very much. Mr. Reynolds.

REPRESENTATIVE REYNOLDS: I'm Congressman Tom Reynolds from the 26th district. Welcome to my district today. I join our governor and others in welcoming you to Western New York.

I appreciate all the challenges facing you and thank you for your service to our country.

Since this process began, I have met with and spoken to many of you, with staff, with officials from the Pentagon and Air Force and many others regarding why I believe the Niagara Falls Air Reserve Station should remain open and in service to our nation.

The facts about Niagara are as follows: By the Air Force's own charts and admission, Niagara Falls was slated to be a gainer through the third look. In February that changed when the Air Force leadership told their BRAC staff to find more savings. It was only then that Niagara went from a gainer to a complete closure, eliminating not only the base but also two combat-proven air components. But there are serious questions over where that savings even exists. Either through willful intent or simple miscalculation, the Air Force could only find savings by contravening the GAO's guidelines

on how to calculate personnel savings. They also failed to include the cost of base tenants who remain if the base closes like the Army Maps and Nefts defense system for example.

Finally they used outdated data when calculating the cost of operating the base. In fact when the corrected data was briefed to your staff last week it showed that costs actually exceeded savings. Major General Heckman has created additional questions regarding Niagara's proposed closure. In the Buffalo News General Heckman said that Niagara was closed because we needed to and I quote, "correct the imbalance in the C-130 deployment between the active and reserve component." Yet if all the Air Force's recommendations were approved, including closing Niagara, the balance of C-130s between the active and reserve components will have shifted by only four planes, hardly supporting evidence for the general's justification.

Mr. Chairman, commissioners, Niagara's the only air reserve component base recommended for realignment or closure where there are two units operating side by side in the joint use facility. 60% of their facilities are shared with this expandability and surge capacity. The base is a template for what any joint use facility should look like. On the military value question, I can't see how anyone can question that of the units or of the base. The 914th and the 107th will have deployed six times since September 11, 2001 to either Iraq or

Afghanistan, not to mention the role they played in homeland defense on the actual day of September 11 and beyond.

The importance of Niagara Falls to homeland defense and the preservation of the reserve component through recruitment and retention is evident by looking at the map earlier. The retention rate for those units far exceeds that of active duty, a testament to both our area's strategic location as well as the work ethic of our community and the men and women who serve there.

Closing Niagara would generate no savings, correct no imbalancing to the C-130 fleet and contribute nothing to force transformation. Overturning the Air Force recommendation to close Niagara in one vote preserves two combat-proven, highly deployable air reserve component wings with high retention rates and underscores that the commission supports joint cost effective facilities like Niagara and recognizes the importance of the military's presence in New York and the Northeast to ensure our homeland defense.

As an elected leader in the House of Representatives, I believe this base is strategically important to our homeland security and has a high military value in the defense of our nation. As a resident, I know how important this base is not only to the men and women who serve there, but to the community and our state as a whole. Prior to today's hearing, the commission received over 35,000 letters in support from

across the state. Thousands more attending community rallies, came to the base this morning and attended this hearing.

Finally, Mr. Chairman, and members of the commission, many years ago and a few less gray hairs and probably a little more hair, I served as a proud member of the 107th Air National Guard. I can personally attest to the commitment to duty and service and to the tremendous work ethic of the men and women who serve in these units. Whether it was Korea or Afghanistan, Vietnam or Bosnia, Desert Storm or Iraqi freedom, the highly decorated men and women of the 107th and the 914th have throughout their history devoutly fought for us. Today we fight for them, and I'm asking for your help to keep Niagara Falls Air Reserve Base open, operational and continuing their vital contribution to our nation's defense. Thank you, Mr. Chairman and members of the commission.

[APPLAUSE].

GENERAL NEWTON: Congressman, thank you very much. Congressman Higgins?

CONGRESSMAN HIGGINS: Thank you very much. Mr. Chairman, honorable commissioners, firstly let me thank you for the highly professional manner in which you've conducted hearings right now and earlier today and in effect you're very, very attentive, you are I think very, very sincere. I don't have a written testimony because I would rather speak to you from my heart and my head. From what I see in my

intuition.

My understanding of the commission's criteria and the congressional criteria relative to base closings is to determine military value and national security. Other speakers have spoken of the importance of the 107th refueling unit and its fundamental importance to the Iraqi operation and military preparedness in Iraq. That's military value. Others have spoken about the 914, the airlift unit and its fundamental importance to the Iraqi operation and in military preparedness in South-East Asia and in Europe. That's military value. On September 11 of 2001, the United States was attacked by terrorists. New York, including its western region, this region, experienced more death and economic destruction than any other area. In the terrorists' mentality, is all about creating instability. They're cowards. What they try to do is create chaos to disrupt your way of life. When you consider that within a five-mile radius of the Niagara Falls Air Reserve Base you have the Niagara Power Project, which provides 20% of this state's electricity supply, keeping this base open is a matter of national security. When you consider that within five-mile radius of this installation you have the second largest northern border crossing in the nation, keeping the Niagara Falls Air Reserve Base open is fundamental to national security. When you consider as others have said that 12 million people from every

country in the world visit Niagara Falls every single year, the close proximity of the Niagara Falls Air Reserve Base is fundamental to national security. On the issues of military value and of national security, it is unconscionable the Department of Defense could even contemplate the closing of that facility. It's an important economic generator in our community, but to the nation's national security, our military preparedness, the Niagara Falls Air Reserve Base is fundamentally important to this nation. We thank you very very much for being here and for your consideration.

[APPLAUSE].

GENERAL NEWTON: Thank you very much. Let me see, did my colleagues have any questions at this point? Very good. Do we have other presenters that need to come to the table?

COMMISSIONER BILBRAY: Mr. Chairman, everybody is saying thank you for coming, but Ms. Slaughter twisted my arm so badly that I had to.

[APPLAUSE].

GENERAL NEWTON: Well, we certainly want to thank you and the other delegation members for your presentation here today.

I can assure you that the critical data which we receive at this will help us tremendously in our deliberations and final recommendations to the President. So thank you very much.

So that we can stay -- so that we can stay as close to our plan as possible, I'd like to ask the presenters to please

stand so we can offer the oath that is required by law.

(Whereupon, Major Cowhig swore in the next panel of representatives.)

MAJOR COWHIG: Thank you, gentlemen. Mr. Chairman?

GENERAL NEWTON: Thank you very much. Gentlemen, we thank you very much for being here this afternoon, and I will offer the time to you to proceed as you see appropriate at this time. Thank you.

STATE SENATOR MAIER: Thank you, Mr. Chairman; and thank you, commissioners. I'm State Senator Raymond Maier. I'm pleased to represent the New York State Legislature and more particularly today it is my privilege to present to you the concerns of the community as it relates to the recommendations before you, on the Defense Finance and Accounting Service Center field office in Rome.

To give you some context and history very briefly, these facilities are co-located on a campus that is the former Griffiss Air Force base, realigned in 1993. And in response to that realignment in 1993, the community put together a partnership model that we'll discuss in more detail a little bit later, which built a very creative alliance amongst the Air Force, Federal Government, state and local communities. Now that helped us to recover from the realignment as a community but more importantly in terms of the criteria that you must follow we will show you during our presentation today

how that alliance has created an enhanced military value for both the Rome research site and DFAS and how it has contributed to their operational efficiency and mission accomplishment.

Our presentation today will really be brief and it will have three basic components. First, an overall look at the Rome context. Second we'll discuss with you the Rome research site and the Defense Finance and Accounting Service center located in Rome.

First let's take a look at the recommendations that relate to Rome. They are basically three that have an impact on Rome. The first two deal with the Rome search site. The first of those recommends that you move the Rome sensors function to the center's headquarters, currently located at Wright Patterson Air Force base. Second has an indirect impact in relationship to Rome, and that is that you move an information systems function currently located at Wright not to Rome where information systems directorate is headquartered but to Hanscom Air Force Base near Boston.

The third recommendation is that Rome DFAS be closed and that be part of an overall consolidation into a so-called megacenter compound.

Again, the recommendations as they relate to Rome, the movement of some 137 center's employees, some 380 defense employees. Of concern to you in terms of the criteria that

you need to look at is the cost of living in Rome as it relates to these employees of these two important functions; 36% less than in Boston, 10% less than Denver. Quality house is something extremely affordable in Rome, and this is important because it permits the recruiting and the retention of people who are going to live on military and on civil servants' salaries, are not exactly princely but we still want in this low cost environment to be able to recruit and keep the best. A low cost living environment in these facilities for doing that.

Let's look now at the specifics of the Rome research site recommendations. The Rome research site is the premiere Department of Defense facility for C4ISR, command control communication computers, intelligence surveillance and radar.

We're going to show you a little bit later how that list of disciplines that I just gave you comes together in a marriage that creates between information systems and sensors, synergies that promote great military value and mission effectiveness.

The Air Force scientific advisory board has rated the Rome research site world class or outstanding in six or seven areas. And that quality work performance has contributed to a broad, diversifying and growing customer base. As you can see from this graphic, almost half of the customer dollars that come into the Rome research site are from non-Air Force

tenants that they have.

Additionally in terms of looking at this new facility functioning into the future, the proximity to some very high caliber academic institutions training the next generation of scientists and engineers and contribute to building that work force.

Over the last four years the Rome research site has had over 70 new graduate engineer scientists giving a useful face to the laboratory and building on the creativity of that going into the future.

As I said to you, 12 years ago, in 1993, what was then Griffiss Air Force base was realigned. Just 10 years ago we appeared before your predecessors on this commission and we successfully argued that the recommendation back then to close the Rome laboratory was, and for the Rome Laboratory to disperse its functions, was ill-advised and we sketched a vision then for your predecessors that the community would build a partnership line where the state and local government, academia and the private sector would invest and work with the lab and build a function that enhanced its military value and mission accomplishment.

Here is what the reality is today. The lab which 10 years ago had facilities located in scattered and in some cases outmoded buildings is now largely consolidated into a new state-of-the-art \$25 million laboratory facility. In a

unique partnership, that 25 million was funded half by congressionally funded funds and half by funds appropriated through the efforts of the Governor and the New York State legislature. That accomplishes a 38% decrease in floor space, a 15% decrease in costs and it enhances collaboration and synergies by these folks being able to physically work together. In addition the Rome partnership model has finalized a number of investments. The infrastructure at what used to be an Air Force base has been municipalized, roads, sewers, infrastructure, the facilities have been privatized, and there's been a combination of government, municipal and private sector capital in excess of \$250 million.

This unique partnership model, this facility, the Griffiss Business Technology Park 2004 installation won the Developer of the Year award from the National Association of Installation Developments.

Ten years ago we sketched a vision for your predecessors and we made some promises to your predecessors and today we say to you the vision is a reality. A promise has been kept.

Investments have been made, and they are paying off in results that enhance military value for the lab and help it accomplish its mission.

Let's look now at what the joint cross servicing groups looked at in formulating the recommendations. They used some basic outposts to shape this. First they looked at enhancing

military value and they came up with, in order to do that, they would recommend consolidating labs according to focus area. Concentrating like function with like function at the headquarters of that function.

Secondly, they recommend realigning labs to the highest military value locations, moving lower military value functions to the higher military value facilities.

Next, reduce costs, and they proposed to do that through reducing the number of locations. Now, what we want you to see here is important later on, and that is that the information directorate is headquartered at Rome and the Sensors Directorate is presently located at Wright Air Force base. Let's look at the first guidepost that we talked about.

Like function with like function, the headquarters director is located. They followed them up to a point. Rome enhancements centers goes to Wright, which centers its headquarters. Mesa human efficiency and Brooks human diversity goes to Wright where human efficiency goes to Hanscom around space vehicle headquarters, and now the disconnect occurs. Wright information systems goes to Hanscom, not to Rome where it is headquartered.

Let's look at the other guideposts they've talked about or the next guidepost, which is moving lower military value functions to higher military value installations. This is the ranking that was done with regard to information systems

technology by the technical joint services -- cross servicing.

Rome ranked number one, Wright number eight, Hanscom number 60, and yet the recommendation that they've made to you is to move the information system function from number eight to number 60, not to number one.

Last guidepost that we mentioned was cost savings. If you look at the first bar that runs across, that is the joint service group COBRA analysis of the move to Hanscom, the move below it is a community run COBRA using the same COBRA protocols. And what you see there, segments are indeed somewhat marred in terms of both net present value and recurring annual savings. They deviated from the guidepost of like function like function to headquarters. They deviated from the guidepost of moving to the highest military value facility and Rome, by the way, still saves money and saves more money.

Now, that completes for the present our discussion about information systems. But I want to make our position clear. If you find the cross service group model of consolidation is persuasive, that is, according to the guide posts that I sketched out, then they have violated their own rules, and if you -- if you find it persuasive and you find they've violated those guideposts then a number of conclusions necessarily follow from that. And among that is the Wright Patterson information systems belongs -- there is a different model you

may want to use and that model looks at the way we enhance military value, mission efficiency and accomplishment. It looks at synergy and looks at cooperation, not just in terms of physical consolidation but it looks at the ability of somewhat different yet complementary technologies to work together to achieve military value and the desired result.

Let's then look at the recommendation that Rome sensors be relocated to Wright. We believe there's a number of factors that the joint cross servicing group gave either little or really no consideration to, when they made that recommendation. First we think they did not fully consider the relationship between sensors and information technology. We will give you a little more detail on that in a second. Secondly, you have to have the right topographical environment and the right overall environment for the sensors function. The Central New York area literally sits at the foothills of the Adirondack Mountains so you have the elevated factors to do the work. The physical environment is relatively free of on the ground physical clutter; the overall environment is relatively free of radio frequency and electromagnetic interference.

The information given to you by the cross servicing group has no analysis on any of those factors with regard to receiving site. Next in order to do this kind of group you have to have access to the appropriate frequency that requires

licenses from the Federal Communication Commission. The Rome site presently has the complete array of licenses and the availability of necessary frequencies to do the work. The cross servicing group didn't give you any analysis on whether that is possible to do the whole thing.

Next, the COBRA analysis here did not take into account to move something from Rome to Ohio requires relocating radar antenna and building specialized labs. That was not taken into account, the analysis that's in front of you. Let's look at the critical issue of military value.

First let's look at the issue of people. We know by looking at these kinds of moves that generally speaking, folks will probably not move from Rome to Wright. And that's critical when you're looking at lab reports. Laboratories are essentially not equipment or buildings or physical objects. Laboratories are people; it is the things they know. It is the relationships they have with each other that produce the kind of work that comes out. And in terms of the intellectual capital loss here, that is a critical element.

Physical structures, we already showed you the COBRA didn't contemplate the cost or the implications. Synergy. This threatens the disruption of these existing partnerships.

And there's also an interesting departure here. If you look at what the joint cross servicing group did up to the recommendation, up to the recommendation point also dealt with

synergy to the proximity of customers and jointness. When they get to the point of recommendation, all of a sudden synergy seems to be concentrated mostly on "co-location." Now, synergy is directly related to the first one, people involved who relate to that synergy, but also to - let's also, to give us more concreteness, take us down to the real world and the most important part of the real world now for our military, and that is what's going on in Iraq.

