

2005 BRAC COMMISSION REGIONAL HEARING

THURSDAY, JULY 14, 2005

1:00 PM (PCT)

WESTCHESTER HIGH SCHOOL

LOS ANGELES, CALIFORNIA

STATES TESTIFYING:

CALIFORNIA AND GUAM

COMMISSIONERS:

JAMES H. BILBRAY, PRESIDING

HON. ANTHONY J. PRINCIPI

PHILIP E. COYLE

BRIGADIER GENERAL SUE TURNER USAF-RET.

ALSO PRESENT:

RUMU SAKAR, ASSOCIATE GENERAL COUNSEL

PRESIDING COMMISSIONER:

JAMES H. BILBRAY

THE COMMISSION MET, PURSUANT TO
NOTICE AT 12:59 P.M., JAMES H. BILBRAY,
CHAIRMAN, PRESIDING.

P R O C E E D I N G S

MR. BILBRAY: I'm James Bilbray,
and I will be the chairperson for this regional
hearing of the Defense Base Closure and
Realignment Commission.

I'm also pleased to be joined by my
fellow commissioners, chairman Philip Coyle, Sue
Turner and our Chairman, the Honorable Anthony
Principi, for today's session.

As this commission observed in our
first hearing, every dollar consumed in redundant,
unnecessary, obsolete, inappropriately designed or
located infrastructure is a dollar not available
to provide the training that might save a marine's
life, purchase the munitions to win a soldier's
firefight, or fund advances that could ensure
continued dominance of the air or the seas.

The congress entrusts 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 the limited resources.

Congress recognized that fact when it 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 accepted the challenge, and necessity, of providing an independent, fair, and equitable assessment and evaluation of the department of defense's proposals and the data and methodology used to develop that proposal.

We committed to the congress, to the president, and to the American people that our deliberations and decisions 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 manning and for homeland security.

But be assured, we are not

conducting this review as an exercise in sterile cost accounting.

The commission is committed to conducting a clear-eyed reality check 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 communities affected by the BRAC proposals would have, through our site visits and public hearings, a chance to provide us with direct input on the substance of the proposals and the methodology and assumptions behind them.

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 the commission must complete its mission.

But we want everyone to know, the public inputs we receive are appreciated and taken into consideration as a part of our review process.

And while everyone in this room will not have an opportunity to speak, every piece of correspondence received by the commission will be made part of our permanent public record, as appropriate.

Today we'll hear testimony from the State of California and Guam. Each delegation has been allotted a block of time determined by the overall impact of the Department of Defense's closure and realignment recommendations on their states.

The delegation members have worked closely with the communities to develop agendas that I am certain that will provide information and insight that will make up a valuable part of our review.

We would greatly appreciate it if those who are testifying would keep to their time. We have a commitment at 4:00 o'clock for this

commission to end this meeting, and many of the commissioners have plane reservations and other methods of transportation to other hearings and other visits and sites.

We have over 180 sites that are a priority for us to look at, and we only have nine members, so they must get on to their business.

So if any of you who are testifying take more than your allotted time -- and we have a clock over here that will tell you -- you are taking somebody else's time.

And I know as a former member of congress, I know how you can be inclined to keep talking and talking and talking and talking.

So hopefully when you see the time is up, you'll conclude your testimony, and let the next person get up.

I would also like to thank Governor Schwarzenegger and his staff for the help they've given us on setting this up, and Senator Feinstein and her staff did a remarkable job in helping us.

At this time, I am waiting for the next panel to come forward, if they would. And I know the governor is running a few minutes late, but we'll swear you and the other panelists that

are present.

If anybody here is in the next panels, if they would come forward to be sworn, I would ask all panelists to come forward to be sworn, and our federal officer designated by statute are required to have you sworn, as that's required by federal law, and at this time our federal officer will swear you.

You'll raise your right hand.

(Panel rises.)

MS. SARKAR: Would all members of the California delegation scheduled to testify please raise your right hand.

Do you swear or affirm that the testimony you are about to give, and any evidence you may provide, are complete and accurate to the best of your knowledge and belief, so help you God?

VOICES: I do.

MR. BILBRAY: At this time we are going to allot 15 minutes to this first panel, and if you would, Mr. Panetta, usually the governor would take the lead, but I'll ask you to take the lead and allot the time and proceed with your testimony.

MR. PANETTA: Mr. Chairman, the governor will be here momentarily, as we understand it, so I am going to yield to Donna Tuttle, my co-chair, to begin the testimony.

MR. BILBRAY: Thank you.

MS. TUTTLE: Thank you, Mr. Chairman, and members of the committee and the council.

Good afternoon, and thank you for conducting this meeting here in Los Angeles.

As you know, the defense department has a significant military presence in the State of California, and it's our position that such a presence is justified, especially when considering the future needs of our military forces.

I want to take a moment and go into some specific examples of why California is so well suited to meet the needs of our defense forces.

California possesses irreplaceable combinations of sea, air and land ranges and training sites which provides synergy for training for all the armed services and joint operations at any time of the year.

Nowhere else in the continental

United States can joint air, land and sea operations be conducted so seamlessly.

California's unique combination of massive unencroached sea, air and land masses provide test and operating areas of the highest efficiency and potential to military planners nationwide.

Missiles launched from offshore deep water operating areas over fly California and impact ranges throughout the southwest defense complex, all the while being tracked and monitored continuously from facilities in California.

The largest restricted airspace in the continental United States overlays California realty.

The large land masses of China Lake Air Force Base, Edwards Air Force Base, and the national training center at Fort Irwin combine to create a real-time training environment, which when combined with the offshore operating areas of California coastline, provide every element of training, whether individually or jointly, for all the armed services.

The emerging emphasis on joint training and operational activities requires these

large restricted training spaces to be co-located and contiguous.

This is exactly the footprint and landscape in California where access to the inland ranges is unimpeded from the offshore operating areas.

As an example, the mountain warfare training center, located near Bridgeport, has been home to joint training for special operations, marines and army forces for many years.

The national training center at Fort Irwin and comparable facilities at Fort Hunter Liggett and Camp Roberts ensure that deploying troops are trained and operational in the latest battlefield tactics, regardless of climate or terrain.

California's historical leadership developing and testing new weaponry has been continuous and unmatched since world war II.

These facilities, China Lake Naval Weapons Testing Center, Naval Base Ventura County, Edwards Air Force Base, Vandenberg Air Force Base, all contribute to our recognized leadership in weapons technology.

The military infrastructure in

California has been built up over several generations.

Prior rounds of base closures have ensured that all excess has been removed previously.

What is left in California is now exactly what the military needs to meet reemerging threats and develop new weaponry, tactics and proficiencies to meet these threats.

The efficiencies that emanate from the co-location of China Lake naval weapons station and Edwards Air Force Base, for instance, are not found anywhere else in the country.

So also the combination of training operations and technical support that resides in the San Diego metro area and nearby air operating areas which enable naval aviators and surface fleets to train in the most realistic environment available at the highest efficiencies possible.

To capture some of the jargon, most of the operational and training naval air sorties throughout California are flown on one tank of gas.

It is exactly this combination of superlative physical assets, human resources and

educational institutions, when combined with generations of leadership by the state's defense industries, that makes our current military facilities so valuable to national strategists.

Finally, as a result of this continuum of excellence in operations and training, and the technological developments as a result of the challenges faced by California's intellectual network during World Wars I, II, Korea, Vietnam, and the current conflicts, there is resident throughout all these military facilities a cohort of superbly trained, heavily experienced professionals who know military technology.

The expertise and the leadership that comes out of the systems missile command right here in our backyard at the L.A. Air Force Base, and the academic leadership and program management produced at the naval postgraduate school, Monterey, have resulted in America's continuing leadership in critical fields of military aerospace technology and all aspects of future force projection.

It is for these specific reasons, and the reason that California simply provides the

most amenable climate, challenging geography, multilink-faceted topography, and legions of trained experts, that the training and operational facilities here are the best in the world, and the most capably suited to meet the needs of the future for fighting forces for generations to come.

Thank you very much for that time.

MR. BILBRAY: Thank you, Donna.

Governor, if you are ready to testify, under BRAC law we have to swear the witnesses in, so you'll have to take the oath, and our federal officer will give that to you.

MR. SCHWARZENEGGER: My pleasure.

MS. SARKAR: Would you please stand and raise your right hand.