In June 20 issue of Aviation Week, we'll provide you with a copy of this article along with my written testimony. There is an article that talks about what the Air Force is dealing with in trying to identify the greatest threat -- improvised explosive devices and the suicide attacks, and how do you identify and deal with those targets on a real-time basis. And what the article points out is that both industry and military officials have concluded, they're trying to find all different bombers who blew themselves up in suicide cars one by one, is a defensive measure that offers no long-term solution. If I am permitted to read briefly from the article, it goes on to say: Planners are abandoning the search for single finding and disabling IEDs and are returning to search for a broader approach. In planning for over a year the Air Force has launched an effort to fuse intelligence around the basic building block of ground moving target indicata gathered by data MGTI worked on jointly with information systems and

sensors at Rome. And while fighters bombers and unmanned aircraft carry detection capability, primary source of such data is the Air Force's joint stars, also worked on jointly by Rome sensors and Rome information technology. U.S. central command has begun to operate thin fusion system that pulls data from both the battlefield as well as the archives from the intelligent organization to combat the insurgency and terrorist organizations, in fusion, the marriage, the synergy of information technology and of sensors.

This article, commissioners, is titled "U.S. Air Force program need surveillance to find roots of IED attacks in Iraq." If the battlefield command remembers trying to weave this together, why did a joint cross servicing group try to unravel it in making this recommendation? It's important this synergy be maintained.

We just talked about significant operational impact and also the impact on existing customers of NASA, all face disruption. Physical environment: We talked about the unique topographical features that need to be under consideration.

We believe we've shown you that military value will not be enhanced because of the possibility of losing people and degrading intellectual capital which is really the heart of laboratories. We believe we've shown you that the projected cost service is only nominal because they didn't look at the cost of moving various equipment and reinstalling them. What

alternative recommendations more effectively need, BRAC 2005 effectively is do you accept the initial analysis of how you do co-location under the first scenario we talked about? Or do you ignore principles dictating physical co-location, to destroy important synergies, take apart key work done by two related technologies that in the real world on the battlefield has been recognized by battlefield commanders as being important and necessary.

Let me turn now to the Defense Finance and Accounting Service Center office in Rome. This is a facility of which we in the community and of which the DFAS system nationwide is vastly proud. It's a trained work force that has received awards; it is a work force that's in place. We'll tell you a little bit more about the unique critical role it plays in Iraq and in the global war on terror. We'll tell you about recent investments in state-of-the-art facilities. We'll tell you about how the location in Central New York area mitigates against security threats and we'll also talk about how this is a low-cost area in terms of wages and rewards, which makes it an affordable area for employees to live and makes it an attractive job for someone to have.

DFAS employees, you know, in the corporate world today there's been a great deal done in terms of just throwing out abstractions in terms of how we organize businesses, and more and more the theory of how you organize and manage a business

has to do with customer satisfaction, getting delivery and the product closer to the customer, managing decisions to fit what the customer needs, not trying to impose a distraction. This is a survey done DFAS system wide on every critical area of customer satisfaction, DFAS scores well above the national average.

Now, the next graphic that we're going to show you demonstrates what happens when you have kind of customer satisfaction and in the corporate world what they call this is growing market share. This graph represents not just the scheduled work increase for DFAS. This is a work increase that has occurred because people out there in the military community and related functions know the quality of the work that has been done there and they've requested that their work be done. You can see these organizations and installations. And this represents a dramatic increase in market share. If this was a publicly traded company, commissioners, I'd buy. I'd buy right now.

[LAUGHTER]

[APPLAUSE]

Now, right here -- we talked earlier about this function. You know U.S. troops have seized funds from the Ba'athist regime, critical function of nation building in Iraq; it is a critical part of winning this war. Seized and appropriated funds to finance the rebuilding effort. Now,

it's critical for you to understand, this was a from-scratch mission these folks have. This had not been done before. They were assigned this, they had to draw up the protocols from scratch. This is not just unique because nobody else does it. This is unique because our folks from DFAS literally wrote the book. Now, when you look at how much they're doing in this area of -- these nation building funds, that's about \$3 billion over the last year, and that \$3 billion really although it's critical and important and unique, represents just a small portion of other things that they do. This reflects other functions for other military operations and organizations around the country involving things like TDY pay, vendor payments, travel payments, you name it, really a war time environment. We think it's terribly risky to disrupt the kind of efficiency with these kinds of functions.

Let's look what's behind quality work performance here at Rome DFAS. Rome DFAS is located in an Air Force-owned building under 50 -- no-cost building permit. It has been a recipient of \$10 million in -- completed in 2001. General Newton was there just last week. It is a model, pleasant to work in, efficiently laid out facility. That facility, by the way, presently accommodates roughly 400 employees. It has the capacity to grow quickly up to a thousand with very little additional investment or work. And last one, although it might seem minor to some folks, if anyone's ever worked in an

urban environment, it's the nice thing for your employees to be able to park for free. Their operating costs, really no comparison. 426 per square foot reflects R50 no lease payment and Air Force owned facility. The nearest competitor is almost twice as expensive and nobody else really comes close.

Now as we've shown you, Rome DFAS handles critical missions in an area at low risk for terrorism. It includes the Northeast and research laboratory at Rome so we have protection available, 24 hour policing and security and it is part of an existing framework of DFAS locations around the country that safeguards against security threats in any one concentrated solution.

Let's look at some of the information or some of the suggestions given to you that we find to be not quite true. The data presented to you by the joint cross -- by the working groups suggested a red -- negative rating for facility conditions. And since this is a brand-new anybody-would-be-pleased-to-move-their-business- into office building, modern, efficiently laid out with capacity to grow, We have a negative rating for one of a kind applications. I told you how these folks wrote the book and continue to -- providing nation building funds for Iraq every day. That's news to the Air Force. They own the building and they have many ads in the Air Force research site right nearby. A negative count given -- 27.4 days. They used 2003 as the

measurement. That was the year when DFAS grew by 25% because they received additional work in slots out of Europe which represented about a 25% growth. In connection with hiring climate too it's important before you know that our area has developed in the private sector a niche back off its operations. So we have an available, trained, ready to go work force, looking for this kind of work. Those private sector folks include Bank of New York, Bank of America, Hartford, Met Life. We've cultivated. We have people ready to go to work should there be an expansion in Rome. So we have raised, we think, some important questions.

There is a unique and crucial role in our Operation Iraqi Freedom and the global war on terror. Again, newly renovated facility, operating costs that are only a fraction of other DFAS locations. The fact that these are prized jobs, low salary region permits us to attract people .29 million in critical accounting support worldwide is what goes into DFAS.

Let's look at the overall proposal before you, which is the proposal is part of the much larger. And I think we've heard some issues and we have to have ask these questions and we're thinking three megacenters present an unnecessary security risk. In the wake of 9/11, the entire private banking world is establishing backup facilities, not consolidating down to megacenters. Three megacenters, one hostile event, one Colorado, one natural disaster can knock

down 1/3 of the accounting capacity that pays the bills for vital functions in a wartime environment. And we've already shown you that Rome is in a low-security-risk environment.

Will the proposed consolidation save money, or should we be trying to leverage the affordability of some of these low-cost centers? We've already shown you that Rome is the lowest cost center we have. Are we going to compromise crucial wartime skills? We've shown you what Rome does that is unique there are other DFAS centers that play critical functions in paying the bills in a wartime environment.

Should you look at an alternative model? You know it is very, very at least the big of it, the 26th may be too many. How many is enough? That is something that you may consider.

We believe we've demonstrated that consolidation may well diminish your ability to benefit from affordable areas such as Rome. It may diminish your ability to get some backup. It may diminish your ability to Guard against risks by either hostile or natural disaster. We believe that we have shown you that Rome because of the physical environment, the way we answer these factors, the quality of the people and work that is done, has earned its place in DFAS consolidation and indeed has room to grow. Our presentation today is a story of two world-class centers of excellence. Air Force research site and DFAS. On behalf of the people who work there and the community that supports them, and on behalf of really the men

and women in our nation's armed forces whom they proudly serve, we invite your attention to our concerns. We thank you for your attention today, and we also thank you for your willingness to serve in this very difficult and very important role. Thank you.

GENERAL NEWTON: Thank you very much.

[APPLAUSE].

GENERAL NEWTON: We would ask for you to continue, please.

REPRESENTATIVE BOEHLERT: Members of the commission, thank you very much for coming to Buffalo today. I'll get right to the heart of the matter. I'm Congressman Sherwood Boehlert. I know it has not gone unnoticed that the presentations, both with respect to the Air Force Research Laboratory and the Defense Finance and Accounting Service, are fact-based and emphasize what the entire BRAC process must of necessity be about: Military value and cost.

The best two words to describe our laboratory are world class. World class infrastructure, world class engineering performing world class research. As Chairman of the House Science Committee, overseeing the nation's science enterprise, I can speak from experience what it takes to be world class in research and development. While I would like to think that I have some credibility in this area, it is understandable that additional verification is in order. Here's what the

Department of Defense has said about the military value of Rome's research:

- * Rome laboratory was tied for number one nationally in military value rankings for information technology research.

- * Rome's research portfolio was rated world class by the Air Force Scientific Advisory Board.

The Lab's scientists and engineers are housed in a brand-new, \$25 million state-of-the-art facility dedicated just last year, and with nearly all the support functions privatized or born by local governments at no cost to the federal government. It is these factors that prompted the DOD to keep the Information Directorate right where it is at Rome, New York. However, there's a seeming inconsistency in the BRAC recommendations regarding AFRL Rome that we believe deserve attention. First is proposed realignment of the sensors research function currently at Rome to Wright Air Force base. As Senator Maier has proven in a fact-based presentation, this is an incredibly costly move and a plan designed not to save money. We contend the current realignment recommendation does not sufficiently account for the costs of moving this infrastructure and they are considerable.

Second there is the inconsistency in the Pentagon's recommendations regarding the proposed realignment of Air Force Research Laboratories Information Directorate research

activities. They are headquartered in Rome. That's where they should be. And that's where we think you should redirect the movement.

We're equally concerned about the proposal to consolidate DFAS from 26 locations into three megacenters. First, DFAS Rome is quite simply the service's best trained work force. In a recent customer survey DFAS Rome ranked first amongst all DFAS surveyed in six out of eight categories and is regularly commended as standing out as a leader in customer focus, inhibition, training, teamwork and productivity. As a result the agency is handling some of DFAS's most sensitive and critical missions. No other DFAS location has trained employees who are ready now to handle this ongoing, complex and clearly vital work.

Another one of the rationales for the consolidation of DFAS is cost savings. We can understand it. However, we believe the DOD's plan fails to take into account whether the affordability of existing low cost centers can be leveraged. DFAS Rome is located in a world-class low-cost facility with ample room for expansion, an opportunity which should be seized upon. The operating cost per square foot in Rome is half of what it is in Columbus and Denver, and less than 1/3 of that in Indianapolis. Rome offers a tremendous saving to the program. To ignore this hard fact risks doing a disservice to our taxpayers. We're not convinced the proposal

before you is the most efficient plan of action from a fiscal perspective.

Finally, thanks to the technology network that currently exists and is bolstered by the \$10 million investment in new high-tech facilities that have just recently been completed, DFAS Rome already is seamlessly connected with other DFAS offices, including DFAS Europe, satellite offices, DFAS Rome and its customers. Just as in the corporate world, as Senator Maier pointed out, the days of needing to create megacenters are behind us.

Connectivity creates advantages. One of the most important being that our upstate New York location is at a low risk for security threats. Maintaining multiple DFAS locations around the country on different power grids and with a valuable redundancy safeguards the entire population against security threats. Military value and cost, they are what is driving or what should be driving this entire process. Rome Air Force research laboratory and DFAS Rome don't just measure up -- they excel. The clear reality check that, General Newton, you called for in your opening statement, leads to two irrefutable conclusions. Air Force Research Lab Rome should be further developed to take maximum advantage of its unlimited potential and DFAS Rome should be expanded in the interest of economy and efficiency. Thank you.

[APPLAUSE].

GENERAL NEWTON: Thank you very much.

REPRESENTATIVE McHUGH: Mr. Chairman, commissioners, I'm John McHugh, Representative of the 23rd Congressional District of the great State of New York.

Mindful of the fact that we are all under oath, I will not begin by telling you it's a pleasure to be here today. It's not. I suspect that those members who you will hear from through the series of your hearings will feel just about the same way that I do.

BRAC closure is a tough process. This is the fourth with which I've had some relationship, none of them have been an enjoyable experience. Having said that however, and recognizing I am under oath, I will tell you that in you, I hope for fairness and equity. Whether the people who testify are grieved or unscathed in the system that is afoot here, I think it's safe to say we all look to you commission members as really a fair component of a very, very challenging process, and I commend you for what is likely a very thankless task. And in that regard, I honestly can say, I am so appreciative of the fact that you are here today.

I'm going to allow the -- I think very effective testimony of my good friend Senator Maier and Congressman Boehlert to stand with respect to the DFAS Rome facility. You heard I think very compelling arguments as to why it should not only be retained but why it should be expanded. Employee

quality, customer satisfaction, cost effectiveness, on and on and on. I can't see how I could possibly expand upon that, but I would like to make a few additional comments about the Pentagon's proposal with respect to Rome labs.

We are here in New York, and it was a great New York Yankee ballplayer Yogi Berra who was credited with saying about a particular circumstance, "It's deja vu all over again." Well, I think for the Rome lab and united communities particularly, the need to be here today to defend a facility that was targeted in the last round of base closures in 1995 is, as Yogi would agree, deja vu all over again. It's true in 1995 Rome labs was targeted for outright closure; but this year while we have a new coat of paint on the proposal, I think the end result is largely the same. True, it's not closure. Technically it's major realignment. But forgive me if I sound somewhat ungrateful for -- I guess what some of you view as a really merciless proposal. Because thanking those who would propose this realignment versus closure is in my mind like thanking your bookie for only breaking one of your legs.

The fact of the matter is in the long term, in my judgment, this realignment would really start into motion a process of mission erosion that would ultimately lead many to achieve what I think is their objective in the first place, and this is the same kind of closure that was proposed in

1995. We are told that the true definition of insanity is when you repeat a single act, each time expecting a different outcome. Now, I'm not going to in any way label my hard-working folks over in the base closure wing of the Pentagon as insane, but I do believe and I am convinced that their now repeated efforts to, at first to totally dismantled Rome labs and now to realign it, are predicated on an assumption that is at best chillingly naive. That assumption is simply that a lab's effectiveness is separable from the concept of community. The kinds of things that my two colleagues have detailed. It is predicated on the suggestion that effective research exists in a vacuum, that somehow it's devoid of the influence of the commercial and intellectual environment, which surrounds it.

Speaking as the Chairman of the Personnel Subcommittee in the House Armed Services Committee and as a member of the House Permanent Select Committee on Intelligence, I certainly believe that that kind of perspective is dangerous, highly dangerous to both our national security and our defense. My dear friend Sherry Boehlert talked about facts. We want the facts to prevail here. You will be inundated through the remainder of the afternoon with a lot of data, a lot of information, but it is our hope, our belief that frankly when you have the opportunity to judge the facts, to judge the data, you will find you are influenced, as the work of your

predecessors was in 1995, by facts that helped form the core of, at that time, an unambiguous finding of the past commission panel. Findings that were, by the way, fully supported endorsed by the professional staff that they brought aboard at that time, that found that Rome labs is a vital component of our defense and scientific research network and that it did fill that and it continues to fill now, in actually even more relevant ways in its invaluable role as the center for research and development and for information technology.

This should be a time of *deja vu*, yes, a repeat of the 1995 base closure round that rejected an equally ill-advised recommendation to denigrate the enormous record of achievement that Rome labs has secured. It is said that facts matter, and we are here today to simply provide you with the facts. We thank you so much for your presence here in Western New York and hope you enjoy the rest of your stay and look forward to working with you through the remainder of this process. Thank you so much.

GENERAL NEWTON: Thank you very, very much.

[APPLAUSE]

Let me see if my colleagues have any questions here or comments. Okay. Again, thank you very very much.

[APPLAUSE]

Thank you. We would like to ask the Ohio delegation --

I'm sorry. Disregard. Go ahead.

(Whereupon, Major Cowhig swore in the next panel of representatives.)

MAJOR COWHIG: Mr. Chairman?

GENERAL NEWTON: Sure. I would ask one more time that there is a limited amount of time. If you could adhere to that, we greatly appreciate it thank you. Please proceed.

Mr. ROBINSON: Mr. Chairman, members of the commission, thank you for the opportunity to express our optimism for the future of the Watervliet arsenal site. My name is Harry Robinson. I'm chairman of the Arsenal Partnership. With me is Tony Gaetano, our president.

We are a local development corporation that was created in 1998 to help preserve the mission of the arsenal and redevelop its unused capacity. From the start we've had the full support of the state, our congressional delegation and local government. Our board of directors is appointed by the Governor, the State Senate Majority Leader, the Speaker of the State Assembly, our congressmen and other state and local officials. Also the Mayor of Watervliet is a member of our board. I'm going to let Tony describe our program.

I want to keep my message to this: We have been the capital region's voice to the Army since 1998 when we located on the site. In 2001, Heycom hired us as site manager and commissioned a new site master plan. That was the basis of

Secretary Rumsfeld's recommendations for Watervliet and the Army's guidance on implementation. We are ready to execute that plan with the Department of Defense and the Army and to incorporate all the resources available to us from New York State, the capital region, all the accounting and the City of Watervliet to complete that task in record time as we have had a six-year head start.

GENERAL NEWTON: Thank you.

Mr. GAETANO: Good afternoon. Our corporation was formed at the request of the arsenal labs, at a time when the site had lost about two thirds of work load and relevant people. Our idea is simple, demonstrate to the Army that we can improve the site and lower the Army's costs by developing space. By the end of this year, we will have brought more than \$20 million in new private and public investment to the site and this fall will add -- nearly all of them defense contractors and advanced technology firms.

Two years ago we delivered the site master plan. It recommends consolidating the Army's research prototyping and manufacturing facilities and will convey the site to a new owner and develop the surrounding campus with the advance technology companies. General Paul Kern while he was commander of the Army Materiel Command and Major General Ross Thompson while Commander Kaycon had key roles in shaping the master plan. General Kern met with us three times. General

Thompson drove the entire effort. Both specifically recommended conveying the real estate and eliminating the nonmission distractions and costs associated with being a landlord. The net result provides the Army with combined manufacturing and R&D center designed to its core mission and surrounded by enhanced private technology companies to enhance DOD capacities as well as defray costs. It's our vision at the site to deploy more than 2,000 professionals by 2010. Under New York State's leadership, more than \$4 billion is being invested within 10 miles of the arsenal in new nanotechnology, semiconductor, biotech and energetics R & D facilities. That has already brought new tenants to the arsenal site. Companies design and build at nanotech labs, produce nanomaterials for research and supply the semiconductors. We've just begun construction of a new defense and security innovation center that has its first seven tenants signed up ready to move there.

As Harry said, planning thus far, and with experience and knowledge accumulated both over the last six years, we believe DOD consummate conveyance, on terms beneficial to the Army and in one third the time it usually takes.

Transformation of our site is well under way. Confirmation by this commission of Secretary Rumsfeld's recommendations for oversight is the next step to a greater military value and new economic growth in the capital region. Thank you.

GENERAL NEWTON: Thank you very much, gentlemen. Let me see again if any of my colleagues have any comments. Okay. Well, thank you very, very much for your presentation. I'm sure this will be very helpful for us in our deliberations again. Thank you.

At this time, we would like to ask the Ohio delegation to please come forward and prepare for your presentation.

Members of the Ohio delegation, we the commissioners want to thank you very, very much for coming to share your presentations with us this afternoon. First I need to ask you to please stand so that a federal officer can offer the oath which is required by law.

(Whereupon, Major Cowhig swore in the next panel of representatives.)

MAJOR COWHIG: Mr. Chairman?

GENERAL NEWTON: Thank you very much. And Senator, we will offer to you, I will turn the time over to you to use appropriately, you and the presenters you have. We do have a time schedule so I would just ask for your cooperation -- again, stay within your time.

We offered an opening statement. Again this is a critical important part of our process for the BRAC commission; and again, we desperately and deeply appreciate you coming today and sharing the day with us. Thank you very, very much and you may proceed.

SENATOR DEWINE: Mr. Chairman, distinguished members of the commission, it's an honor to appear before you all today.

We thank you for the opportunity to discuss the BRAC recommendations. Ohio has a long tradition of supporting the defense of our nation. We are a defense state with well trained and dedicated workers and state-of-the-art facilities.

Ohio has forged a significant role in supporting a diverse level of services and activities that directly impact all of the military services. The others who will be testifying after me will provide with you a lot of details. I want to start with just a few essential facts.

Let me start with the Cleveland Defense Financial Accounting Services. First with regard to Cleveland DFAS, we believe that a costly mistake has been made in recommending that more than a thousand jobs be shifted away from this facility. Fred Nance and the Cleveland congressional delegation will more clearly outline those mistakes in detail.

I want to bring a few facts to your attention.

DFAS is a corporate paying data management service. Corporate services consolidation is generally good, but consolidation without taking into account cost to relocate, performance of employees, and space availability just doesn't really make sense. Let me talk about these three very briefly. Mr. Nance will talk about them in more detail. The cost to relocate Cleveland DFAS is admittedly circumstantial.

Second, the performance of the Cleveland employees at DFAS and Cleveland has been stellar. This is just f one example. Where there was problems with the Guard and Reserve pay, it was Cleveland that the government turned to. It was Cleveland the government turned to to get it fixed, and fixed it was. Just one example.

And finally in regard to the operation costs, the Cleveland delegation, Mr. Nance will explain in detail a proposal that the Cleveland community is bringing forth today in regard to how the cost, the square footage costs will be dramatically lowered under this proposal, something that the Pentagon did not have in front of them, did not take into consideration, but we would ask you to take into consideration. It is a dramatic proposal which we believe will fundamentally alter the decision that will be made.

Let me turn you to Wright-Patterson Air Force Base. Wright Patterson Air Force Base is the birth space of aerospace technology and this is the brain power that keeps the Air Force on the leading edge of technology and innovation. I'm deeply concerned about the recommendation to relocate Fielding Group from Wright-Pat to Hanscom Air Force Base. General Lyles, former commanding officer Materiel Command will point out later, there's serious flaws in the data that was used to make this recommendation. First Hanscom does not have adequate land available nor the infrastructure

in place to accommodate this mission. Second, the cost in terms of relocation of personnel was not accurately calculated. These errors need to be corrected, and I'm certain the corrected calculation will show that Wright-Patterson is the place for this mission.

Let me turn to Ohio National Guard, specifically Springfield and Mansfield. While the Ohio ads in general, two of my congressional colleagues are here to explain, detail unfair treatment of both Springfield and Mansfield, let me add another problem. That is the Air National Guard units were not fairly or accurately treated by the Department of Defense.

Rather than recognizing the differences in nature between active duty and Air National Guard facilities, all Air Force bases were evaluated as similar installations. This shortchanges the value of its citizens.

Further, the cost to recruit and maintain high quality military personnel was not completely calculated. While full time training was addressed in the recommendation, no costing group to retain the traditional Guardsmen, the men and women who have answered the call to duty without complaint, time was calculated. This significantly undermines the cost savings as calculated by DOD.

Let me turn to the Defense Supply Center performance. Finally, on a more positive note, I'm pleased with the recommended increase in mission for DSCC. The facilities

available for support functions of this installation rival any facilities available in the business sector and together with its exceptional military and civilian personnel, it has been awarded five times the Commander in Chief Excellence Award. In testimony, Ty Marsh of the Columbus Chamber and Congressman Hobson will highlight opportunities for DSCC to easily accommodate even more mission at its facilities.

Again, I want to thank the commission for their attention. We appreciate your time and your efforts and we know you have a very tough job ahead of you. Let me turn now to Senator Voinovich who will continue.

GENERAL NEWTON: Senator, thank you very much. Senator Voinovich?

SENATOR VOINOVICH: Thank you, Senator, members of your commission for your willingness to serve on the commission. You provide great service to our country and to the defense establishment.

Time is limited so I'm going to get to the facts. This is my second BRAC since 1995 when I was Governor of Ohio and commander and chief of the Ohio National Guard. I would like to point out that things are different since 1995. At that time we were not at war. Today we are at war. And I believe the fact that we are at war would cast a shadow over what we are doing here and the decision making that you're going to have to make on behalf of the Defense Department and our

country's national security.

I'm pleased that communities are going to have additional time to provide information. We were a little bit frustrated that it took so long to get the information out, and they need all the time they can to put their best foot forward. Ohio's facilities are important to Ohio, and have high military value, and I'm pleased that overall, we are going to gain some 241 personnel, and it reflects what I saw when I visited the various facilities throughout the state.

First I'd like to point out that the final recommendations must be based on realistic cost/benefit analysis, quality data and, you know, something else: common sense. Common sense. I have real concerns about the common sense of the Defense Department's recommendations. In the case of the DFAS facility at Cleveland, analysis you will hear today supports keeping the Cleveland office open based on the criteria Senator DeWine made some reference to. There will be more about it. Military value is not accurately assessed because of a significant error in the scoring system which you are familiar with. We believe if the errors are corrected, Cleveland would be rated much higher than it is.

Economic impact was miscalculated. They looked at the impact across all of northeast Ohio not in Cleveland where it matters. Cleveland has one of the highest unemployment rates in any of the major cities in the Midwest and recently ranked

as having the most high influence of poverty. One other thing that we're concerned about is NASA talking about laying off 1,100 people. So the loss of that facility would be like a tornado cutting through the economy of Cleveland, northeast Ohio.

The cost of realigning it are \$21 million savings during the next three years, and we believe that you should reconsider the plan to consolidate all defense facilities in the three final sites. I think we need a better business model. I'm not going to get into the outstanding work force that they have there at that facility, but I can assure you that many of those individuals work in the Cleveland office are not going to somewhere else, sell their homes and go somewhere else.

I'd like it turn now to Mansfield and Springfield. They're a province of the Air Force plan Air National Guard and the criteria you use. I'd like to point out our Air National Guard is the second largest in the country. 95% retention rate. I have to say that I am shocked at the decision to close Mansfield and Springfield. First, BRAC questions for these facilities were not even relevant to their missions. General Newton, I think reinterpret them to try to get some information to the Defense Department.

Second the criteria was partial to active duty bases. It was skewed toward the large installations and disadvantaged

those at the right size. Other witness also show that that analysis was fought, which I believe will change the results.

They never asked about room to grow. They're the right size.

The first thing out of people's mouths when they visit both Springfield and Mansfield is we have room to expand. They granted us exactly the land they could get control over for expansion. They ignored the new infrastructure and cost during the last five years, to replace in the last five years, Mansfield over \$20 million, Springfield over \$30 million. Part of it's got to do with another member of Congress you'll be hearing from, Michael Oxley. He took care of making sure we had the infrastructure at those facilities in the State of Ohio.

Human value. High caliber and performance of our personnel was not considered. Human capital is very important. Investment in valuable aircraft qualifications and experience were not considered. Springfield is one of the finest training facilities in the world for F-16 pilots. Their maintenance crews are second to none. The same way up in the Mansfield area. How are you going to replicate that? They've trained these crews that have flown thousands of combat areas for Operation Iraqi Freedom and Operation Enduring Freedom. The other thing I would like to emphasize is, the issue we have with serious recruitment problems at a time when our military is spread too thin. We need to be

careful we do not lose our qualified and trained personnel. And I think that finally Secretary Rumsfeld and General Abizaid have laid it out that we are not in the last throes in Iraq, That we're going to be there for a long time. And we're going to need the personnel if we're going to be able to be successful in that war. If we take unnecessary actions and close important National Guard facilities and promote security closures at no extra cost, our personnel may leave at a time when we need them the most, and recruitment may be even more diminished.

I guarantee you our men and women in Ohio at these facilities are the best and they can compete and if you think they will not drop off if we undervalue them, you should think again. We need these men and women. Thank you for the willingness to serve on the commission. I would like to thank our governor, Governor Taft, for the support he's given, for his efforts and I want to thank the other witnesses for the time they've made available so they could do a good job of representing the interest of their respective communities. Thank you.

GENERAL NEWTON: Senator, thank you very very much. Do we have any questions from my colleagues? Sir, we invite you to bring others that you'd like to offer for testimony today.

REPRESENTATIVE OXLEY: Mr. Chairman and commissioners, particularly my former colleague, Jim Bilbray, we thank you

for your service. Appreciate the opportunity to be with all of you today on this issue of utmost importance to Ohio and our nation. For the past 24 years I've had the privilege to serve the people of Ohio Fourth District, home of the 179th -- the 179th has been a vital part of Mansfield since 1948. Annual economic impact is roughly \$70 million. Members of the airlift wing have served more than 172,000 days just since 9/11 in support of homeland defense and the global war on terror.

Last month Secretary Rumsfeld forwarded to you his recommendation to close this highly decorated unit. I was surprised and saddened to say the least. Since that announcement the people of Mansfield have conducted an exhaustive analysis with statistical data from which the Secretary has based his decision. We've come to the conclusion this recommendation reflects both a substantial deviation from the BRAC selection criteria and a significantly flawed process. As a member of Congress who supported this BRAC and former BRAC rounds necessary in the transformation of our armed forces, it is my expectation that the process will solicit input from all relevant sources. In a moment, Major General Gregory Wayt of Ohio will address the issue of the Ohio National Guard as a whole. He will tell that you at no time did the Air Force ask him or any of the other 53 Air Force generals for input into the development of the Air

Force's BRAC recommendation. I find it shocking considering that the Army asked generals for significant input in developing its recommendations. That was the right approach.

It should have been used by the Air Force. If it had been, we wouldn't have been here talking to you today. At least not from the vantage point of a closure recommendation.

I understand the commission has found a need to schedule an additional hearing to focus solely on the Air Guard situation. I applaud your foresight on this matter because what we are talking about is literally the disassembly of the air Guard. To put it bluntly in my view the Air Force process in this BRAC round was simply off-course. Stark contrast to the Army, Navy and Marine Corps, each of which develops separate criteria for the evaluations of active reserve component, the Air Force used the same template to evaluate active, reserve and Guard facilities. The unique structure, mission capabilities and costs with the Air Guard were totally ignored, creating an inherent bias. Air Guard facilities are given assets based on their missions not because of theoretical right sized figures by efficiency experts.

I'm not opposed to change, but anything of this magnitude has to flow from logic and solid analysis. The Air Force's assumption is: Good for the active duty is good for the Guard, and that is simply flat wrong. The top priority listed in the BRAC selection criteria is a consideration of

the impact on warfighters, the operational readiness and the joint capabilities of the Department of Defense. Certainly the element of our armed forces is most critical to our success as each individual man and woman in uniform. At a time when our troops are already stressed by operational tempos and when our national recruiting rates are reaching record lows, any further disruption in the lives of these men women and children will not be well received.