(Governor Schwarzenegger rises.)

MS. SARKAR: Do you swear or affirm that the testimony you are about to give, and any evidence you may provide, are complete and accurate to the best of your knowledge and belief, so help you God?

MR. SCHWARZENEGGER: I do.

MR. BILBRAY: Please proceed, governor.

MR. SCHWARZENEGGER: First of all, thank you very much. I'm very happy to participate in this hearing today, and I want to thank the members of the BRAC commission for coming to our state and giving us the opportunity to talk with you about the military significance of our bases here in California.

I would also like to thank everyone here today, including those speaking on behalf of their base communities.

And, of course, everyone who has worked so hard for California throughout the BRAC process, including Leon Panetta, and also Donna Tuttle, and the members of my California Council on base support.

And the members of our California congressional delegation, and all the other state and local officials who have come together as a bipartisan, unified team to make it clear what California's military bases mean for our nation.

This is what we set out to do from the start, to bring all the parties together in this effort.

And our California council did a tremendous job under the leadership of Leon

Panetta and Donna Tuttle, and I want to thank them both for their hard work.

MS. TUTTLE: Thank you.

MR. SCHWARZENEGGER: One important product that the council has developed was a comprehensive report on all California bases and their military value to the nation.

And I would like to ask the commission to accept this report as part of my testimony today.

MR. BILBRAY: Without objection, so granted.

MR. SCHWARZENEGGER: Thank you.

The BRAC list from the department of defense is good news for California and the country, and it shows that Washington understands what we have known all along, that our bases have unique advantages that make them essential to our national defense and homeland security.

I can tell you, this is something that I've learned over the years visiting our bases here and around the world.

I have met with our troops at places like Camp Pendleton and Fort Irwin, and

learned about how they train for combat in realistic conditions right here in California that cannot be duplicated anywhere else.

And I have also met with our troops in faraway places like Kuwait and Iraq, and I've learned how they have used their training that they've gotten right here in California to defend America.

I have also visited installations like Los Angeles Air Force Base, where brilliant minds develop the famous global positioning system, or G.P.S.

And where today they continue to develop leading-edge technology, including the satellite technology, that is absolutely critical to our national security.

And throughout our state, I have seen a military infrastructure uniquely positioned to accommodate joint operations, to surge forces rapidly and effectively, and to further the transformation of our nation's military, so we can master new capabilities and meet new threats.

So we are obviously very proud of the strategic advantages in California that keeps us at the tip of the spear of our nation's

military capability.

Now, I know that one topic that always comes up as part of the BRAC process is economic impact.

And as governor, it's my job to always consider the effect of any action on our economy.

And certainly our state's economy has taken big hits after previous BRAC rounds, when California absorbed 30 percent of all base closure and realignments nationwide.

But today, even though we don't want to lose a single job, and of course no state does, we are pleased that the impact of the current plan on our economy is far less than it has been in the past.

We also know that in any event, there is a larger purpose to be served by the BRAC process, especially since post 9-11 world, and that is the security and the future military capability of our nation.

And in fact, we have believed from the start that the criteria established for this BRAC round emphasizes more than ever why we need the bases, the training and the technology

that California provides, and also the ability to take full advantage of California's proximity in the Asia-Pacific theater, where so many of our future threats and strategic challenges are located.

What we know today, and what the defense department has recognized is this: That for the good of our national security, the bases that are here should stay here.

I also want to say that we appreciate the difficult job your commission has over the next several weeks.

And you have a lot to consider and many tough decisions to make. And I'm sure that you are hearing strong testimony everywhere across the country.

So we, of course, are no different. We feel strongly about our bases, and I know that today you will also hear from some of the base communities that do not agree with the Defense Department's military assessment.

I urge you to listen to them and to give their arguments serious consideration.

Thank you again for giving us this opportunity, and I look forward to continuing the

dialogue with you and our leaders in Washington throughout the remainder of the BRAC process.

Thank you very much for listening.

MR. BILBRAY: Thank you, governor.

Mr. Panetta?

MR. PANETTA: Thank you very much.

Mr. Chairman, members of the commission, we welcome you to California.

I'm particularly pleased to see my former colleague Jim Bilbray here, Phil Coyle, as well as General Turner and, of course, Chairman Principi.

Anytime there is a chairman who is an Italian-American, I feel a little more comfortable speaking.

I would ask that my statement be part of the record. Let me just summarize the key points.

MR. BILBRAY: So ordered.

MR. PANETTA: I want to thank all of you for your service to the nation. I know the time commitment that's involved here.

Through four BRAC rounds, I went through all four of them as member of congress as director of the office of management

and budget, and then as chief of staff to the president, so I know the challenges that you face and the time it takes.

But I know that you will determine what is in the best interest of our national defense.

Let me just make these points: Number 1, considering what California has been through in the past, I think it's fair to say, with a few exceptions, we generally are satisfied with the BRAC recommendations and the confidence of the secretary in our military assets.

We had 12 bases that were closed, that are recommended to be closed, 12 that we'll gain and 12 that will be realigned.

And while we will lose about 2,000 jobs, the fact is we think it's a pretty good balance.

Secondly, for the first time California has a unified approach dealing with BRAC

We have been through past BRAC rounds, frankly, we were not unified, and thanks to the governor, he established our council for

base support and retention.

We have 11 senior flag officers that were on it, along with eight executives who were familiar with the budget and with defense, and they all made a tremendous contribution in terms of being able to look at our military assets, and would urge you to read the report.

That report helped unify our delegation. It unified the legislature. It unified our communities in support of our military assets.

Third, as we pointed out here, we have unique military assets that very frankly cannot be replicated anywhere else in the country.

Crucial assets in training and testing and joint operations in intellectual and technological and industrial capacity, and most importantly, we can project our strength not only into the Pacific, where threats are going to occur in the future, but to the rest of the world.

Lastly, we did contribute about 30 percent of the base closures in the last four BRAC rounds happened in California, and we lost about 100,000 jobs.

The largest of which is in my own

district, Fort Ord, when it was closed. So as tough as that has been, as tough as that has been, I can say that we largely have, as a result of that, eliminated a lot of the redundancies we have in California, and we now have what I believe are bases that are essential to our military.

So I ask you to look to the report. I ask you to listen to the communities that are here to hear their concerns and look at the facts.

But at the end, I have every confidence that you will do what is right not only for California, but more importantly, for the nation.

MR. BILBRAY: Thank you very much.

I would also ask everybody to understand the sound system is having some problems because people have cell phones on and Blackberrys. Would they turn them off because it's interfering with the sound system.

Congressman Panetta, anything you ever tell me, I know is the straight stuff. Thank you all for coming here, and we know that the governor is on a tight schedule, so we will -- I don't think there's any questions at this time.

Thank you very much.

MR. SCHWARZENEGGER: Thank you very much.

MS. TUTTLE: Thank you.

MR. BILBRAY: Will the next panel come up, please.

Whoever is changing the name tags will take care of them.

Gentlemen, who is going to take the lead and keep the time?

MR. MOLINARI: Mr. Chairman and members, I'm Jim Molinari, the state director for U.S. Senator Dianne Feinstein.

And on behalf of the senator, I would like to welcome you to California, the commission and the staff. And I would like to read into the record, if I can, Mr. Chairman --

MR. BILBRAY: Will you all keep the microphones closer to you, please, because I understand there's a hard time hearing out there.

MR. MOLINARI: Mr. Chairman, I would like to enter the senator's statement for the record.

MR. BILBRAY: If not objected, so ordered.

MR. MOLINARI:

"It's my pleasure to welcome you, all of you, to Los Angeles.

"I'm sorry that I'm unable to be there with you today as the senate is in session, but I know that California's interest will be well represented by governor Schwarzenegger, the chairs of the California council on Base support and retention, and all of the community-based organizations and elected officials here today.

"I would first like to bring to your attention a letter from the California congressional delegation to the BRAC commission thanking you for holding this Regional hearing and expressing our unified support for those who will testify today.

"Attached to this letter is written testimony from a number of local communities demonstrating each base's military significance, as well as the overwhelming support for the military in California."

Mr. Chairman, with permission, I

would like to enter that also into the record.

MR. BILBRAY: Without objection,
it's so ordered.

MR. MOLINARI: One thing we found
in this BRAC, and we heard that from the
governor and from Mr. Panetta, is that we are
unified as a delegation both from the federal
congressional level and the state legislature, and
those letters are reflected in the record.

"Please know that we all
stand united in our commitment to
this nation's military and the
state's unique ability to support
the present and future needs of our
national defense.

"We believe with certainty
that California is better suited than
any other state to meet these
vital needs.

"The report that the governor
presented earlier to the commission
provides clear examples of the
innerconnectedness that makes
California so uniquely important to
our national security and future

military transformation.

"Today, you will get a taste of what Californians already know: that California military installations have extraordinary high military value; that they all make vital contributions to a strong, national defense; that they operate at relatively low cost; that they have excellent facilities; that they have skilled workforces, and that they provide their personnel with an excellent quality of life.

"Although this latest round of BRAC recommendations are not as devastating to California as previous rounds, I remain very concerned about those communities that face closure or downsizing and will do all I can to soften the blow.

"According to the pentagon's BRAC recommendations, California could face a net loss of 2,018 jobs as a result of the proposed closure of 11 military installations, plus a number of significant realignments.

"It is incumbent upon the BRAC commission over the coming weeks to determine whether the proposed recommendations by the pentagon are in the best interest of our future defense and national security.

"You, as members of the BRAC commission, are the only people who can make sure that these closures and realignments do not leave a hole in our nation's ability to protect itself from future threats.

"Congress can only vote the final list down; we cannot edit it. that is your unique and critical responsibility.

"Your work in reviewing and modifying the Pentagon's list will enable congress to move this process forward in a way that will ensure the safety and security of our nation.

"After today's hearing, as this BRAC round moves ahead, I encourage you to stay involved and work with the

Pentagon to ensure that the manner in which bases are closed is fair and transparent.

"Unfortunately, the transfer of closed bases in the previous four BRAC rounds has been slow and cumbersome.

"Environmental clean-up has been difficult. Each base is handled separately. It's a gut-wrenching process for local communities and those of us in congress who want to help them.

"Only about half of the 72,000 acres that were closed in California during the earlier BRAC rounds have been conveyed to local authorities for reuse.

"And it will cost 2 billion dollars to complete the remaining clean-up of previously closed bases in California.

"As ranking member of the military construction and veterans' affairs subcommittee, I face the issue

of the environmental mitigation of closed bases on a regular basis.

"We need to keep our promises to communities, those affected in this coming BRAC round, as well as those still struggling to move on from actions taken in the earlier rounds.

"Again, I want to thank the BRAC commission, and the entire California delegation, governor Schwarzenegger, and the State delegation, community-based groups, elected local officials, and everyone here today for their time and effort in preparing for this hearing."

On a personal note, Mr. Chairman, I would like to thank all the community groups that we have been working with for the past 18 months for their -- their work and tiresome duties to come to you today, and I welcome all of you to California.

Let me introduce my good friend Alton Garrett from Senator Barbara Boxer's office to make a statement on her behalf.

MR. GARRETT: Mr. Chairman, on

behalf of Senator Boxer, I would like to read the following statement into the record:

"Members of the BRAC commission, good afternoon and welcome to beautiful southern California.

"I would like to begin by extending my sincere thanks to the BRAC commission for holding this extremely important hearing.

"I trust that the commissioners will leave today with an even greater understanding of why it's so essential that California continue to play a robust role in our country's national defense.

"Simply put, a strong military presence in California is vital to our national security.

"First and foremost, California has training assets, land, sea and air, that cannot be replicated elsewhere.

"Troops from all over the country come to California to take advantage of our state's vast training grounds, many in preparation for

deployment on combat and humanitarian missions around the globe.

"The topography of our deserts and our high mountain areas in the Sierra Nevada and White Mountains provide diverse training for the Army, Navy, Air Force and Marines.

"The size of our state allows for thousands of acres of open space for unencroached ground, air and aquatic military training.

"And dare I forget to mention California's weather. Nowhere else can our military train year-round with so little threat of interference by inclement weather.

"California also has the workforce to fulfill California's military needs. California has long provided a large percentage of our military's manpower requirements.

"Nearly 300,000 people employed by the department of defense in California, and nearly one in 10 of all new military recruits is a California

resident.

"I am certain that in most of the places that our forces are deployed, it would be difficult not to find a Californian.

"Furthermore, Californians also play a key role in ensuring that our military remains the best-equipped and most technologically advanced in the world.

"Many of the world's finest universities call California home. we graduate more doctoral engineers than any other state, and many of these individuals go on to provide a lifetime of service to our nation's defense industry. And California is the hub of our nation's growing technology industry.

"And finally, California is strategically located to address 21st century threats, especially as we begin to see enhanced security in Asia and the Pacific Rim. These assets are all unique to California and cannot be

replicated elsewhere.

"Frankly, I question the appropriateness of any downsizing of our military infrastructure at this time.

"Our country is at war, our military is stretched terribly thin, and we are having trouble meeting manpower and equipment needs.

"In addition, there has been considerable discussion about increasing the size of our military to meet the threats of the 21st century.

"I believe it would have been more pertinent to consider downsizing at a time when the force is less stressed.

"Furthermore, our bases may well be necessary to deal with homeland security operations and/or national disasters.

"I find it difficult to discern how the Pentagon will be able to orchestrate this round of base closures and realignments in a thorough and

timely manner given the magnitude of challenges the pentagon is currently facing. We have not even completed the last round of base closures.

"Today, ten years after the last round of base closures, five former bases in California remain on the Environmental Protection agency's Superfund list of the most heavily contaminated toxic waste sites in the nation.

"These include: Marine Corps Air Station El Toro, Fort Ord, Mather Air Force Base, Moffett Naval Air station and McClellan Air Force Base. this is simply unacceptable.

"I respectfully ask that you, the BRAC commissioners, keep these factors in mind when you shape your list of recommended closures for submission to the president.

"In closing, I would also like to commend the representatives of the many communities that have gathered here today to advocate on behalf of

their respective bases, and I pledge to you my continued support in this difficult process.

"I would also like to thank Governor Schwarzenegger, the entire California Congressional delegation, and the state delegation for their commitment to keeping California at the forefront of our nation's defense."

MR. BILBRAY: Thank you.

Any questions?

Thank you, gentlemen, and I would ask the next panel that represents the Naval Surface Warfare Center, Corona, to come forward.

Before you all sit down, though, as soon as you get in here, would you stand and raise your right hand for the federal officer to administer the oath as required under the BRAC statutes.

Please raise your right hand.

MS. SARKAR: Members of the panel, do you swear or affirm that the testimony you are about to give, and any evidence you may provide, are complete and accurate to the best of your

knowledge and belief, so help you God?

VOICES: I do.

MR. BILBRAY: Gentlemen, you have 25 minutes, and whoever is managing the time should act accordingly.

First person, please start.

MR. HALL: Thank you.

Distinguished commissioner, I am Frank Hall, Norco City councilman and mayor of the city of Norco in 2000/2004.

MR. BILBRAY: Can you pull that a little closer to you? They're not hearing you.

MR. HALL: I wonder if this one is working. Hello, hello, hello.

MR. BILBRAY: It's working, they're saying.

MR. HALL: Okay. Thank you.

Distinguished commissioners, I am Frank Hall, Norco city councilman, and I was mayor of the city in the year 2002/2004.

I am also member of the Norco -- Corona/Norco military affairs committee.

On behalf of the dedicated citizens and elected officials with me today, I wish to thank you for the opportunity to profess our

support for the Naval Surface Warfare Center,
Corona.

The highly experienced engineers
and scientists at the center are most focused with
doing their jobs and less concerned with their
successes.

But let me state emphatically for
the record, their successes are many, their
mission is vital, and we as a nation would be ill
served if their work processes were disrupted and
this workforce destroyed without sufficient cause.

Before we start, I would like to
point out that in attendance today is Captain
Steve Miller -- I believe Captain Miller is right
down there -- who is the immediate past
commander -- commanding officer of the Corona
center.

And I would like to thank and
acknowledge the many Corona center friends and
neighbors who are here in support of our base.

We are hopeful the BRAC
commission will carefully consider our arguments
in favor of maintaining N.S.W.C. Corona in its
current location.

Our presentation today will be made

by Ed Schwier, who is also past commander of the base.

Ed?

MR. SCHWIER: Ladies and gentlemen, good afternoon.

Frank, will you fix that while I talk?