Contrary to national trends the 179 consistently excelled in recruiting and retention, currently standing at 105% of assigned strength, fifth among 91 units in the entire National Guard. Recruiting base boasting the best personnel figures of any Guard in the nation. As I read the BRAC criteria the Air Force clearly should have made this a high priority in its valuation of the 179th but it did not.

As you can see on this slide, the Air Force's plan puts the value of recruiting and training high quality personnel below that of their arbitrary right size squadrons goal. Seven states outlined in red are gaining strength but have a lower recruiting and retention level than the 10 green states with the yellow border including Ohio, which are losing strength under the BRAC proposal. If bases in the white states are able to maintain levels currently, how will they be able to track and maintain enough personnel to fulfill the new missions they would be given under the BRAC proposal? Along

the same line the Air Force fails to recognize the human capital that would be lost due to the DOD's recommendation on the 179th.

The assumption that Guard personnel can simply be moved to another location is wrong. Men and women join the Guard for the advantages it offers, not the least of which is locality of drill sites. The Ohio Air National Guard as a whole excels in retention and currently stands at 104% of assigned strength, second only to Guam among the states and territories. At that level even if the 179 Guardsmen wanted to transfer, there's simply no comparable unit in Ohio that could accommodate them. These Guardsmen are the first and foremost citizens in their communities and I just don't think you'll be able to convince a lot of people in Mansfield to move to Alabama or Arkansas for Guard duty. Simply put, closing an Air Guard base translates directly to a loss of highly trained personnel. As you know the Guard also operates under a substantially different set of regulations, personnel management policies and deployment schedules than the active force or reserves. The value of 179th on-board personnel was not considered. The Air Force can't assume that if it loses 1,000 people in Ohio they will easily quickly be able to make up for them in another state. It takes years and decades to build up that kind of experience you have with the 179.

Consider for a moment the average member of the Air

Guard who serves on active duty then decides to continue serving the nation in his or her hometown alongside neighbors, friends and family. This is true throughout the Guard and certainly in Mansfield. Our air crews are highly skilled with an average of 16 years of military aviation experience. Just the last few years, all Mansfield air crew members have flown combat sorties. Some have been commended for responsibility and have received 116 air medals for their bravery, courage and skill.

This slide illustrates an Air Guard crew chief works on the same aircraft for his or her entire career. That translates to an average of 12.6 years of experience per person in the 179th, or 12,000 years experience. Does the Air Force really want to lose these skills? Can our country afford to lose these skills? I cannot imagine this being an acceptable loss just to ensure we have 16 planes on each ramp. Those planes are only as good as the people who maintain and fly them.

Now to address another omission in the Pentagon recommendation, the issue of expansion and availability of land at Mansfield airport. The airport was never asked if we could accommodate a larger squadron of 12 or 16 aircraft because the Air Force never asked that question in its data calls. As this schematic of Mansfield clearly demonstrates, the Air Force needs larger squadrons, which can be

accommodated in space already being utilized by the 179.

A master plan completed in the mid 1990's by the base administrator staff base provides for just such contingency. It was paid for by the Air Force. We've also provided to your staff a letter from the city of Mansfield that offers an additional 163 acres adjacent to the current facility for expansion for joint services purposes. Mayor Reed from Mansfield is present today. We've had a number of conversations about that very issue. In short we know that the 179 airlift wing is not on the right side for the aircraft, as is proven by its success, but also is positioned to accept more C-130s.

Let's get down to dollars and cents. From a cost savings standpoint, which is the statutory purpose of BRAC, the price tag for any aircraft for the 179 is 13.7 million. The cost of the Pentagon's recommendation to move four of Mansfield's C-130s to Maxwell is 15.9 million. It would cost millions more to move the 179's other four planes to Little Rock. This tells me they did not make a full calculation of cost of expanding the 179 and relocating its assets to two district bases. The 179's increasing cost amounts to at least \$214 million. The department's estimated cost would not include projections to aircraft reemployment or associated training costs maximized out in Little Rock. The cost of putting \$41 million dollars at maximum level alone. In

addition the estimates did not include allowances to the hallmark efficiency such as the 179.

The taxpayer only pays for the Guard when it is used. An active duty unit of the same size as the 179 costs the taxpayer an additional \$15 million a year, another number not taken into consideration when the BRAC was completed. Cumulative savings of having an experienced Guard duty base are irrefutable. There has been a fundamental BRAC miscalculation of the part of the Air Force. There would also be in the data we're representing to you.

However, I would be remiss if I didn't address the importance to the 179 homeland security guard to the State. Ohio's Governor, following a natural disaster or an act of terror, he looks at the Air National Air Guard to provide essential services. Fact jump out at me as I consider the likelihood that Little Rock's airfield would end up with 116 planes on just one runway. Operations could be shut down due to accident, weather emergency or terrorist attack. By way of contrast, Mansfield has two runways, no major airports within 50 miles, no competing commercial or regular scheduled flight of carriers and no air space control problems.

Critical value of our C-130 fleet. The Air Force BRAC model should have given more credit to bases like Mansfield with two runways. As I close I'd like to leave you with this.

About a week after the BRAC announcement that the 179 was

being recommended for closure, the unit underwent a standard inspection. It received an evaluation of "outstanding, best seen in Air National Guard," end quote. This is a norm for the 179 that tells you more than I can say about the dedication and professionalism exhibited by the men and women who work there, as well as the effectiveness, utility and military value of the installation in which they work. This base should not be the victim of a flawed process in which the Department of Defense substantially deviated from the rules it set for it itself and laid out for the members of Congress.

I'm grateful for all of to you who serve as BRAC commissioners. It's a difficult task you face. I thank you for allowing me to present the case for the 179th.

GENERAL NEWTON: Thank you very very much, sir.

Senator Hobson, it's great to see you. Thank you very much, sir.

REPRESENTATIVE HOBSON: Thank you. Chairman Principi and other commissioners, I want to express my appreciation for this opportunity to discuss with you communities in the Seventh District of Ohio that are impacted by BRAC 05. My district contains a portion of facilities at Wright-Patterson Air Force Base, the Springfield Air National Guard Base, and the Defense Supply Center, DSCC. Also the VA, the VA in Columbus.

And I think since I am on Defense Appropriations it

would also include Mansfield. But it didn't work out that way.

Because of time constraints I'm going to talk about the realignment of Springfield where I live and then BRAC at Wright-Patterson and then several issues later with DSCC. Mr. Chairman, thanks for you and your esteemed leader and Commissioner Bilbray looking to areas in Ohio. I have concerns with DOD's BRAC recommendations with the Air Guard facilities in general and even more so with respect to Springfield. I don't have time to go into the same level of detail in your one day visit to Ohio. I understand they treated you well and I understand they briefed you and had other issues about their observations and provided you with the copies of the briefs they received during their visit.

Mr. Chairman, I've experienced the frustration of BRAC twice before. When the Springfield base was listed for closure, in both instances I made clear if the closure of the facility is in the best interest of the country and saves the taxpayers money, I would propose those recommendations; and I still stand by that. The problem I've experienced both those times was that the announcement was flawed. As a result, I was able to then demonstrate the closures would not save money. They would cost the taxpayer millions of dollars, but the BRAC people followed it.

Mr. Chairman, I've got to tell you, I'm more frustrated

by this process this time than ever before. It appears that the Air Force has deliberately stalled making the BRAC data available to us. It wasn't made available in the seven days as is required by law. It came almost 30 days after public disclosure of the list of bases being impacted. In some cases, you actually started visiting communities before any review of the COBRA data could be made.

In my district we had little more than one working day to review the COBRA data before your members arrived. I realize this wasn't your choice, but I note this appears to be a tactical plan by the Air Force to shield the damage they want to inflict on one of our nation's most effective military organizations, the Air National Guard.

I speak passionately about that because I was activated, served overseas as an Air National Guardsman a long time ago; but I still have my passion for the Guard, both the Army and the Air Guard. Yet I don't have time to speak about all the issues you found on BRAC data, but I want to point out several areas of major concern.

First, the BRAC announcement material states there's only one F-16 formal training unit in the Air National Guard.

This is wrong. There are two Air National Guard F-16 training units. If the Air Force can make you believe that Springfield ANG unit is a general purpose fighter wing unit, it is easier to remove the aircraft from this base. I said so

in the -- in a visit this year. They will tell you this unit is a formal F-16 training unit. The Air Force got it wrong.

Currently the Air Force lacks sufficient training capacity for F-16 pilots. If we further reduce this capacity through this proposed realignment, it even further diminishes its capability, especially since this unit is your highest F-16 pilot production unit in the Guard.

The BRAC announcement on Springfield ANG Base shows the F-16 leaving in fiscal year '07 and the rest of the aircraft leaving in fiscal year '10. However, the Air Force Air Education and Training Command needs to train F-16 pilots for its foreseeable future. AETC has already allocated to the pilots in the Springfield unit for fiscal year '08, and the Air Force will need pilot production well beyond this date by their own admission.

But I want you to really listen closely to this. The BRAC realignment summary sheet states all the full-time maintenance and operation personnel from the Springfield unit in fiscal year '07, and yet they want to train F-16 pilots at the Springfield Air National Guard Base until at least 2010.

This is inconsistent. When the adjustments in the personnel are made to support pilot training in 2010, the small BRAC savings after 20 years will completely disappear. I believe the Air Force will need the capacity of Springfield well beyond 2010. The Air Force made the same mistake before

at McConnell Air Force Base, and some of you will remember this, when they also trained F-16 pilots.

After the Air Force rejected a shortage of almost 2,000 Air Force air crew members in the mid-1990s, the Air Force asked the Air Guard to take on this training task. The director of the Air National Guard came to me and asked if I would support this F-16 training mission in Springfield. I agreed to take this effort on. I later found out that nobody else wanted this mission because they would lose their general purpose fighter mission. You know, all the guys really like to fly the fighter. They don't like to do the training part.

At the time, as I said, I was chairman of military construction. Successfully making a transition was one of my top priorities. It cost almost \$75 million, not the 30 you heard earlier, closer to \$75 million by all accounts to transition a unit from an F-16 general purpose fighter unit to an F-16 formal training unit, which the Air Force dismissed. I was told this effort would provide a secure environment for the Springfield Air National Guard well into 2015 and possibly beyond.

But there's a bigger problem. The Air Force projects that they will stop flying all their F-16 units in 2011 or 2012 or maybe 2015 at the latest. Yet the BRAC net present value numbers are showing it would take more than 18 years to realize any return on the initial investment by realigning the

Springfield Air National Guard.

If I take the Air Force's plan and eliminate the F-16s in 2015, which is only 10 years from now, the expected savings beyond that date aren't real. The DOD BRAC net present value table numbers would cost the taxpayer \$5.3 million to accomplish the realignment of Springfield ANG Base. In the process, the Air Force would lose F-16 pilots, which the Air Force recognizes as a shortfall with future strategies. You can't save money beyond 2015 if the Air Force plans to retire most of the F-16 planes.

I also have real concerns about the flaws in all the announcements from the Air Force. It runs through the entire BRAC process in consolidation of aircraft models, the so-called right-sized operations, the cost to replace the people from the locations that are being set aside. This doesn't even consider the recruiting and retention issues that we already face, and it doesn't speak to the cost of personnel training to re-create the capacity and the loss of experience that would occur by the Air Force plans.

Now, I think General Newton could probably help us there. The cost of training all of these young people is not cheap, as we all know. This issue isn't even touching the Air Force BRAC analysis when you start looking at all the costs and requirements for training at the location.

According to the Air National Guard, there are

approximately 30,000 Air National Guardsmen that would be displaced in this BRAC round, yet these members are not going away, just being shuffled. How many millions of dollars does this represent? If I follow the Air Force's plan to retire aircraft and inventory, none of their BRAC recommendations make any sense.

I really strongly encourage you to leave things the way they are in the Air Guard until the Air Force shows Congress a suitable road map to the future. At minimum it should address the cost of displaced personnel and the retraining costs. The movement of resources from the Guard to the Air Force Reserve and the active duty are real thought out.

Since there's no planned changes from any of these organizations, how do we accomplish any savings when the training and relocation of all of the part-time traditional Guard members isn't even addressed in this program? The Air Force also needs to revisit how they assess military value in a global model.

The Air Force does not follow the lead of the other military services as to separating the Reserve component from the active duty and analysis. They are taking the most cost-effective organizations and dismantling them.

There's also the homeland security issue. You know who responded to the threat of the commercial airliner that initially headed west of Ohio on 9/11? The Air National

Guard. Yet homeland security does not appear in this BRAC analysis.

I would like to pose a couple of questions. I believe that when these questions are answered, it shows that the Air Force's logic is flawed, and the Springfield ANG Base should be allowed to complete its mission.

One, the Air Force currently lacks sufficient capacity for training F-16 pilots. Won't this proposed realignment further diminish its already insignificant capacity? Does this make sense?

The Air Force Air Education Training Command has already assigned student loans to Springfield for '08, but the maintenance operation personnel are scheduled to leave in '07.

How is this possible?

Three, the Air Force projects that they will stop flying all the F-16s by 2015. The numbers show it takes more than 18 years to realize any return on the initial investment by realigning a base. If the planes are retired before the proposal breaks even, how can these savings be realistic? Does it end up costing them money?

Finally, the DOD BRAC aircraft base strategy for the Air National Guard does not appear to be based on any validated cost-saving models. Is the Air Force misusing the BRAC process and the BRAC funds to achieve force structure reshaping outside the normal budget process?

Please look at the data provided to your analysts. The assessment of the Springfield Guard Base is seriously flawed, as we pointed out. Please keep this outstanding F-16 unit pilot training capacity intact until it's no longer a programmatic need.

Thank you very much.

(Applause.)

GENERAL NEWTON: Thank you, sir. Next is Gregory Wayt. Congressman, thank you very much. General, you may proceed.

GENERAL WAYT: Chairman Principi, commissioners, I'm Major General Greg Wayt. I'm the Adjutant General of Ohio. I'm here today with the senior leadership of the Ohio National Guard. We're grateful for the opportunity to address these critical issues.

I want to begin today by stating that the adjutant generals, to include myself, were never consulted in the Air Force BRAC deliberations. Had we been consulted, I would not be addressing you in the following meeting with you today.

The capacity analysis. Both bases contain deviations. The capacity analysis in our bases is based on an increased permanently assigned aircraft F-16 or C-130 wing, 179 Mansfield, 24 for fighter wing, along with a 48 PAA joint strike fighter scenario at the 178th of Springfield.

There's not a single piece of evidence to date that

supports the assumption that an increase in PAA is more efficient or cost effective. The Air National Guard bases are the right size on the current PAA for National Guard infrastructure data. Therefore, it appears that a base could not be expanded to accommodate an increased PAA.

The process does not allow consideration, and land not owned precluded the 179th and Mansfield from being further considered in scenario phase, and ultimately recommended for closure.

The facts are that it will cost, according to the Air Force calculations, \$21.6 million to move Mansfield's aircraft to Maxwell and to Little Rock. Mansfield, as you heard, has land available to expand and to build ramp space to meet PAA total aircraft for a total of \$13.7 million. This Air Force recommendation costs taxpayers almost \$8 million.

Regarding the 178th in Springfield recommended for realignment, substantial deviation exists. The report indicates that it would cost \$45 million to expand the ramp to accommodate 48 joint strike fighters, which is simply not true. The Springfield base, as currently configured, can park 52 joint strike fighters with no additional cost.

The military value analysis is similarly skewed. To understand that the Air Force Military Compatibility Index, or MCI criteria, favored active duty, one need only look at the base rankings across the board. Forty-five of the top

fifty-ranked bases are active duty bases, five are Air National Guard bases.