I'm Edward Schwier. In addition to the items noted on the slide, I have significant experience on surface warships, commanding two of them, and major shore staff assignments.

Since 1996 I have been working for the Fluor Corporation at D.O.E.'s Hanford site in Washington State, the nation's largest nuclear production waste clean-up site.

There I led the independent assessment team charged with oversight of nuclear and hazardous facility operations and also served as director of quality assurance for Fluor and Numatec.

I have been working with this partnership committee for about three months as an unpaid consultant and a concerned citizen.

I'm on vacation this week. We're here to address the D.O.E., the D.O.D. BRAC

recommendation to close Naval Support Activity Corona and relocate the Naval Surface Warfare Center Corona to the Naval Base Ventura within an initial investment cost of 80 million dollars and a 20-year net payback of 360,000.

This is the agenda I will cover. We have one or more slides addressing each point.

First, on the what and why of Corona is the mission, in layman's terms, N.S.W.C. Corona exists to provide independent assessment of performance throughout the life cycle of weapon systems.

There are key concepts embedded in the official mission statement. Standardized evaluation criteria, consistent data sets, threats relevant to operational employment, assessment of the total system and all component level over their life cycle.

The mission itself gives insight to the qualifications required for the personnel who must perform this task across a multitude of platforms and weapons against a variety of threats.

You do not hire this person. You grow them. I'll translate the Latin motto from

the activities crest as "Proclaim the truth."

N.S.W.C. Corona lives by this credo as an organization and as individuals. It defines the culture.

Their ground truth assessment of performance and analysis of failure modes enables the customers' engineers to take the good news that we found the problem now rather than later and go back and fix it.

Their commitment to unvarnished truth extends to every product they touch. In August of 2004, naval audit service audited their data call package, proclaimed it the best they'd ever seen.

1951, the Navy and the national bureau of standards anticipating the need to develop analysts and system to assess performance of missiles that were still five to seven years away from fleet introduction established a missile development division at Corona.

In 1951, the document doing this identifies collection of all data concern with inspection and tests, elimination of bias and evaluation of actual performance against test firings is the key function of the organization.

Unfortunately, independence was not anticipated as a significant need. The commanding officer of the Navy's second guided missile cruiser, Captain Eli T. Reich, saw his systems did not work. This is the early 60's.

Recalling his World War II submarine experience where defective torpedoes were met with the naval ordnance commands responsive "operator error," he said we were doing it again.

In 1964 he was in a position to do something about it. He established a missile performance assessment function as a separate command, pulling it out of the naval ordnance lab, Corona, which had responsibility for the very problem: Development and production of fuses. Independence was added as a key element to those four items.

At the same time he established the engineering station, now known as Port Hueneme, to fix problems identified by that assessment agent.

Independent assessment agent, both organizationally and physically separated from design, development, engineering and production. That was key.

This base was added to the 19-5 list for consideration when the Navy stated reason (inaudible) economic impact to California was challenged.

There was an immediate outcry from fleet commanders and program executive officers, "don't close this facility."

The data calls clearly indicated the capability was needed. 130,000 dollars a year in cost savings were documented.

Military value was evaluated as one to one recognizing the distinctive mission and contribution. The recommendation was rejected.

The 2005 recommendation brings us back to, as Yogi Berra said, "deja vu all over again."

Although the Navy recognizes the need to keep the function together, they have demonstrated an inability to properly evaluate the military value of a cross-functional horizontally system engineering thinking organization.

The Navy rejected other alternatives that proposed either, within the Navy or by the joint cross-service group technical, which present significantly greater savings than

those of the current recommendation. More on this later.

As an efficient compound, you see in this photo, you can walk from perimeter to perimeter in six minutes. There is no housing, commissary, exchange, childcare center, which would generate significant savings if closed. Just a lean working laboratory populated by incredibly talented Corona engineers and scientists and equipment that defines state of the art.

The technical staff performs 935 professional work years across four technical capability areas: Performance, quality and readiness, test and measurement, and training assessment.

83 percent of that workload involves people from three -- at least three of those four capabilities.

Teaming is critical. The location, the sizing, the proximity aids this teaming. It also supports development of the individual employees and strengthens the Corona assessment culture: "Proclaim the truth."

The focus of assessment is on the

user's perspective. What am I going to face?

What is the real threat?

That is where the S.T.I.L.O., scientific technical intelligence liaison officer, comes in, using realtime high quality intelligence, we factor into the data collection and analysis plans, the performance plans, what the real threat is.

Two one-of-a-kind facilities exist. They're national assets, I'm not going to read about them. They're in the package. Other than the fact that the 48,000 square foot joint warfare assessment lab, or J.W.A.L., is a secure vault, shielded. You build that from the ground up.

There is a 40,000 square foot extension already approved in Milcon. The measurement science and technology laboratory, 39,000 square feet, the premiere gauge lab in D.O.D.

It also is built from the ground up and literally rests on bedrock because of the sensitivity and precision of the measuring equipment.

Loss of either one of these two one-of-a-kind facilities would have significant

impact on warfare readiness, damage equipment reliability, logistic support and undermine weapon development program.

I have at least one slide that deals with each one of these where we believe poor analysis led to a flawed recommendation.

When the facts are used to evaluate decision, huge losses were seen, not savings.

Understated costs: The longest payback of the approved '95 BRAC action was 11 years. 96 percent of them had been payback of six years or less.

This recommendation's payback is 15 years and is the longest of any of the Navy recommendations.

The executability risk table that the Navy uses assigns the highest risk ranking to investment not recoverable in less than four years, and here we are almost four times that.

The same table assigns maximum risk ranking to investment ratio of 20-year net present value of savings to initial investment cost if less than 3 to 1.

So you're high risk if you're less than 3 to 1, this investment ratio .005 to 1. 600

times worse than the high risk threshold. 36 times worse than the next recommendation.

Further on understated costs. Numerous cost savings or implementation assumptions have been made that are inaccurate, including any of the following into the COBRA model would drive the savings to a loss. Any one of them.

The assumption of refurbishing or existing without Milcon would be sufficient completely ignores the hard facts that the J.W.A.L. and the measurement science lab have to be built from the ground up.

They can't be put up into a refurbished warehouse or existing brick and mortar building.

The estimated replacement cost of the J.W.A.L., 30 million. The warfare -- or the measurement science lab, 14. We're already approaching 120 million initial investment cost with just these two items.

The audited 400,000-plus square foot requirement that was certified by N.S.W.C. was arbitrarily reduced to 317,000 to shoehorn it into available capacity once functionalities were

moved out to Point Mugu to China Lake.

There was no site survey to indicate that any of these buildings could -- were suitable for their use for the refurbishment.

Lease costs of 600,000 dollars of contractor support were not included. Movement costs. There were others.

Significantly, the costs to -- that less than 50 percent of the personnel were willing to move that required extensive recruiting and training costs were not included.

This next slide deals with that. Unlike prior BRACs, this recommendation assumes 94 percent of the people will relocate.

History says it's 15 to 20. A survey was done that says 60 percent, actually, will not relocate, and when you look at the timing grade, if relocation is approved, in five years they will be eligible for retirement.

It takes about two years, over 70,000 dollars and fully qualified mentors to train a Corona engineer just to be a productive member of the team. Five to seven years and 150,000 dollars -- this is all on top of salary -- for a team lead position.

Can the Navy afford that kind of money? One, if recruits are available and if there is staff remaining to train them, if this 60 percent will not relocate is even close.

Executability and war fighting risk to the Navy was listed as low. Minor impact on mission capability. That is questionable.

Next slide. This just shows the COBRA model that we have run if you include items, and we only included several that were the most difficult to challenge, or really prima facie cases. It shows quickly you peg the ability of the COBRA model to handle it.

135 million dollars initial investment, 100-plus years payback. This is a losing proposition. All risk, no pay.

This is a residential distribution for the Corona employees with the yellow flags, and you can see the line between Corona and naval base Ventura County, 115 miles.

Two months ago, undersecretary of Defense Mike Wynne commented, "It's a reasonable distance, and we felt that like in moving them to Point Mugu, we would actually preserve some of them and reduce some of the commute for people."

Well, there are some people that live in the Los Angeles basin. That number is 54 in that block.

But the vast majority live further than the 115 miles that Corona is apart from Point Mugu.

This chart will also explain why they hesitate to move because of the lower residential cost in those areas that they live.

Another claim was we are going to relocate from the dispersed Corona into highly concentrated areas.

I showed you the compound is highly efficient. Mugu is a dispersed layout.

Show me the next chart. It's not there.

If you take the Corona layout and you put it on the same size as a Ventura base map, you could fit the scale -- or the scale is about 1/20th of encumbered area is currently the naval -- or the Naval Service Warfare Corona.

The dispersion of buildings at Mugu up to 5 miles. So a much larger dispersion. You can't walk across that in six minutes.

Military value was miscalculated.

The red team, the BRAC zone red team discussion topic of March 14th said, "there is no consistency in approach taken in military value analysis."

The Navy used an arbitrarily low -- and these are my words. The Navy used an arbitrarily low war fighting risk of low in the two-part risk assessment thereby guarantying that regardless of what the executability risk was, you could never get higher than a medium risk overall.

They went in with an assumption that kept you low risk or medium risk at worse.

There was selected inclusion or exclusion of mission value categories under which Corona was rated.

If their workload was low, a number of activities were thrown out, yet Corona was kept in.

As it turns out, if you look at all the activities were initially rated, Corona ranks close to the upper quartile, 72nd percentile.

After selected activities were removed, they are in the lower half. The Navy analysis says Point Mugu rates higher than Corona in ten of 16 categories that they both occupy.

Six of those ten that they rate higher are being moved to China Lake. They didn't go back and recalculate and say, oh, now we've changed the scale.

Military value of a cross-functional horizontally integrated systems engineering organization, they do not know how to do it.

They incentivize stove pipes, product-specific organizations, and penalize the system thinker.

In 1995, Corona's military value was 1 of 1, which recognized the truly unique role and mission. What has changed?

Multiple rationales were provided for closure. It appears there was a pre-determined course of action which may have been entirely correct: We must save naval base Ventura county.

And Corona was hit on as this is the solution. We can backfill with the functionality now moving to Point Mugu.

Proximity to Mugu's sea range, 98 percent of the work that Corona does is done on other Navy, Air Force, Marine Corps ranges.

Proximity to fleet concentration, there is no fleet at Point Mugu, using distance capability -- distance support capability and corona engineers out in the fleet and operating areas, that is where the face-to-face occurs.

Cost savings or synergies -- actually, the synergies with an engineering function actually hurt independent assessment. That is why it was pulled out of the N.O.L.C. originally. You can't mix the two.

Finally, projected savings. The initial projected savings on this scenario showed 81 million payback with six-year payback. Some errors were discovered. It was reduced to 976,000 with 15 years.

Some more errors were discovered reduced to 360,000. No change in recommendation.

What really concerns me is no one who is justifying this recommendation has to live with the results. It's the war fighter, our son and daughter, who will suffer if we break it.

This matrix is really busy, but I will explain it. It is in your backup package. It puts your BRAC criteria and your principles across the two axes.

There are 56 intersections. Corona has high value or input in 47 of those 56. That speaks to military value.

Operational efficiencies. Cost savings and approved effectiveness. I have four slides that will show those.

Critical resource and facilities, we already discussed that. The joint warfare assessment lab, the measurement science lab, the S.T.I.L.O., the culture, the horizontally integrated workforce.

The focus on threat capability and result: Today's threat or tomorrow's threat, your capability gets -- not what you were designed to fight, but can you fight what you're really going to see.

The bottom line is Corona gives the war fighter the confidence to detect, track, identify, assign weapons and put ordnance on target.

A lack of confidence in any one of these guaranties poor performance and costs lives.

Case study supporting the war fighter, there are (inaudible) hit quickly C.E.C., cooperative engagement concept. Two ships that

were supposed to electronically be able to talk to each other so they could see their warfare picture and assign each other's weapons as appropriate couldn't talk to each other.

Corona was called in, identified and fixed the problem. Savings: 360 million. One year. Not 360,000 over 20. 340 (sic) million, one year.

Chemical bio detectors, as part of the routine cooperative assessment program, identified maybe you're about to buy or spend 1 billion dollars on chemical biological agent detectors that don't work. Savings: Approximately 800 million.

Joint radio relay. Couldn't speak to troops on the ground in Afghanistan. The solution was we'll put an A.W.A.C.S. up all the time.

Someone said, "we need radio relays. Corona can help us."

They went to the engineers with the requirement. They designed, built and delivered it in 90 days to Cencom, a savings of 8-1/2 million dollars a month, and this has been going for two and a half years and continues. 250

million dollars over the past two and a half years.

The sniper scope. Every marine who carries a rifle, the army who is carrying a rifle in Afghanistan and Iraq, they have a Corona developed calibration tool and field procedure that they can use that's allowed them to take the accuracy at 1,000 yards of their weapon from 12 inches, or a foot, down to 1 inch.

That saves lives. It increases mission effectiveness, and it saves money because weapons scopes aren't sent back for calibration.

You sum those up, we're talking about 1.5 billion dollars.

Next. This chart shows a growth of revenue. That is the proof of the pudding. The customer continues to throw more work to Corona.

The lower, the larger standpipe is Navy work. The red on top is other service. You see both are increasing over time.

Next. What is the impact of relocation? In every case, it's the impact on the warrior, war fighter, our sons and daughters.

It undermines weapons development by disrupting key support from measurement science

and the lab. It disrupts that support.

Loss of intellectual capital is what ties everything together. We cannot afford that.

And you run the risk of co-locating with engineering in-service design production agents, you run the risk of independent assessment problems.

The big five, auditors and consultants working the same customers out of the same shops.

N.A.S.A., Admiral Gehman leading the accident investigation board, they point out you need to set up some independent agents, and they threw out the Corona model in congressional testimony as the model to emulate.

You move it, you risk breaking it. It's high risk. There is no payoff.

In conclusion, we believe that the Navy and D.O.D. substantial deviation from BRAC criteria in evaluating this candidate recommendation poses an unacceptable risk to war fighting readiness.

The ability to support and deploy forces, the development of current and future

programs. There is no payoff.

D.O.D. and the Navy's BRAC objectives are to eliminate (inaudible) capacity and save badly needed money.

Transform the military, foster joint military operations. That's what Corona is doing every day, has been doing since I was there '93 to '95 and for the last decade, and they're doing it without the risk and disruption and the cost of this recommended relocation.

We stand ready to answer any of your questions.

MR. BILBRAY: Thank you. And I think Chairman Principi has a question.

MR. PRINCIPI: I do.

Thank you for your testimony.

It's obvious that cost savings is found not to be a good justification for moving Corona -- closing Corona and moving it to Point Mugu, but I would like to focus on military value.

The justification for closing Corona is that Corona's quantitative military value scores are for every function, not just according to the D.O.D. justification, for every function are in the lower half of other facilities

performing similar type of functions.

You seem to indicate that there were selective inclusion, selective exclusion.

Could you be more specific as to what was excluded and how that -- how that, in your opinion, altered these military value scores?

MR. SCHWIER: Yes, Mr. Principi.

There were a number of activities, and it's in the package, I'm sure, with some specifics on it, and they were shown in the presentation the other day at the base.

The issues are -- or last week to the staff.

The issues are that zero work years or low work years there were activities identified. They were pulled out, yet Corona was specifically left in, and those with low work years tended to fall in the lower half.

Also, the evaluation looked at 17 and 16 standpipes. It didn't look across.

And as I said, by looking at your BRAC criteria and principles, Corona's value is not in what they do in any one discipline.

They have roughly 13 assessment areas that spread across those four technical

capabilities and is not 1 to 1 here. It's 1 to 2, 3 and 4.

Their value is in the synergy of what they do and the systems approach. They look at a total system, where about every other research development technical production facility looks down a stovepipe.

I've been looking at Mark 26 launchers for 30 years, and that's a standard thing. And that is the issues.

What has changed from 1 of 1? And even the Navy recognizes we can't break it up. So if you can't break it up, how do you analyze 17 different -- it's an amalgamation. It is the area under the curve, not the individual points.

MR. PRINCIPI: We need to take a look at that more carefully --

MR. SCHWIER: Yes, sir.

MR. PRINCIPI: -- because that's a pretty strong reason, if you will, if that was, in fact, valid. But obviously, according to you, Captain, it doesn't appear to be valid. We need to understand that.

MR. SCHWIER: My first experience with, at that time it was F.M.S.A.E.G., fleet

missile system analysis evaluation group, was pulling the trigger on a terrier missile firing ship, summer of 1966.