The materials that I have provided to you contain many examples of substantial deviation, but I'd like to provide to you several examples. Regarding 178 at Springfield, the most glaring deviation is that it was evaluated as a general purpose unit.

The 178th fighter wing, as you heard from Congressman Hobson, is a formal training unit. It was not evaluated by the Joint Cross Service Group using the flight training subgroup criteria. If the 178 Springfield is realigned, there will only be one Air National Guard F-16 FTU. The supporting material for this decision does not exist, nor was a flight crew subgroup criteria used to retain the Air National Guard. This is a substantial deviation.

The 179th in Mansfield has authorized 53,000 square yards of pavement for eight C-130s; 88,000 square yards of pavement for twelve C-130s for the Air National Guard infrastructure guidance. No points were awarded for this criteria unless a base had more than 137 thousand square yards of pavement.

Mansfield, as you heard, has two runways but was only given credit for one. That is particularly troubling when you look at Little Rock, which is recommended to be the home of 116 C-130s, only one runway.

The COBRA analysis of these bases also contained substantial deviations. The 179th in Mansfield, the COBRA model fails to include the one-time cost of training materials and maintenance personnel due to increased PAA of Maxwell and Little Rock. Just calculating the maintenance and operations training required for personnel at Maxwell, plus the cost of upgrading eight aircraft currently at Maxwell, yields additional costs not found in the COBRA models of over \$41 million.

The 178th of Springfield, the recommendations project net present value savings of \$700,000. The COBRA analysis shows the pilots, instructors and maintenance personnel leaving Springfield in 2007 but the aircraft to remain until 2010. Students are already programmed for 2008.

When you rerun the numbers with the pilots and maintenance personnel remaining with the aircraft until 2010, the net present value is a \$12 million loss, a substantial deviation.

I also wanted to address BRAC principle number one, recruiting and training. According to the BRAC principle, recruiting and training issues should be the primary consideration of the BRAC process. There's no mention of recruiting.

Recruiting in the Air National Guard depends on the communities in which the bases are located. The data

demonstrates there could be no better communities for recruiting than in Springfield and Mansfield.

The 178 of Springfield has the second highest strength in the country. The 105% of the 179th in Mansfield exceeds that of any and is the highest in the Air National Guard.

The Air National Guard in Ohio is the second largest Air National Guard in the country, with four flying wings and over a 5,000 area. We are at 104% assigned strength, the only large state with such a recruiting record.

The large part our recruiting success is due to the support of our communities and the support shown by Governor Taft, of the Ohio General Assembly, appropriating state dollars over \$80 million since fiscal year 2000 to support 100% college tuition reimbursement for serving members in the Ohio National Guard.

If the Air Force BRAC recommendations were finalized, the State of Ohio and the Air National Guard would be rewarded for its excellence in recruiting and high levels of assigned strength and readiness with the reduction of 27% assigned strength, one base closed, and one realignment.

Finally, we address the issue of homeland defense. I can find no evidence the C-130s were considered by the Air Force for homeland defense. The loss of the 179th and Mansfield would have a critical impact on the State of Ohio and Region Five. The departure of the 179 will remove the

only C-130s available to the governor with a state with a population of 11.5 million, the seventh largest state, with six critical cities.

The 179th and Mansfield also has a critical medical capability in its expeditionary medical systems that exists nowhere else in Region Five.

Based on the facts we have presented to you and your analysts, we believe we have demonstrated that the Air Force deviates substantially from the requirements of the BRAC statutes in our analysis of the Ohio bases and that these recommendations will cost the taxpayers money, not save.

You must consider reversing the Air Force recommendation, leaving the 179 open to flying C-130s well into the future and retaining the F-16 mission at 178 Springfield until this position can be determined programmatically, based on the Air Force F-16 program.

Chairman Principi, I want to also thank you for taking time to meet with the adjutant generals at a conference earlier this month and for scheduling to meet later this week with the adjutant generals to further explore the impacts of these recommendations on the National Guard. I will be a member of the panel and look forward to seeing you again in Ohio. Thank you.

GENERAL NEWTON: Thank you very much, General.

(Applause.)

GENERAL NEWTON: And we invite you to bring other members for testimony today.

Sir, you may proceed at any time you're ready.

CONGRESSMAN TURNER: Thank you, Chairman Principi and Commissioner Newton, members of the Base Realignment and Closure Commission. I appreciate the opportunity to testify before you today about Wright-Patterson Air Force Base in Ohio.

Wright-Patterson Air Force Base is the premiere research and development base in the United States Air Force; and it is the birthplace, home and the future of aerospace. Virtually every fixed-wing aircraft in the history of the Air Force has been designed, built or purchased at Wright-Patterson Air Force Base.

As in the first century of flight, Wright-Patterson is where weapons systems of the future are conceived, tested and modified until worthy of acceptance as part of the most responsive deterrent force in military aviation history.

Today Wright-Patterson Air Force Base is one of the largest, most effective and important bases in the Air Force, providing invaluable intellectual capital, expertise and infrastructure for U.S. military air superiority, essential for our national security and the global war on terror.

Mission gains contained within the Department of Defense's recommendations to the BRAC Commission enhance the

base's capabilities and create additional centers of excellence. I strongly encourage the commission to approve these recommendations.

However, DOD's recommendations to relocate Air & Space Information Systems Research and Development & Acquisition to Hanscom Air Force Base should not be approved by this commission. This recommendation is based on incorrect data and analysis and violates criteria number seven of the established selection criteria. In fact, this recommendation violates the most basic principles of the BRAC process. If this recommendation is approved, this commission and DOD will undermine the credibility of this BRAC and any future BRAC rounds.

We believe that this recommendation to relocate jobs to Hanscom is based upon the State of Massachusetts's offer to provide the Department of Defense \$410 million in state funding. Acceptance of this proposal and any plans to expand Hanscom will result in a high-stakes bidding war between communities that is not in the best interest of this nation and will result in the long-term impact of only wealthy states and communities hosting military installations. This is not in our national security interests and is opposite of the deliberative analytical process contained in BRAC.

In selecting installations for closure or realignment, criteria seven requires that the Department of Defense

consider the ability of both the existing and potential receiving communities' infrastructure to support forces, missions and personnel.

During the public comment period on the BRAC criteria, comments were received on criteria seven, asking the Department of Defense to view the ability of community infrastructure to support the military as evolving and consider the willingness and capacity of communities to make additional investments. In response, DOD stated the department must focus on the existing demonstrated ability of a community to support its installation especially as potential investment actions may not translate into reality.

House Armed Services Committee Chairman Duncan Hunter sought the clarification of the Department of Defense concerning a community's ability to, in effect, fund acquiring jobs through the BRAC process.

The deputy under the Secretary of Defense for installations and environment responded in a letter clarifying the use of said proposals by the Department of Defense in creating a BRAC recommendations. The letter stated the department will not include such proposed considerations within the BRAC process. The statute also requires that military value be the primary consideration in making recommendations for the closure or realignment of military installations upon certified data.

The proposals from the public do not constitute certified data that our analysis relies upon. Yet it appears that is exactly what is happening. A high-stakes bidding war has commenced. The State of Massachusetts has openly acknowledged the difficulty in expanding Hanscom and has responded by offering DOD \$410 million in an attempt to purchase jobs from other DOD-supported communities.

In September 2004, the delegation from Massachusetts visited Wright-Patterson Air Force Base to pitch a development plan for Hanscom. The plan calls for \$410 million in state funding to increase the infrastructure and capacity of Hanscom, quote, on the condition that the Department of Defense commit to bringing new technical military missions to Hanscom, end quote.

The Department of Defense has recommended the transfer of military missions sought by the Massachusetts \$410 million proposal for Hanscom. I have included in the materials provided to the commission a copy of the Massachusetts proposal and the related news articles that established a clear connection between the proposal and the proposed relocation of these jobs.

DOD's BRAC recommendations report acknowledges that Hanscom must be expanded in order to accept the relocation of these functions and that Hanscom may not have unconstrained land available for this expansion.

The State of Massachusetts has already suggested that the infrastructure of Hanscom needed state-subsidized aid to support additional functions. As the body created to review the Department of Defense recommendations, this commission has the responsibility to ensure DOD did not deviate from its own criteria when making its recommendations.

I request that you overturn the recommendations to relocate the Air & Space Information Systems Research and Development & Acquisition to Hanscom and keep them in Wright-Patterson Air Force Base so they are more able to efficiently perform their mission.

Thank you for the opportunity to testify today.

GENERAL NEWTON: Thank you.

GENERAL LYLES: Chairman Principi, Presiding Chairman Newton and Commissioners Turner and Bilbray, thank you for the opportunity to testify before this Defense Base Closure and Realignment Commission. I'm honored to be here, very proud to be representing both Wright-Patterson Air Force Base and the Dayton community.

I would be remiss if I didn't acknowledge my presence in front of Commissioner Newton. As many of you know, besides being a former colleague in the United States Air Force has also been a mentor and a role model throughout my Air Force career; and indeed, I probably would not have achieved the positions I achieved in the Air Force without the great

support of General Newton. Thank you very much.

In spite of the fact that I live in the Washington, D.C. area now, I'm testifying on behalf of the Dayton Development Coalition, an organization of business leaders in Dayton, Ohio. That coalition promotes economic development in the Dayton area, which includes advocating on behalf of Wright-Patterson Air Force Base which was part of my former command, Air Force Materiel.

Wright-Patterson is the single largest employer in the area, and my testimony is based on the Secretary of Defense's recommendations that affect the Wright-Patterson Air Force Base.

Joining me today in the audience are Lieutenant General John Novak, the CEO of a defense contractor, and Mr. Frank J. Perez, the president and CEO of Kettering Medical Center Network, both of whom are co-chairs of the Dayton Coalition and Coalition for Wright-Pat 2010. Also here Jim Lefkowitz, the vice president of the coalition.

Commissioners, since my retirement from the Air Force almost two years ago, I've maintained strong ties with the Dayton region, where I spent much of my career; and I serve on many local community and business boards in the Dayton area, which includes the Board of Trustees from Wright State University, a position to which Governor Taft appointed me before I retired.

Between 2000 and 2003 I was commander of the Air Force Materiel Command. In that capacity, I oversaw many of the programs throughout the Air Force that are recommended for realignment and are the subject of my testimony. For those of you who are not familiar, the Air Force Materiel Command is in charge of all research and development for the United States Air Force, all science and technology programs and all logistics for the United States Air Force. AFMC is headquartered at Wright-Patterson Air Force Base, and it operates numerous bases all over the country.

Commissioners, overall, the Dayton region and I, personally, are pleased and excited about the Secretary's recommendation to consolidate research and acquisition work at Wright-Patterson. These recommendations rightfully politic this world-class installation for more joint mission assignments.

Wright-Patterson is, by no small means, known throughout the aerospace world as the birthplace, home and future of aerospace for all the reasons I think are apparent to me. We particularly support the Secretary's recommendation to establish a Joint Center of Excellence for Aerospace Medicine Research at Wright-Patterson Air Force Base, Ohio, and the department recommendation for Wright-Patterson to receive the mission from Brooks City Base in San Antonio, Texas.

That work, particularly at Brooks, related to Aerospace

Medicine and Teaching. Brooks City Base, as many of you know, used to be Brooks Air Force Base; and that organization was also under my command when the Air Force Materiel opened. As a matter of fact, I was the one who turned over the keys to both Senator Kay Bailey Hutchinson and the mayor of San Antonio when we converted from an Air Force base to Brooks City Base five years ago.

The roots of aerospace medical research at Wright-Patterson are strong indeed. The origins of sustained Air Force medical research can be traced to the opening of a medical research laboratory in 1935 at Wright Field, then the center of Army aviation research.

The current plan to establish an aerospace medicine research center of excellence, a joint one, is recognition of that heritage and continues the view that Wright-Patterson is the logical site for a co-location of technology developers, medical researchers, warfighters and the acquisition community.

Wright-Patterson is already home to extensive medical research through the Air Force Research Laboratories Human Effectiveness Directorate, which is really the parent organization for Brooks City Base. And one of the other missions recommended for movement under the BRAC recommendations would unite both Brooks and the Mesa, Arizona, site within the directorate at Wright-Patterson headquarters.

Joining critical elements of the medical research, development, and acquisition community in the same location recognizes that while facilities are very critical, it is the intellectual synergy of like-minded researchers and constant communication that produces innovation.

The extensive medical and academic organizations in Southwest Ohio and Central Ohio provide a wealth of synergistic opportunity for this joint medical center. These include world-class research facilities with extensive and secure area communications and high-speed computational information technologies.

Examples of this include the Kettering Medical Center Network, Procter & Gamble's research facilities in Cincinnati, the Children's Medical Center in Dayton, Ohio, the Ohio State University Medical Center, and Wright State University School of Medicine, which is recognized as the home of the country's top-rated civilian aerospace program. These organizations already are partnering with the medical research at Wright-Patterson and will continue to do so in the future.

Wright-Patterson is also home to the Eagle supercomputer, the newest and most powerful supercomputer in the Department of Defense, which has medical research applications built into it.

Moreover, Wright-Patterson is linked to Governor Taft's Ohio's Third Frontier fiber optic network, the most advanced

statewide research network in the nation. This provides revolutionary ways for conductive medical research amongst the various activities that I just mentioned.

These superb research facilities are attractive for relocating research personnel and all of the programs that are associated with their activities.

Now, I must acknowledge the commission -- to the commission that much has changed since the 1995 Defense Base Closure and Realignment Commission actually rejected the recommendation to close Brooks Air Force Base. As I just mentioned earlier, the decision was made to convert Brooks Air Force Base to Brooks City Base; but again, much has changed since that decision was made.

The Ohio bioscience infrastructure is now more robust. It is extensive and superbly capable of supporting the present and future aeromedical research that is necessary for these activities. The resources from the medical, academic and business communities have been leveraged with the full support of the local and state governments to reduce disruption in ongoing research.

And finally, many of the issues associated with licensing medical personnel and the facilities to eliminate delays in getting those people certified have now been resolved. These are all factors that went into deciding not to close Brooks Air Force Base back in the '95 BRAC. They

have now been addressed and certainly would support the move today, to move that activity to the Wright-Patterson Air Force Base.

I think the synergy between newly arriving researchers and academic medical and business community would be rapidly and possibly facilitated to help support that recommendation.

Bottom line, we and I, personally, strongly endorse a recommendation to establish an aerospace medical center of excellence in Wright-Patterson Air Force Base as a wholly unique research foundation for present and future military aviation. In the same vein, contrary to some of the testimony you've heard earlier today, I am equally excited about the consolidation of the sensor mission to Wright-Patterson Air Force Base.

The activity at Rome Air Force Base was also under my purview as the commander of Air Force Materiel open. I was responsible for that activity also. In moving that research and development, science and technology activity to Wright-Patterson Air Force Base, to me, is the right thing to do.

This consolidation further builds on the technical talent of Wright-Patterson Air Force Base; it brings together the talent from the excellent activities that have taken place at Rome; and it provides the kinds of capabilities we need for systems development in our United States Military today and

certainly in the future.

Today the sensors that are being used to help conduct the Global War On Terrorism, whether they're on an aircraft or unmanned area vehicles like Predator and other vehicles, were all the result of the activities at the combined Wright-Patterson Air Force Base and Rome lab sensors directorate.