So throughout my time, I've had numerous experience in --

MR. PRINCIPI: Very briefly, why can't independent assessment, which is very, very critical here, be preserved at Point Mugu?

MR. SCHWIER: It could be, sir. If you moved the people, the capability, the infrastructure and the systems like that.

If there isn't a break, it could be. But you have to pick up and move.

This current -- several of the real problems is there isn't an allowance for the fact that you need to spend another 50 million dollars for military construction to reproduce that J.W.A.L.

And if we do that, how are we going to force the people to move? They're in the inland empire at that site that has been there since --

MR. PRINCIPI: Well, that's an important issue. But you know, it seems to be counterintuitive here.

You said only 15 to 20 percent would move, which may be the case. But at the same time, you said almost half are within five years of retirement.

What are they going to do --

MR. SCHWIER: No. They would be. If relocated, you then get early retirement and certain benefits, so you would get extra years added on.

Currently, there is not 5 percent within five-year retirement.

MR. PRINCIPI: Thank you.

MR. SCHWIER: Yes, sir.

MR. BILBRAY: Commissioner Coyle?

MR. COYLE: Thank you, Mr. Chairman.

Captain, I think with enough time and money you probably could move anything.

MR. SCHWIER: Yes, sir.

MR. COYLE: You probably could move the Golden Gate bridge if you had enough time and money.

Has your team calculated what the total costs would be if this move were to take place?

Not only replacing the big facilities that you described, but the other facilities, the people, you know, their training equipment, all of that.

Have you people added up what the total cost would be to move --

MR. SCHWIER: Partially. We got to about 135 million. And because there's -- we tried to pick numbers that were less arguable.

If you pick and you say 60 percent aren't going to move, and then of the remaining 40 percent, 47 percent are going to retire, so the number is this, you're left with some assumption that is no better than some of the assumptions that went into the other.

So I think it's to the point that numbers that have been included in the analysis, you get to a certain point and you say, "100-plus year payback with the significant risk is enough."

So the answer is not everything has been included because we don't have hard numbers and proclaim the truth. It goes from the contractor and goes to the team, too.

So we're not going to throw something out that is easy to poke holes through

from our own view.

MR. COYLE: And when you get this over 100-year payback, in order for it to be that short, are you assuming the 15 percent that the D.O.D. did?

MR. SCHWIER: It's a COBRA model, and maybe it's 100-plus years. The numbers run the -- as I said today, run the model to the stops.

MR. COYLE: So if it weren't possible to reduce the staff at Corona by 15 percent, the payback period would be longer than 100 years?

MR. SCHWIER: Yes. Well, I think the payback period is already longer than 100 years. The model just stops at 100 and won't tell you. It's 100 plus.

MR. COYLE: I see. Thank you very much.

MR. BILBRAY: Any other questions? Thank you. And we appreciate your testimony. It was very informative.

At this time, we would like to call the representatives of Riverbank Army ammunition depot for 20 minutes of testimony.

As you come in, put your materials down and raise your right hand to be sworn, please, anyone that is testifying.

MS. SARKAR: Members of the panel, please raise your right hand for me.

Do you swear or affirm the testimony you are about to give, and any evidence you may provide, are complete and accurate to the best of your knowledge and belief, so help you God?

VOICES: Yes.

MR. BILBRAY: Please proceed. You have 20 minutes. Your time is running.

MR. CRIFASI: Yes.

Chairman and members of the commission, my name is Chris Crifasi, Mayor, city of Riverbank.

I am grateful for the opportunity to comment to the honorable commission members regarding the recommendation for closure of the Riverbank army ammunition plant.

The city of Riverbank acknowledges that every community that experiences a base closure will concomitantly experience a loss of jobs.

To a greater or lesser extent, this will also cause economic distress to local merchants and suppliers of goods.

The city of Riverbank also recognizes the need for our military to consolidate and streamline operations.

It makes little sense to have military bases perform similar functions, particularly if they are located near each other.

Moreover, some bases have become antiquated or no longer possess capabilities for modern military strategic response.

It was, however, disturbing news to learn that the department of defense had recommended that the Riverbank army ammunition plant be on the proposed BRAC list.

At first glance, the defense department's recommendation seems benign, but when studies the effects of the base closure, it defies logic and common sense.

I know that we aren't the biggest facility on the list, but we may be one of the most unique.

I would ask the commission to take the time to come visit us in Riverbank and look at

our unique facilities before a judgment is rendered.

N.I. Industries, Inc., N.I. has been successfully operating the Riverbank plant since 1951 and has manufactured numerous high-quality munitions including cartridge cases, mortars, projectile bodies and grenade bodies.

Though the facility ceased production for a limited period during the 1990s, the facility was modernized under the Army's auspicious facility revitalization program, known as the armament re-tooling and manufacturing support program.

Manufacturing space was leased to 13 private industry tenants accounting for the employment of over 200 officials -- or 200 individuals.

This program has been highly touted and is considered one model for military and civilian cooperative ventures.

N.I. returned to producing cartridge cases for the military in the year 2000.

The manufacturing lines at the plant are designed for flexibility to produce cartridge cases in a number of sizes to support

all branches of the armed forces.

It is our understanding that this base is the only one in the world that produces the largest deep-drawn steel cartridge cases in the 155-millimeter caliber size to support Navy next generation fleet.

We further understand that N.I. is also the only plant that manufactures the deep drum steel cartridge cases for the Army's future combat system.

Finally, the Riverbank Army ammunition plant is the only active government-owned facility to have the technical skill and people to manufacture the cargo grenade bodies.

The city of Riverbank is dumbfounded by the rationale and risks associated with closing this production plant with a high military value.

Recently high-ranking department of defense officials estimated we may have a military presence in Iraq and Afghanistan for 12 years or more.

Any interruption of production of our cartridge cases would have dire consequences

for our military to successfully complete their current and future missions.

The city also questions the cost to move the equipment. The plant contains various sized presses, heat treating systems, machine centers and zinc plating systems.

When I toured the facility, I was truly impressed with the cohesive structure and the efficiency of the plant's operations.

To dismantle, ship and reassemble this equipment to Rock Island, Illinois, would at best be an arduous task.

Moreover, the base operator has the technical skills and experience to handle a task of this magnitude.

The city understands that N.I. continues to actively engage our military forces in engineering the next generations of cartridge cases.

With the necessary equipment on site, as well as N.I.'s unique capabilities, our analysis concludes that Riverbank army ammunition plant exhibits high military value and should remain a vital entity in our military arsenal.

In closing, I would ask the

commission to reconsider a base closure fraught with risks for our military personnel.

We must ensure that America's soldiers have access to the finest in military ordnances in which to successfully complete their mission.

I would also like to introduce resolutions from both the city of Riverbank City Council and the Stanislaus county board of supervisors opposing the closure of the Riverbank.

MR. BILBRAY: It will be part of the record.

MR. CRIFASI: Thank you.

I would like to now introduce Mr. John Maniatakis, executive vice president with N.I. Industries.

MR. MANIATAKIS: Good afternoon, Mr. Chairman.

MR. BILBRAY: You need your microphone, please. Can you bring the microphone closer to you? Thank you.

MR. MANIATAKIS: Good afternoon, Mr. Chairman and members of the commission.

My name is John Maniatakis, executive vice president of N.I. Industries, Inc.

We greatly appreciate the opportunity to testify regarding the department of defense proposed recommendations to close the Riverbank army ammunition facility and move the cartridge case plant to Rock Island, Illinois.

We will provide an overview of N.I. and the unique process employed in the manufacturing and also some of our cost concerns.

I will be followed by Ms. Winnie Wu, general manager of the Riverbank facility.

The company was founded by Ken Norris in 1930. It became a public company in 1950.

In 1951, Norris Industries, now N.I. Industries, became the contracting operator and has been the only contracting operator of the Riverbank facility, which we converted from an aluminum reduction facility to a cartridge case manufacturing facility.

N.I. accepted its first contract in 1938 for 500 1,000-pound bombs.

In 1940, N.I. started to produce cartridge cases, initially in brass, but there was a brass shortage.

And the military asked if we could

convert brass to steel. In our in-house capability to design tools, dies, and special machinery, it allowed us to achieve unique configurations.

And with this technology, we successfully accomplished the conversion.

N.I. was the recipient of the first Army and Navy "E" award. In fact, we were the only company in this country to be so honored by both initial groups.

Over the years, and through the Vietnam conflict, N.I. Industries expanded its manufacturing of military products to include projectiles, mortars, bombs, vehicular products, rockets and missile casings to become one of the largest producers of ordnance products in this country.

This technology is utilized on the majority of our military and commercial products.

This process is unique and it requires heavy hydraulic and mechanical presses and a skill in the design and engineering of tools.

We are the only source on this continent, and have and had manufactured the 105

tank type, Navy 5 inch, 76-millimeter deep-drawn steel cartridge case used by the military today.

We are also involved in the development of 105-millimeter striker vehicle and the 155-millimeter cartridge case for the Navy's advance gun system.

We further question of cost parameters outlined in the BRAC report associated with the facilitization of the cartridge case line, including the equipment acquisition, augmentation and infrastructure to be approximately 24.2 million.

We believe this cost will be significantly higher and can reach 57-plus million based on responses we've received from vendors.

I would also respectfully request that a letter in response to Congressman George Radanovich's letter signed by the Principal Deputy Undersecretary of Defense Michael Wynne to be included for the record.

This letter does acknowledge the unique technology, but it does not, in our opinion, address the cost issues.

Winnie Wu will now provide more details in her presentation.

MR. BILBRAY: I would ask the audience, if you come through the doors up there, would you kind of let it slowly close rather than have it bang? Thank you.

MS. WU: Good afternoon, Mr. Chairman and members of the commission. My name is Winnie Wu, general manager at the Riverbank Army ammunition plant.

Due to the time constraint, we have modified and condensed the original document and supplement it with this additional information as provided in the document in the book.

Thank you for the opportunity to express our concerns with the D.O.D.'s recommendation regarding Riverbank.

Riverbank is the only active government industrial based facility currently manufacturing the deep-drawn large caliber steel cartridge cases.

We just completed the production of the 105-millimeter steel tank cartridge case for army's future combat system.

We are currently producing Navy's 76-millimeter and will be soon followed by Navy's 5-inch case.

These cartridge cases are being deployed to the field and not stockpiled to satisfy the just-in-time needs of the military.

At this location, we can also manufacture the M-42, M-46 and M-77 cargo grenade bodies and the high fragmentation 60-millimeter, 80-millimeter mortars.

The grenade facility and mortar facility have been laid away and can be reactivated to support future military needs.

Search requirements can be accommodated by additional shifts and adding a new piece of equipment.

Slide. D.O.D.'s recommendation presents concerns in that there is currently a limited available stockpile of large caliber cartridge cases, and the cost estimated for the move may not be all encompassing, and the recurring savings projected seem overly optimistic.

The relocation effort of this magnitude will require total shutdown of production at one location and the timely startup of the new location to minimize the gap in the supply chain.

This aggressive schedule to commence in 2007 and complete by 2011 may not provide adequate time for detailed planning to mitigate the risks of potential shortfall in the stockpile of large caliber cartridge cases.

Unanticipated delays could obviously impact D.O.D.'s projected savings of 53.3 million and net present value over a 20-year period for Riverbank.

Next slide. N.I. currently hosts a certification for Iozone 9001 and 14,001 and we have not received a single quality deficiency report since production started back up in 2000.

The following two photos represent our product portfolio.

Next slide. You may notice that the Navy blunt 155-millimeter cartridge case of the left of the photo represent the largest deep-drawn steel cartridge case ever manufactured.

Next slide. Here is a sampling of the range of N.I.'s manufacturing capability from projectiles to cartridge cases to rocket and missiles casings.

Next slide. Now, let me describe briefly our unique deep draw process. For

example, we started out with 155-millimeter cartridge case with a 50-pound blank and finished at 35 pounds and 42 inches.

We do this by reducing the diameter to obtain the length and then reduce the wall thicknesses to obtain greater length while maintaining the diameter through a series of operations to achieve the final configuration.

Next slide. Please note in the left photo that one of the advantages of the deep-draw process is that we can also offset the dome area to form a bust or in this case a primer pocket.

The right photo shows the continuous grain flow of the material in this as-formed configuration at the base of the cartridge case to yield the necessary material strength that is required for ejection from the gun barrel after each firing.

Next slide. All the technology and machines and processes are virtually worthless without qualifying people behind them to move and shape the metal to achieve precise final configuration.

At N.I., our people are our

greatest assets. For example, we use the latest computer modeling techniques to complete the 155-millimeter cartridge case development in a record nine-month period.

Our knowledge in the metrology and thermo treatment are essential in our process optimization.

Next slide. Our concerns with D.O.D.'s recommendations are military judgment associated with Riverbank and as utilization to support the current and future missions.

B, potential interruption of ammunition supplied to our joint armed forces.

C, cost estimate and financial benefits projected in D.O.D.'s COBRA model as well as impact on the future cartridge case cost structure.

Next slide. Riverbank's current utilization includes an active production line to support the current military requirements for the large caliber of cartridge cases.

Of the available space for leasing under Army's arms program, which constitutes approximately 40 percent of the facility, over 80 percent of this space is currently occupied by

commercial and industrial tenants.

Some of these tenants have multiple options to extend their leases beyond 2011.

Next slide. The D.O.D.'s timeline gives us concerns in that detailed engineering and planning is absolutely essential in the execution of a project of this magnitude.

The need to balance the length of the transition period with sufficient stockpile requirement must not be neglected.

Next slide. To illustrate the complexity of this relocation effort, here is a sample listing of equipment involved.

17-plus presses, six-plus machining centers, zinc plating facility, thermo treatment facility, which, by the way, consists of aged annealing furnaces that might not survive the move, metrology, chemical and metrological labs and an industrial waste treatment facility suitable for metal parts manufacturing.

The following photos illustrate the massiveness of the equipment to be moved.

Next slide. In the right photo, you can see the men are dwarfed by standing next to a colossal 4,500-ton press. Some of these

presses have pits that are multi-story deep.

The effort to dismantle, label, crate and ship the presses is extensive, not to mention subsequent setup and re-tooling necessary at the new location.

Next slide. Our thermal treatment system is also massive with multiple process tanks, bricked furnaces, roller conveyers, programmable hoist, et cetera.

Next slide. Our machining center and the zinc plating system are very much integrated with the existing infrastructure and the adjacent material handling system.

Next slide. Regarding the COBRA analysis (inaudible) with the cost estimate applied. We believe D.O.D.'s one-time cost of 25.2 million is low.

N.I. estimated the cost to execute a project of this magnitude is likely to exceed 57 million when the project is complete.

A rough order of (inaudible) estimate with limited vendor quotations was recently submitted to the BRAC commission staff for their use to refine the COBRA analysis.

Due to the uncertainty in the

infrastructure of Rock Island arsenal, it is difficult at this time to estimate all the retrofitting necessary at Rock Island.

We noticed D.O.D.'s estimate for new equipment purchase is 5 million dollars.

This may not be sufficient to cover the acquisition of a thermal treatment system and later a 5,000-ton press for the 155-millimeter production run.

In addition, there was no provision made for approving of the line after relocation to Rock Island to ensure that the new facility after setup is capable of meeting the manufacturing and quality requirements.

An estimate of 5,000 dollars for training and travel assumed by D.O.D. is definitely inadequate to support a project of this size.

It also should be noted that the D.O.D. assumed the base population at Rock Island arsenal prior to and after this BRAC action to remain unchanged while the net population change at Riverbank is at a total combined 274 employees consisting of four civilian employees, 70 N.I. employees and tenant population of about 200 on

the facility.

We are uncertain of the technological base and skill sets that Rock Island arsenal has to support the manufacturing of cartridge case.

We also believe that D.O.D. needs to provide the information about the (inaudible) cost structure at Rock Island as a result of this realignment and the bases for the alleged efficiency and utilization gains.

Next slide. Our concerns with the savings stated by D.O.D. are as follows:

Recapitalization of 2.5 million dollars per year.

This analysis used a total plant replacement value at 272 million dollars for the facility.

The model further estimated annual cost avoidance of 2.6 million commencing at 2006.

It is not likely to realize this level of recapitalization starting as early as 2006.

Overhead savings of 5.5 million per year consists of D.O.D.'s assumption of the elimination of sustaining cost at 4.3 million and an additional overhead savings of 1.2 million from

the base operations support.