Commissioners, turning to another subject. The Dayton community and I believe that the Secretary's recommendation to consolidate the Air and Space C4ISR Research, Development and Acquisition Test and Evaluation, specifically, the elements at Wright-Patterson Air Force Base, deviate substantially from criteria number two and criteria number four, military value; and it poses a substantial risks to criteria number one.

And we ask that the recommendation -- that this recommendation be closely looked at by the commissioners, and you make a decision as to whether or not it's the right one before you realign the elements of Wright-Patterson Air Force Base.

The specific elements I'm talking about is a Development and Fielding Systems Group called DFSG that is slated now under the recommendations to move from Wright-Patterson to Hanscom Air Force Base. Let me make three points to underscore why I think those recommendations pose a deviation to established criteria.

First, DFSG procures, it builds, and it provides ongoing tech support assistance related to computer-based logistics, computer-based financial management systems for the entire United States Air Force and, indeed, for some of the other services.

For example, one of their many programs handles purchasing, procurement, storage, repair, and distribution of munitions, fuel, spare parts and other commodities managed by Air Force Materiel Command at Wright-Patterson Air Force Base.

This is critical to timely support of the wartime initiatives, and most of this work is performed by 100 off-base contractors and contracting company, most of whom are located in the Dayton area.

It is my belief that separating DFSG from the Air Force user community represented at Wright-Patterson Air Force Base and Air Force Materiel Command as well as separating them from the region's broad IT intellectual capital poses a significant risk to an already very risky process. The movement could result in a higher likelihood of failure in the missions and operations of DFSG.

Now, somebody might ask, why can't I support the consolidation of the aerospace medical activity, support the consolidation of the sensory activity but not support the consolidation of this specific IT activity related to DFSG? Well, the answer's a very simple one to me. I disagree

because of the definition of information technology.

In talking to members of the Joint Cross Service working group, the technical aspect of that working group, they did not try to parse in the different elements of information technology. They did not distinguish between business-related information technology, which is what DFSG does, and embedded information technology associated with C4ISR, which is what goes on in the mission up at Hanscom Air Force Base outside of Boston, Massachusetts. They did not delineate between the two; and in my opinion, the recommendation to move DFSG poses a significant risk because of the difference in those two elements of information technology.

This proposed realignment removes DFSG from the region, and it limits the organization's access to the strong IT capital in the Dayton region. World-class, world-renowned companies like NCR, National Cash Register's materiel data, Standard Register and Nexus Lexus all have exceptional business management systems related to R & D and the IT community for the business area. And DSFG today draws upon that information and that intellectual capital to execute its mission.

These companies will be even more important to DSFG as it focuses on its future missions and its future activities for the United States Air Force and for other services in this joint arena.

Mr. Chairman and commissioners, it appears that these companies as well as other contractors providing support for DFSG were not accounted for in the intellectual capital measure for military value.

This exclusion dramatically understates the military value of Wright-Patterson Air Force Base and the Dayton region, and it fails to recognize the value of these contractors and their recognized world-class expertise. Anyone involved in commercial and government activities dealing with enterprise research, planning and IT development will tell you that the emphasis and success in this particular endeavor is directly related to continuous face-to-face interaction between the developer, in this case contractor communities, and the youth, in this case those who are at Wright-Patterson Air Force Base; and this will be very much more difficult to accomplish if DFSG is realigned at Hanscom Air Force Base.

Let me return to my second point related to criteria two in the area of land. According to the Defense Department's own documentation, there might not be enough land at Hanscom to support the moves under this recommendation. The Technical Joint Cross Service Group says that the scenario, this scenario requires roughly 40 acres; but it goes on to say that Hanscom reported its largest available parcel of land is only 18.27 acres; and only 8.4 unconstrained acres are zoned for

industrial operations. This scenario may be part building on constrained acres.

Now, Hanscom Air Force Base is also part of my former command at Air Force Materiel Command, so I'm very familiar with the facilities up there. As a matter of fact, I was there just last week. I'm aware that the leaders and officials are revisiting this whole issue to find solutions. However, they acknowledge that they may have to acquire building facilities or multi-building facilities like multi-storage parking garages on some of this unconstrained space.

Finally, criteria number four, cost. The Defense Department already significantly understated the cost of operations if DFSG is shifted from the Dayton area to the high-cost Boston area. In the interest of time, I won't go into all the elements associated with those differences in costs; but we, associated with the Dayton area, estimate that between 2,000 and 2,400 full-time equivalent positions in the Dayton area will have to relocate from DFSG to the Boston area; and the costs associated with that has not been accounted, relative to the cost of moving this particular activity.

We have substantiated data that would provide as a backup to justify our estimate that the total cost and the accounts for all of this can be as high as some \$200 million

that's not accounted for in the estimates done in the BRAC recommendations.

Mr. Chairman, in the interest of time, let me begin to wrap up my comments here and just basically summarize that I, with my experiences and my knowledge of all the activities associated with the recommendations here, fully support the move in the aerospace medicine activity from San Antonio to Wright-Patterson Air Force Base.

I fully support the move of the systems directorate from Rome to Wright-Patterson Air Force Base, but I challenge the logic and I challenge the rationale for the move of DFSG from Wright-Patterson to Hanscom Air Force Base because of the things I mentioned earlier.

Let me wrap up by saying, Mr. Chairman, that I'm very proud of the men and women, both military and civilian, who served with me at Wright-Patterson Air Force Base. It is an honor for me to speak on their behalf. It is an honor for me to speak on behalf of the Dayton community; and I, again, thank you for the opportunity to testify here today in front of this commission. Thank you very much.

GENERAL NEWTON: General Lyles, thank you very much.

CHAIRMAN PRINCIPI: General, you did a great job. He convinced me. We don't have any more time. I hope he convinced you. Thank you all very much. He's a great general.

GENERAL LYLES: Well, thank you very very much.

GENERAL NEWTON: Do any of my colleagues have any questions or comments at this point? Thank you very, very much.

(Applause.)

GENERAL NEWTON: I just need to confirm that all of you who are going to present testimony stood before and gave us -- and took the oath. I think you did. Is that correct?

MAYOR SMITH: No, I did not.

GENERAL NEWTON: You did not take the oath?

MAYOR SMITH: Oh, yes.

GENERAL NEWTON: We just want to be sure we abide by the law here. Anyway, with that, please proceed.

MAYOR SMITH: Thank you so much, Mr. Chairman and fellow commissioners. I also thank you for the service you're giving to my country. My name is Mary Lou Smith, and I'm proud to serve as the mayor of the City of Kettering, Ohio.

Just twelve years ago, we received the devastating news that our Kettering Air Force Base would be closed; and through this very same process, we lost more than 2,500 jobs. The estimated annual economic impact of that loss to our region was \$1 billion.

Yep, we forged ahead. We redeveloped into the Kettering Business Park. And anchoring that park is the Defense Finance and Accounting Services, which is responsible for more than

400 jobs. We have done the right thing by making the best of a devastating situation.

Today the Kettering Business Park employs 1,800 people and 700 less than the twelve years before; and we still own 560,000 square feet of vacant buildings. Our business park is ready for expansion. The detached building alone could handle 600 new employees. And you can imagine our disbelief to learn that this elite operation, recognized for its efficiency, was to be a part of BRAC 2005.

Now our community faces an additional loss of 425 jobs and \$21 million annual impact to earnings. We put the work into making the best out of the '03 -- out of the '93 closure.

Now today I urge you to reconsider the closings of the detached Dayton operation. It makes no sense, and Kettering has suffered enough. Thank you.

GENERAL NEWTON: Thank you, ma'am. Congressman?

CONGRESSMAN TURNER: Thank you. Chairman Principi, Commissioner Newton, members of the commission, I join the Kettering Mayor, Mary Lou Smith in opposing the recommendation of the Department of Defense to close the Defense Finance and Accounting DFAS located in Kettering, Ohio, south of Dayton.

Defense Dayton, as it is officially known, administers the accounting finance functions of the Air Force for 34 operating services, 15 Air Force Reserve units, 56 Air National Guard sites and four Defense Department agencies

throughout the continental United States.

According to the Defense Department figures accompanying the Secretary's recommendations, the closure of DFAS Dayton will result in the loss of 230 government employees, an additional 195 related non-government jobs, for a total of 425. The City of Kettering estimates that these jobs estimate an annual payroll of \$21 million, which is a significant loss for a city with an operating budget of \$53 million.

According to the DOD recommendations, this represents only 0.1% of the area's employment; but it does not account for the economic impacts directed on the city. This recommendation by DOD deviates from criteria six as the recommendation will have a large economic impact in the vicinity of the installation.

The closure of DFAS Dayton is one of 20 recommended DFAS office closures. One of the Defense Department's justifications for this action is to leverage benefits from economies of scale and synergistic efficiencies.

However, this is unlikely to occur in the case of DFAS Dayton, which uses a building provided by the City of Kettering rent-free under a 50-year lease and renewable for another 50-years. Leveraging synergistic efficiency is important in generated cost savings. The value to the taxpayers does not seem to be a driving force behind these recommendations from the Department of Defense.

As my Ohio colleague, Congressman LaTourette, discovered and will be speaking later today, the series of moves for DFAS centers will cost at least \$160 million, of which one point -- \$6.1 million will be spent just to close down DFAS Dayton.

The total savings for closing DFAS Dayton from fiscal year 2006 to 2011 will be only \$1.9 million compared to the costs of -- of \$6.1 million. Let me get that right again. The costs for closure will be \$6.1 million where the savings will only be \$1.9 million.

Criterion for the BRAC selection criteria states that sufficient cost savings should result in order to justify the initial expense. In this instance, the recommendation deviates from the established criteria. DFAS Dayton lies in close proximity to Wright-Patterson Air Force Base and results in a convenient working relationship and an efficient working relationship.

Wright-Patterson, as you've heard, is headquartered at the Air Force Materiel Command which oversees eleven of the bases served by DFAS Dayton. More important, AMFC is DFAS Dayton's most important customer, and AMFC controls 60% of the Air Force's entire budget.

There is considerable important travel back and forth between DFAS Dayton and Wright-Patterson Air Force Base to resolve the most critical financial issues.

The commission could recommend consolidating in DFAS

Dayton the other three DFAS operating units. This action would leverage the synergistic efficiency of having the customer being in close proximity to one another. The City of Kettering has adequate space available at its business park.

DFAS Dayton is important military asset for the nation and should not be closed. I encourage the commission to reject the recommendation to the Department of Defense and to not close DFAS Dayton.

Thank you for the opportunity to testify and for your important work to our country.

GENERAL NEWTON: Sir, thank you very, very much. Any questions or comments? Thank you.

(Applause.)

GENERAL NEWTON: I think we are ready for the Cleveland commission.

Yes, I would like to ask the members who are planning to make testimony to please stand; and we'll have our federal officer offer the oath.

(Whereupon, the witnesses were sworn.)

TESTIMONY OF FRED NANCE, CLEVELAND MANAGING PARTNER;
ACCOMPANIED BY CONGRESSMAN STEVEN LATOURETTE, OH-14; MAYOR
JANE L. CAMPBELL, CLEVELAND; CONGRESSMAN DENNIS J. KUCINICH,
OH-10; CONGRESSWOMAN STEPHANIE TUBBS JONES, OH-11; TY MARSH,
COLUMBUS CHAMBER OF COMMERCE; CONGRESSMAN DAVID HOBSON, OH-7;
GOVERNOR BOB TAFT, OHIO.

MAJOR COWHIG: Ladies and gentlemen, please be seated.
Mr. Chairman?

GENERAL NEWTON: Thank you. Ladies and gentlemen,
please proceed as you see appropriate.

Mr. NANCE: Thank you, Commissioner Newton. My name's
Fred Nance. I am the chairman of the Cleveland Defense
Industry Alliance which was created by the Greater Cleveland
Partnership, our Chamber of Commerce.

I'm very pleased to have the opportunity to speak to you
today, and I'm going to speak quickly in view of the amount of
time that's been allotted and the importance of the issues and
the amount of data that I have to share with you.

I would just like to acknowledge that I am going to be
followed by a group of outstanding public officials. We have
one of whom is not going to speak who is with us. Peter
Lawson, the gentleman seated behind me.

Commissioners, I would like to say that this is -- we
recognize -- still the start of a process, and that process is
going to continue as we provide information and data. Our
goal today is to make an impression, is to capture your
attention that there is a reason to be interested in the data
you're receiving about DFAS Cleveland and a reason to
reconsider what has been done here.

We have a slide presentation that I would like to invite
you to follow. Last week in St. Louis one of your fellow

commissioners said that part of the purpose of this process is to conduct a reality check of what has been done by the Department of Defense.

We welcome it because we believe that our analysis, as indicated in this slide, will show that the analysis that was done by the Joint Cross Services staff included inaccurate information, incomplete information, illogical recommendations and, indeed, the inconsistent application of the very criteria that they were tasked to apply. We believe there is one conclusion that's been compelled by that which is that the Cleveland DFAS center deserves to remain open.

Slide three. I would like to outline my presentation. As you know, there are eight criteria in the BRAC process, seven of eight determined not to be critical factors as to any of the bases. Criteria six, economic impacts are going to be addressed, in part, by written materials as well as by public officials.

My job here today is to talk to you about criteria one through four, the elements constituting military value, and criteria number five, the return on investment calculation.

I'd like to begin by saying it's a preliminary observation that this is the first time -- I'm sure that you know this -- that DFAS has been included in the BRAC process; but what we have found is that there are difficulties inherent in utilizing the process that was developed for closing

military bases as applied to accounting services. We ran into those problems; and we want to make sure that you are aware of them because we believe that when you take them into account, they compel a different conclusion.

Slide number four. With respect to military value, as you know, the Joint Cross Service Group focused on these six primary criteria that you see before you.

Slide five, please. We note that this analysis and the criteria that you just saw is most heavily weighted towards facilities, not people, not performance, not the quality of service and the capability to perform the mission. Yet as recently as September of 2004 in DFAS's own strategic plan, which I hold up here -- if this hasn't been, this will be included in the materials that we submit to you.

You will see the detailed steps that DFAS itself said were necessary to complete the strategic mission of DFAS; and out of these 30 pages, there are four lines dedicated to the facility criteria that are being used primarily by the BRAC process.

We suggest to you that some consideration of those critical factors that led to the performance of DFAS's strategic mission ought to be included in this process and should have been considered. Nevertheless, with today's purposes, my focus is going to be on utilizing the Joint Cross Service Group's criteria.

With respect to military value, we're going to focus on three metrics. The three metrics that are identified at the bottom of that slide. Security, unique process applications and operating costs.

Slide six, please. Before we do that, I need to identify a fundamental math error which we discovered in analyzing the data. What we discovered is that due to the improper scaling of the work force called metric, the military value for all 26 DFAS centers was miscalculated. We brought that mistake to the attention of the JCSG staff. They acknowledged their error and recalculated all the scores for all the DFAS centers as a result of our bringing that mistake to their attention.

As you see on this slide, the corrected values and ranking with that mistake remedy appears for the five major DFAS centers, which are going to be the focus of the rest of my comments.

Now, that correction increases Cleveland's base score from 587 to 633. It doesn't change the overall rank; but increasing that base score is important because, as you will see from my following comments, it's that base score when corrected for other errors results in the mathematics compelling the conclusion that Cleveland does not deserve to be closed based on the metrics that the Cross Services staff were supposed to utilize.

Slide seven, please. As you know, there are four criteria -- Ma'am, the next slide.

As you know, there are four criteria that make up the military value; and in those four criteria, there are twelve metrics. With respect to those twelve metrics, we are going to challenge only three of them. We only need to challenge three of the metrics. And the first metric that we -- if they are correctly applied, Cleveland's score changes; and we are reinstated.

The first metric that I would like to apply is the criteria one, attribute one, metric one, which is the security issue, whether or not we are located on a Department of Defense-owned installation.

Well, first, we believe that that criteria is one of those square paid round poll conditions that shouldn't be applied to DFAS at all, that shouldn't be applied to the accounting center; and from the Joint Cross Service Group's own recommendations, we know that they acknowledge this. The recommendations that they forwarded to you provided that the 435 non-DOD civilians who operate as an adjunct to the Cleveland DFAS Center would remain in place in a non-DOD facility.

I ask you, let's use logic, let's use that reality check. Do we really think that some potential terror threat is going to differentiate between civilian non-DOD employees

and civilian DOD employees in selecting a target? No, of course not. Which is why the Cross Services Group itself recommended relocating some 3,500 jobs from Cleveland and elsewhere to Indianapolis.

Is Indianapolis on a Department of Defense facility? No.

So the very analysis that's being used to say Cleveland should not stay open because it's not on a Department of Defense facility resulted in a conclusion we're going to move 3,500 jobs to someplace else where there's clearly no Department of Defense facility. It's illogical. It's inconsistent. It's unfair. With respect to chart seven, if we adjust for that metric -- and yeah, thank you -- if we adjust for that metric, you will find that Cleveland, if we remove any impact of it not being on a military base, rises to number three. It stays open, and that is what that slide shows you. You will have a copy of that slide in your package.

Utilizing the same rationale that let 3,500 jobs go to Indianapolis, if you use that and apply it to Cleveland, you take out the deleterious impact of it not being on a military base, Cleveland's number three. It stays open.

The next metric I would like to address is criteria one, attribute two, metric three, the existence of one-of-a-kind corporate process applications. In other words, is there something unique about this facility?

Well, when we delved into this, we found something that's even more troubling than the math error I mentioned, more troubling than the illogical inconsistency of how being on a secure base is acquired; and it was found in the way that this metric was calculated.

First, it's undisputed, no question. Cleveland has far and away more unique operations than any other center. It has 19 unduplicated process applications; but for some unstated reason, the scoring on this was done in a binary rather than a linear fashion. What that means is that if you had unique process applications, you got one point. If you had none, you got zero.

So Cleveland, who has 19, got the same score as Denver, who has five. We have four times as many unique applications, yet we've got the very same score unfairly, arbitrarily, undervalue, indeed undercutting one of Cleveland's strongest attributes. We don't know why.

And this is the only one metric that had a binary weighting and measurements attached to it. All the other metrics were you could quantify with numbers like these 19 process applications, use the linear so you get the full weight of how far ahead of the pack you are. For whatever reason, this analysis penalized Cleveland and completely undercut the value of this unique aspect of Cleveland's capabilities.

Adjusting for this, we'll call it an error. It's unexplained; it's inconsistent; it's arbitrary. If we adjust for this error alone, you will see that Cleveland's score, while it stays the same, the scores for each of the other four facilities go down because Cleveland has relatively more unique applications. That has impact in subsequent slides, as you'll see, because it's that -- those scores that determine the ultimate ranking.

May I have slide nine, please. The third metric that we are challenging is the operating costs metric. Of course operating costs are critical; but in this metric application, we find another incredibly unfair, inexplicable irony that's going to work against Cleveland.

You see this slide? What it shows you on the far left, those are the costs per square foot that the Joint Services Committee utilized. You'll see that Cleveland, far and away, is the highest at \$29.12 square foot fully loaded; and you'll see that Indianapolis, where 3,500 proposed jobs are headed, comes in as \$14.96.

You may ask yourself, well, who is Cleveland's landlord? Where are the costs going? Well, it's the Government Services Administration. It's the federal government whom we approached, of course, and asked if it was possible to reduce that rent, to negotiate it; and the answer was a stern no.

Well, now, who's the landlord in Indianapolis? Why,

it's the Government Services Administration. Same landlord. Costs in Cleveland are twice as high.

You're probably saying to yourself, well, that must be because the market rate in Cleveland, commercial real estate market in Cleveland must be much more expensive than it is in Indianapolis. Wrong. It's less, and we have demonstrated it's less. We went to an independent source.

You'll see these statistics in the second column. That is market costs that were developed from a nationally known commercial real estate firm who -- it's known as CB Richard Ellis. We took their data, and what did we find? Cleveland has the lowest commercial real estate costs in the real world.

Reality check. In the real world, Cleveland's costs are the lowest; and when we break that lease that we have with GSA, which we can do, we will be able to replicate the facility at a cost that's lower than any of our competitors.

Again, if you take that correction, and if you account for the fact that Cleveland has real estate costs as reflected by real-world commercial market data, Cleveland's rank moves up to number two based on that criteria alone, leaving the other things I mentioned out. On that criteria alone, we move up to number two based on real-world data, not based on inflated real estate costs which we don't know why we're paying; but we are paying.

The senator mentioned the fact that we have a viable

real estate option that we want put on the table. I don't have time to go into the details. Bottom line is supported by state and local government, media subsidized. We have an option on the table. We'll submit the materials that will give us a fully loaded \$14 a square foot new state-of-the-art facility, telecommunications infrastructure unparalleled and a location that would be completely secure. That's on slide ten.

When you calculate the cumulative effect of these three metrics -- that's slide ten -- Cleveland, if you look at all three metrics that we've calculated, is number one. We come out number one as the center most efficient, most cost-effective, deserving to stay open. And even if you stick with it's got to be on a military base -- that's what the third column is -- we're number two. We're number two.

So again, please, I implore you. Take a look at this, and you'll come to the conclusion for yourself.

Finally, I'd like to mention that we have a couple of other issues. I don't have the time to go into them. Congresswoman Tubbs Jones will talk about the fact that the look that was taken took no account of the skill, labor force that we have. It's a gross demographic. It didn't account for the county professionals that exist; and with respect to productivity and performance standards, that were not included in this process, again, this strategic plan.

BRAC has a metric. That metric is called the balanced scorecard. They use that scorecard to measure themselves. That wasn't considered in this process. It's available too. We implore you, please take that data. Look at Cleveland's BRAC performance, over and above all, these cost issues to you. Cleveland BRAC deserves to survive.

Finally, return on investment. There was, again, fundamental omission. I won't go through the numbers. We're out of time. Bottom line, with the proposals that came from the staff, there were 251,000 square feet of additional space needed in the three receiving centers, Denver Indianapolis, Columbus. Next slide. That cost works out to \$43 million in present dollars. \$52 million in fully inflated dollars that were not accounted for in the recommendation that was presented.

Finally, I'd just like to say -- we can go through the conclusion slides, but we don't have time. Whether you recalculate Cleveland's score based on BRAC's own criteria, the Joint Cross Service Group's own criteria in reasonable, rationale ways, as I have described, or you factor in the expertise of these people, their recognition as a center of excellence, their performance and measurable metrics that are available but were not used in this process, the Cleveland BRAC deserves -- the Cleveland DFAS Center deserves to remain open, to continue to fulfill the mission of serving our ladies

and gentlemen in the armed forces.

I'd like to thank you very much.

GENERAL NEWTON: Mr. Nance, thank you.

(Applause.)

GENERAL NEWTON: Congressman?

CONGRESSMAN LATOURETTE: Mr. Chairman, members of the commission, thank you for having us here. I think Fred did such a great job. And I'll move like lightning speed through my presentation if I will because I want my other colleagues to have a chance to talk.

I think Mr. Nance was exactly right; but for the first time, putting DFAS into the BRAC process is going to be an unlikely fit, putting them into three centers. Not only does it not make sense, but it looks like something like Lou Goldberg perhaps designed.

DOD, on the first slide, wants to spend \$382 million to realign the DFAS places around the country; and Cleveland is, as we mentioned, the granddaddy, opening in 1942. The one-time closing costs of Cleveland is \$129 million; and on the human cost, I think our senators talked about it, Cleveland stands to lose more jobs through the BRAC process than the entire State of New York where we sit here today and more net civilian jobs than Florida and California.

This DFAS system has a history. On the next slide. A decade ago, over the objections of the United States Congress,

DOD decided to open 20 more smaller offices. I think one of them has been referenced here today. It is almost like -- sorry, something bad happened in BRAC 1995; so why don't you take one of these DFAS sites and open up 20 sites across the country at a taxpayer's cost of \$173 million. Now they want in the BRAC process to close them all down but three at a cost of \$159 million.

On the next slide we reference the GAO reports that indicated these centers were not needed, but DOD went ahead with that in the face regardless.

On the next slide, as Fred mentioned, the Cleveland DFAS handles more payroll functions than any other DFAS center and, as a matter of fact, did such a great job, all Reserve functions were transferred to DFAS Cleveland in July of 2004.

The question may be asked in the next slide, why not consolidate the military payroll functions in Cleveland because they already do eight of the twelve? And on the next slide we see a chart.

General, when you visited Cleveland, you were kind enough to ask what makes Cleveland DFAS unique? Anyone who receives child support payments, other payments conducted through a check, those are only done through the city of Cleveland. One of the two call centers in the country for people with problems is located in Cleveland; and as a matter of fact, the President of the United States and the Secretary

of Defense receive their paycheck cut in Cleveland.

On the next slide under the proposals now under consideration for these three megacenters, one of the things that doesn't make sense is the DOD says it's going to spend \$34 million to put jobs in Columbus, about 1,750. They are going to spend \$39.5 million to put 1,500 jobs in Denver, but they say they can have 3,500 jobs in Indianapolis at a cost of \$3.89 million. Now that is a math error that doesn't make sense.

If you look at the internal BRAC documents on the next page, and you look at what GSA say they have in the available space, they currently only have 99,000 additional usable square feet. The current employees in Indianapolis now already occupy a million. They are now saying they can put 3,500 new employees in 99,000 square feet when their current work force of 2,000 occupies a million square feet; and again, the cost of rehabbing that facility is only listed at \$2.89 million. Again, when you look at how they're going to accomplish it, I think this is pretty struggling.

On the last page of the last slide in the last paragraph it says it will accomplish this by overtime and/or additional shifts; and specifically, additional capacity, space and equipment will not be required in Indianapolis. This is clearly -- on the next slide -- a confusing plan, and it just doesn't happen with the jobs going from Cleveland to Columbus

or something else.

Up to 55% of the jobs from Columbus, first of all, go to Denver; and 25% of the jobs in Denver go to Columbus or Indianapolis. Then 30% of the commercial pay folks in Columbus go to Indianapolis. 10% in Indianapolis go to Columbus. If you look at the next slide, which is a map of the United States, if I hit the button again, you will see the weird dynamics of what happens on these 26 stations that lose \$156 million a year.

Just some specifics because I know you heard from my friends from New York earlier about Rome, three centers in particular aside from Cleveland, in this proposal, they want to spend \$9.2 million to close Norfolk. The savings would only be \$9,000 a year in 2006. They want to spend \$7 million to close Rock Island, Illinois. The savings in fiscal year 2006 is \$19,000. The Rome, New York, testimony you heard earlier just underwent a \$10 million renovation; and no savings are expected under this plan in fiscal year 2006, 2007 or 2008.

We respectfully suggest that this proposal, putting DFAS in BRAC, is not a good choice; and we hope you'll look at it.

Thank you.

(Applause.)

GENERAL NEWTON: Thank you, Congressman. That was the fastest testimony I think I can handle. Thank you very much.

CONGRESSMAN LATOURETTE: If I could before, Commissioner. In two things when you're in Cleveland -- we have a memo on GSA on the true square footage. I'd like to submit for the record. It's not 29 bucks. It's 19. And also you ask about metric standards. I have for April and May how DFAS Cleveland did.

GENERAL NEWTON: We'd love to have that for the record. Sir?

CONGRESSMAN KUCINICH: I thank the commission, for this opportunity to testify. I'm going to, with your permission, yield the first one minute of my five to the Mayor of the City of Cleveland, The Honorable Jane Campbell.

MAYOR CAMPBELL: Thank you very much, Chairman Principi. General Newton, it's good to see you again.

As Congressman LaTourette stated, it was nearly a year ago that DFAS announced it was going to consolidate its reservist base in Cleveland because there had been problems in Denver and in Indianapolis. Here we are a year later talking about closing Cleveland and moving that activity to Denver, Indianapolis and Columbus.

It seems as if we are in a state of confusion. In addition to the Reserve and Guard pay, Cleveland DFAS handles, as you saw, eight out of twelve military functions.

This is a facility that is able to deal with very unique activities. You saw from the chart that we are the only place

that can deal with garnishments, with child support orders; and those are continuing to be a critical part of our functions.

Finally, this is a country at war; and at that point we have an absolute responsibility to make sure that the men and women in uniform have, at the very least, reliable pay. Right, accurate and on time. Through this process --

(Applause.)

Through this process you can see the Cleveland DFAS does accomplish the mission. We can accomplish it on time, and we are dedicated to our men and women in service and to the men and women who serve us through DFAS. Thank you.

GENERAL NEWTON: Mayor, thank you very much.

(Applause.)

CONGRESSMAN KUCINICH: Thank you. Thank you, commission.

The BRAC closure list has inappropriately targeted the Cleveland area with over 1,100 job cuts. The relocation of the Cleveland DFAS office and the relocation of the Army Research Laboratory and NASA Glenn Research Center both fail to satisfy BRAC's criteria for these relocations. DFAS in Cleveland is scheduled to lose 1,028 jobs, 175 jobs being spared, I might add, to protect the recent Lockheed Martin A-76 privatization.

It should become obvious that the Secretary deviated

substantially from the fore structured plan and/or criteria selection in two areas. First, the Department of Defense erroneously ranks the military value of the DFAS low; and second, states that a 0.1% job loss in the Cleveland SMSA has minimal economic impact.

Representative LaTourette on another occasion offered a viable alternative which would move Cleveland DFAS office, DFAS facility outside of downtown Cleveland. The DFAS technical service operations are already in place there if we needed another solution.

My staff has uncovered BRAC draft documents from the Pentagon's BRAC recommendation process that reveal new information about this move.

And to understand its significance, let me provide some background. The process by which they judge each facility is primarily based on eight criteria. Mr. Nance went over that pretty thoroughly.

The first four known as military value. Military value has a larger impact on selection process than any other criteria. Cleveland DFAS is currently ranked 12th out 26 DFAS sites on military value because the three sites that retained their DFAS facility.

In recent draft documents -- for example, the DFAS BRAC site was rated at sixth highest in terms of military value. This compares to Denver third; Columbus ninth; Indianapolis

ranked as 12th and Downtown Cleveland at 13th. Therefore, these documents prove that we have a site even in the area.

You know, accepting all of the things that have been said by the previous people who testified, we still have an alternative within Erie that proves that even the alternative site ranks higher in military value than other sites that have been put up in other states. The Pentagon omitted this information in its final report.

The Department of Defense also failed to take into account the current economic position in the Cleveland area. Cleveland has been labeled as the poorest city in the country today. It's poverty rate, 31.3%, is the highest in the nation according to the most recent Census Bureau data for 2003.

Cleveland's number one ranking and poverty rate results from significant job losses in steel and manufacturing industries over the past several decades. The job losses continue. For example, The current 2006 budget recently passed by Congress which slashed up to another 700 high-paying jobs at NASA Glenn. A 0.1% job loss for Cleveland is far more damaging than such a loss in another city with a better economic base.

The three cities scheduled to gain additional jobs from Cleveland's BRAC process have poverty rates that are a half to a third of Cleveland. The Pentagon failed to consider the impact of job losses in its final analysis. And for that

reason alone, I would request the BRAC Commission to reverse the DFAS job losses it in the area.

I strongly oppose the BRAC recommendation to relocate the Army Research Laboratory at the NASA Glenn Research Center. It houses the vehicle technology directorate that provides technologies to enable the Army to develop a fuel-efficient light-weight propulsion systems for air and ground. This is research that makes our Army more efficient.

The Army's decision to co-locate this mission with NASA 35 years ago is based on two major considerations. First, the research and test facilities necessary to conduct the propulsion mission were already in existence, so it's not necessary for the Army to expend up to a billion dollars developing a new aviation laboratory.

Second, scientific and engineering expertise already in place at Glenn would enable the Army to conduct a mission with a small complement of people and affect the mission performed by 50 Army positions at Glenn is actually executed by up to -- by up to 200 people. It's executed by 200 people. This leverages limited taxpayer dollars to produce great research for the Army. NASA pays all costs for scientific equipment and utilities. The only cost for the Army is salaries. So there's a fundamental flaw in this BRAC.

The NASA Glenn Research Center owns nine major scientific facilities and instruments not at the Aberdeen

Proving Ground. These facilities will not be transferred.

I'm going to stress this to the BRAC, to the commission.

The Army researchers use these facilities on a daily basis and would cost the Army at least \$250 million to replicate these facilities. Additional -- and I'll submit for the record -- in the interest of time, I'll submit for the record a list of facilities. Additional requirements for supporting facilities include power, cooling water, high-pressure air supply as well as all of the data acquisition and computational capabilities essential to the propulsion mission.

This will drive up -- this BRAC will drive up the transition costs as nothing else has; and the price tag of \$250 million does not include moving or reproducing the Icing Research Tunnel.

Imagine, members of the commission, one single BRAC error costing more than \$250 million, and I call this an error.

It appears the Army expects the researchers to move to Aberdeen and travel back to Cleveland to use the facility. It's estimated the researchers are actively using the test equipment 30% of the time. This is a very expensive commute we're talking about because the travel costs are not accounted for in the BRAC.

In conclusion, DFAS Cleveland is not broken. NASA Glenn

is not broken. The BRAC is broken, and it needs to be fixed.

Thank you.

(Applause.)

GENERAL NEWTON: Congressman, thank you. Congresswoman?

CONGRESSWOMAN TUBBS-JONES: Thank you. Chairman Principi, General Sue Turner, former Congressman Bilbray and General Lloyd "Fig" Newton, good afternoon; and I'm glad to be the closer on the Cleveland side.

I want to thank General Newton for his time and attendance at our site visit just last week and for his attention to our proposals. Let me also recognize councilman -- my councilman, Kevin Cornwell from the City of Cleveland who is seated in the audience. I appreciate the opportunity to be here with my friend Fred Nance, Cleveland Partnership and colleagues LaTourette and Kucinich and my mayor, Mayor Campbell.

Mr. Nance has already provided a good case for reversing this recommendation based exclusively on military value and ROI findings, but the real economic impact of this recommendation has not been saved. Simply stated, it's about people and performance as well as service to the military.

The BRAC criteria are designed to measure and compare military installations. They are about facilities, air bases, submarines. They cannot measure human performance and service. Yet in DFAS, that is the very essence of military

value.

We're talking about paying our military personnel and managing the accounting functions of our armed services. Is this military value? Of course. The last thing we want to do is create disruptions in the excellent service that Cleveland DFAS provides, especially at a time of war.

Let's look at slide one. Let's look at the real economic impact of this so-called realignment. While the recommendations are focused on the realignment of 1,028 jobs in Cleveland, the real impact is 2,026 jobs. For each lost DFAS job, another worker in a related industry will lose his or her related job. The real impact on our gross regional product is an astounding \$157 million. It is also a loss of \$92 million in personal income, almost \$74 million in disposable personal income, \$15.5 million in state revenue, and almost \$7 million in local revenue.

Keep in mind that this loss would be an additional blow to our metropolitan area, having the highest poverty rate in the country. But that is just half the story. And if we stop at this point, we would be looking at our glass half empty. The truth is that Cleveland is a glass not just full but overflowing. Of all the DFAS locations, Cleveland is head and shoulders above all the others in available work force. It is rich in terms of the available work force for the specific kinds of workers needed, for the kinds of work done at DFAS.

DOD looked at total work force, which does not provide an accurate measurement.

This chart shows that in the four most applicable professions, financial managers, accountant auditors, financial analysts and other financial specialists, Cleveland outpaces Kansas City, Indianapolis, Denver and Columbus. This should be no surprise to any of us. Cleveland is, after all -- this is something special -- one of our country's premiere financial services centers. Not only are we well prepared for the current workload, this state provides we could easily accept more work.

Let's look at slide three. The materials I have provided contain much more data about our work force and economy. I urge you to study these materials; and you will learn that we have a diverse, talented and dedicated work force; and some of them are seated out in the audience today.

More than 90% of our DFAS workers have more than five years on the job, and the median time on the job is 17 years.

This depth of experience and commitment is not easily replicated. Three out of four of our workers have been with DFAS since 1994.

It is folly to think DFAS workers would simply follow the jobs. These are not in the enlisted military people. Their lives are in Cleveland, and the great majority of them will not move. This creates another problem for these

talented people, for Cleveland, and it also creates a problem for DFAS.

Finding qualified workers to step into those jobs that would move is not a simple task. What will most certainly result as a disruption of service, a serious situation but even more so in a time of war. We cannot afford this risk.

I want to thank you for the opportunity to present our case. We urge to you keep open Cleveland DFAS. They have -- excuse me. They have done the job; and it is because of their excellent track record of service, the quality of our work force and because of the critical importance of the DFAS operation to the Greater Cleveland economy that makes us the best place to continue to work.

We want to thank you for the opportunity to present. We urge you to keep us open because we have the track record of a quality work force and because it's of critical importance to the Greater Cleveland economy.

I also want you to know that we have additional work force available and prepared; and if you decide not to close, you might even expand Cleveland DFAS. I thank you for the time.

(Applause.)

GENERAL NEWTON: Thank you, Congresswoman. Any comments from my colleagues?

Thank you very, very much. If you have no further

comments, we will move to the next panel. We want to say thanks to Cleveland.

I think next we are looking for the Defense Supply Center from Columbus.

Governor, we'd like to invite you to the table as well, sir. Thank you very much. Congressman Hobson. We're all set? Very good. Please proceed.

Mr. MARSH: Mr. Chairman, members of the commission, my name is Ty Marsh; and I'm president and CEO of the Greater Columbus Chamber of Commerce. The membership organization's mission is to lead and support economic growth and development in the Greater Columbus region.

I'm here to make the presentation supporting the defense supply center of Columbus. Obviously our community is very pleased with the recommendations the Department of Defense has made regarding our installation. We believe the Department of Defense's analysis and conclusions regarding DSCC validate what we have done for many years.

The installation provides a strong military value for the warfighter; it provides economic value to the taxpayer; and it provides an infrastructure that affords top-notch security protections for our outstanding work force.

The facts about the DSCC are hard to ignore. It is a modern installation. More than 87% of its employees work in an infrastructure that was constructed in the past 15 years.

This modern infrastructure produces low operating costs. Consequently, the Department of Defense ranked DSCC as the Defense Logistics Agency's number one inventory control point in military value. Likewise, the Defense Planning and Accounting Service ranked the installation seventh out of 26 facilities in military values. Two of the DSCC's attributes are designed by DOD, and its operating costs are divided by the 22 missions located at the installation.

By being on -- by the Department of Defense, improving our changes to infrastructure can be made rapidly to meet the needs of the installation's missions. For example, when the security of DOD employees recently became a concern after September 11, DSCC was able to improve its base security by quickly installing a cable reinforced defense line and the serpentine entrance to the installation.

The location of 22 agencies at DSCC not only benefits the Department of Defense financially but also makes sense organizationally. Several of the missions located at the DSCC, such as DLA, DFAS, DISA and Defense Contract Management Agency have interrelated missions. They focus on negotiation, formation, payment, and enforcement of contracts. It just makes sense to have them located at the same location.

Just two final points. The first, because of its military value, modern infrastructure, and convenient location virtually based adjacent for our principle airport, DSCC is

the ideal location for additional missions.

Finally, the Department of Defense recommends DSCC receive additional jobs, yet according to the data submitted by the Supplies and Storage Joint Cross Service Group, DSCC could receive immediately between 900 and 1,000 additional jobs beyond the ones that DOD has recommended to come to this facility. In its continuing deliberations, the commission determines the need for additional realignment. Our installation stands ready to receive a new mission.

My second and final point is that we recognized that once the BRAC process comes to a conclusion later this year, the Columbus community has much to do to support the DOD's recommendations for DSCC.

While the metropolitan area clearly has the capacity to fill the jobs, we want to reach out to DOD employees and to Columbus for their employment and do everything we can do make their transition to our community a smooth and as seamless as possible.

Mr. Chairman and members of the commission, on behalf of the Columbus community, I thank you for the opportunity to address the commission; and I would now turn it over to our congressman, Congressman Hobson.

REPRESENTATIVE HOBSON: Thank you, Mr. Chairman. I'm going to submit my statement for the record. I wanted to say a couple of things in support of DSCC. It's actually not in

Columbus. It's right up to the airport. What we've tried to do with this facility is similar to BRAC.

We have now a combined-use facility. When you go there, you'll see hopefully when you come up, Mr. Principi, when we put the first shovel in the ground, you'll see the VA Center on that part of the ground which has already transferred to that ground. You'll see the Army Guard going in the very large facility on the site; and then you'll see the DSCC huge office buildings and other complex there.

What we've tried to do is bring this together as a multi-purpose facility. The people there have done a very fine job with the work that they do in there, and it can be very receptive. We receive from other places. We certainly don't want to hurt them; but we want to do the best job we can, having a multi-purpose facility, which I think falls within the BRAC.

We thank you very much, and hopefully you will look at this site with favor.

GENERAL NEWTON: Congressman, thank you very much. Governor?

GOVERNOR TAFT: Thank you very much, General Newton. I want to thank you for coming to Ohio last week, and I want to thank you and your fellow commissioners for your service to our country by participating on this commission.

Today you have heard that Ohio is focused on military

value. We are focused also especially on the first BRAC principle to attract and retain personnel who are highly skilled and educated. We have respectfully concluded that the DOD's statute deviated from this BRAC criteria by not considering the exceptional staffing levels at our Air National Guard facilities.

The Ohio Air National Guard is the top safeguard in the nation with respect to recruiting and retention. The manning at Springfield is 109% and at Mansfield, 105%. No other F-16 unit or C-130 unit matches those numbers. The DOD substantially deviated by not considering this fact.

How could it be possible that the number one units in their class for recruiting and retention be recommended for closure or realignment when other units that are significantly below 100% strength are slated to grow?

The BRAC statute requires the Secretary to consider all military installations inside the United States as equal, yet the Air Guard station at Mansfield was not considered in this manner. Cost figures were not developed for expansion even though Mansfield has yet heard it's capable of supporting an increase to twelve C-130s on existing land plus it has adjacent pavement available for \$1 lease. The bottom line is that Mansfield can expand for less money than the cost to close.

In addition, homeland security was not adequately

addressed by the Air Force with respect to the C-130s at Mansfield. Ohio has six of the 120 critical cities defined by the Nunn-Lugar-Domenici Preparedness Program. The Mansfield base is critical to Ohio for crisis support, for supplies and evacuation; and from a federal standpoint is ideally located to respond to not just our critical cities but all other cities across the eastern seaboard.

Unlike Little Rock, Mansfield is within a one hour flight of more than one half of the U.S. population. Housing a vault of C-130s in one location does not make sense for homeland security.

In addition to overlooking the high level of manning in Springfield, the Air Force substantially deviated from the BRAC criteria by collecting data on Springfield but then evaluating the 178 as an operational unit. As a result, the Air Force based its decision, as you have heard, on inaccurate information about the capacity of Springfield's ramps and operations.

With regard to Cleveland DFAS, I express my strong support for Fred Nance's comments on behalf of the Cleveland community. The fact that the GSA charges above market rentals from Cleveland should not be counted against Cleveland DFAS operations.

And as General Newton learned during your visit to our state, the State of Ohio has a strong partner in the

alternative proposal to provide a secure, stand-alone, expandable, cost-competitive facility for DFAS operations in Cleveland.

Cleveland DFAS has been recognized repeatedly as a superior operation with excellent customer service and that too should be considered, especially with respect to a civilian work force that has limited mobility.

The performance of the Cleveland DFAS team was validated by the decision last year to transfer Reserve and Guard payroll operations to Cleveland and by the successful implementation of the 19 unique unduplicated applications to which Fred Nance alluded.

I also wish to call your attention to the recommendation to remove the Army vehicle technology directorate from the NASA Glenn Research Center in Cleveland. These 50 scientific and support positions have been at NASA Glenn since 1970, taking advantage of NASA facilities and expertise in air propulsion and power for fixed and limited wings systems.

The cost to duplicate facilities, as Congressman Kucinich pointed out, at another location would be prohibitive; and the loss of expertise would be substantial. Many of the civilian Army experts would not move, and the Army would lose the benefit of working with its national partners.

With regard to DFAS Dayton, I endorse the comments of Mayor Smith and Congressman Hobson in terms of the efficiency

of the close proximity to their prime customers at Wright-Patterson Air Force Base should be self-evident.

In support of the comments of Mr. Marsh and Congressman Hobson, I have had the opportunity to visit and tour -- excuse me -- to visit and tour the Defense Supply Center in Columbus and have personally observed the outstanding quality of the work force and the modern, efficient facilities available at that location.

I want to add my enthusiastic support for the mission realignments to Wright-Patterson Air Force Base. Ohio is a leader in the field of medical research. One out of every four clinical trials in the country is performed in Ohio. We have 17 of America's best hospitals, and the aerospace medicine program at Wright State University in Dayton is the oldest and finest in the nation and has been continuously funded by NASA for more than 25 years.

I too am deeply concerned about the proposed realignment of the computer-based business management systems from Wright-Patterson to Hanscom. This is a military value issue.

The work is incorrectly characterized as C4ISR. It is simply business management activity and should be located in proximity to the business process owners who will remain at Wright-Patterson.

Finally, I want to point out a small but important issue with respect to the Joint Systems Manufacturing Center at

Lima, known to many as the Lima Tank Plant. The Army in the data call found excess capacity at Lima; but since the data call, situation at Lima has changed. Lima was awarded all manufacturing for the expeditionary fighting vehicle and a new set Abrams tanks, pushing capacity to about 100%.

Please investigate this situation. I believe the Army would agree with the decision to reverse realignment recommendation in that case.

Ohio is proud of the fact that we deliver outstanding military value to the Department of Defense, and we ask that you fully consider the official information that we have presented to you today. Thank you for your commitments to our country and to a stronger, more effective military.

GENERAL NEWTON: Governor, thank you very much. We want to thank you, Senator DeWine and the entire congressional delegation for presenting your testimony here today; and we certainly want to thank the university for providing the facilities for which were so helpful in us achieving this next step in the BRAC process.

Mr. Chairman, do you have any comments?

CHAIRMAN PRINCIPI: I have to thank the Governor, thank the delegation.

GENERAL NEWTON: Ladies and gentlemen this hearing is adjourned.

[Whereupon, at 5:11 p.m., the hearing was adjourned.]