Currently, we use the arms (inaudible) revenue to offset the facility maintenance costs, so we are uncertain about the bases of these savings projected by D.O.D.

As a result, the above cost and savings input, the COBRA analysis render an overly optimistic conclusion of a three-year payback after 2011.

Slide. In summary, we would like to reiterate the significant military value at Riverbank and its current utilization to support our joint armed services should be recognized and included in the military value portfolio.

We strongly urge the commission to carefully examine the current level of available large caliber cartridge case stockpile for the joint armed services to ensure that the supply will not be (inaudible) interrupted by the D.O.D.'s recommendation.

And review the information associated with the utilization rate at Riverbank as well as the costs and savings projected in the COBRA run.

Finally, we recognize the

complexity in your challenges and trust that the commission will look upon N.I.'s technological sustainability and Riverbank's utilization to support the military's just-in-time requirements for the large caliber cartridge cases and consider them in the long-term prospects for our nation's military preparedness.

Thank you.

MR. BILBRAY: Thank you.

I have a question for the Mayor.

What is the size of Riverbank?

What's the population of the city?

MR. CRIFASI: Just over 20,000.

MR. BILBRAY: And do you have any other industries located in Riverbank, sizable industries?

MR. CRIFASI: Yes, we do. We have the tenants that are at the Riverbank army plant. That would be our light industry for the City.

MR. BILBRAY: What is the economic impact on your city from losing this position?

MR. CRIFASI: As far as numbers, I'm not prepared with the numbers at this time.

MR. BILBRAY: Yeah. All right. That's one of the things that we look at as a

commission, the economic impact to a city, so maybe you could supply that to our staff.

MR. CRIFASI: Certainly.

MR. BILBRAY: Anyone else with a question?

SPEAKER: Yes, please.

MR. BILBRAY: Mr. Chairman.

SPEAKER: Could you tell me the condition of this equipment, the hydraulic presses, the thermal treatment equipment and machining center zinc plater and whether you've made any request to the department of defense, department of the army to upgrade any of this equipment and what's in the budget for doing so?

MS. WU: We, in our estimate, to see how much it will cost to relocate a facility as such, we take the existing equipment.

Some of them are pretty old. Some of them dated back to a vintage in the '50s or '40s, the presses, for example.

We propose that some of the equipment going to Rock Island will probably be suitable for a certain amount of retrofitting.

For example, for presses, when you remove over there and install in Rock Island, it

probably will be a good idea to update some of the control systems or some of the hydraulics and mechanics systems and some of the plater systems for the 155-millimeter cartridge case run, which is an R and D project.

We did not update the equipment. We were using the in-house capability, we're able to make some temporary adjustment to make it work.

However, if this piece of equipment were to go to Rock Island and to be part of the 155-millimeter production run, then permanent -- some permanent retrofitting will be required to handle the larger case.

And the reason being, when the cartridge case line was expanded to modernize a flexible production line, it was meant to go up to 5 inch only.

We were able to extend it and push the envelope to accommodate 155-millimeter production.

SPEAKER: Thank you.

MR. BILBRAY: Any other questions?

MR. MANIATAKIS: Let me answer that. May I address that issue?

MR. BILBRAY: Go ahead.

MR. MANIATAKIS: When we went through the modernization program about eight years ago, we did modernize the existing press equipment with new pumps, new hydraulics, control mechanisms, safety mechanisms, et cetera.

The zinc plating equipment and the heat treat equipment, the sophisticated heat treat equipment was new.

So the majority of the equipment has either been upgraded -- the majority of the equipment manufacturing cartridge cases has either been updated or modernized or is relatively new.

MR. BILBRAY: Commissioner Coyle?

MR. COYLE: Thank you,
Mr. Chairman.

Perhaps I don't understand, but as I understand this is basically an industrial activity.

Riverbank has not been considered an active Army base since 1981, so either your work is -- is cost effective to your customers or it's not.

But you're like any other industrial activity, if you're competitive, you're going to have customers, and if you're not

competitive, you won't.

So my question is: Why is this a BRAC action at all?

MR. MANIATAKIS: First, I would like to correct one statement that you made. We are an active facility.

We have been activated a number of years ago.

MR. COYLE: I see.

MR. MANIATAKIS: Secondly, we are the only provider of large caliber deep-drawn cartridge cases in the country today, if not this continent.

And so we are a single-source supplier. We do not compete for the 76, the 5 inch or the 155 or the 105 tank-type cartridge cases.

MR. COYLE: Thank you.

MR. BILBRAY: Any other questions?

If not, we thank you for your presentation.

And we're going to take a ten-minute break before the next panel comes.

Thank you.

(Whereupon, a recess was held

from 2:28 p.m. to 2:37 p.m.)

MS. SARKAR: Members of the panel, do you swear or affirm that the testimony you are about to give, and any other evidence that you may provide, are accurate and complete to the best of your knowledge and belief, so help you God?

VOICES: I do.

MR. BILBRAY: At this time you have a total of 15 minutes. We would like you to organize the time as you see fit, but we will limit it to 15 minutes. Thank you.

MS. MEIER WRIGHT: Thank you.

Good afternoon, Chairman, Members of the BRAC commission. My name is Julie Meier Wright, and I am the C.E.O. of the San Diego Regional Economic Development Corporation, the entity charged by the city of San Diego two years ago to entertain this BRAC measure.

With me today is General Joe Hoar, U.S. Marine Corps, retired, and member of the former BRAC council who will speak to the Marine Corps recruit depot today after which I will comment on the Navy complex.

Our delegation offers testimony from Admiral Peter Hekman, Navy retired, who has

also been in the California BRAC council and a valuable member of the Navy BRAC Stern committee.

The Honorable William Cassidy, former deputy secretary of the Navy, and Erik Bruvold, from the E.D.C. (phonetic) day-to-day oversight of our BRAC efforts, and also assembly member Lori Saldana from San Diego as part of our delegation.

So I would like to introduce General Hoar (inaudible) M.C.R.D. San Diego.

MR. HOAR: Good afternoon, Mr. Chairman, members of the defense base closure realignment commission.

It's a great pleasure for me today to talk with you about the military value of the military -- or the Marine Corps recruit depot in San Diego.

I served in the Marine Corps for 37 years. My last assignment was the commander-in-chief of U.S. central command, which I commanded from 1991 to 1994.

What is more relevant to our discussion today, however, is that I have personal experience with the facilities under discussion.

As a colonel, I served on the staff of the commanding general of the Marine Corps recruit depot, San Diego.

As a brigadier general I was at headquarters, Marine Corps, and as the director of the facilities and services, I had management responsibilities for Marine Corps bases worldwide to include military construction, base maintenance and all issues associated with encroachment and environmental (inaudible).

As a major general, I commanded Marine Corps recruit depot Parris Island.

While not specifically germane to the issue today, I'm also quite familiar with Camp Pendleton's available facilities and training, having served in the first Marine division at that base as a rifle platoon commander and infantry battalion commander and an infantry regimental commander.

The Marine Corps, the Department of Defense and the Department of the Navy have each conducted detailed analysis of the current recruit training structure in the Marine Corps.

They have used the D.O.D. base closure and realignment selection criteria and

other relevant documents in coming to their decision to retain two recruit training facilities.

I support this decision, as do our elected representatives both in the U.S. Senate and the U.S. House of Representatives.

My judgment is that it's essential for the Marine Corps to maintain two depots in San Diego and Parris Island.

Whether examined under the operational readiness component of military value, of surge component, or the cost considerations outlined in the statute, the military value of maintaining a recruit depot on each coast is undeniable and far exceeds any speculative of financial benefit that would be gained by consolidating these two depots.

I will address the operational considerations first and then turn to the unlikely prospect that there would be financial gain from the disposal of the Marine Corps recruit depot in San Diego.

First, Parris Island cannot absorb the activities of M.C.R.D. San Diego. While you can take the San Diego overlay, some 500 acres,

and place it on a map of Parris Island, the reality on the ground is quite different.

First of all, 50 percent of the property at Parris Island is comprised of protected weapons.

Moreover, the depot is situated very close to two population areas, the town of Port Royal, and across Port Royal Sound, the upscale resort of Hilton Head Island approximately three miles away.

Further, Parris Island is absolutely flat, which adds additional challenges to any kind of live firing of weapons.

The current base loading at Parris Island is now required -- is now required to close portions of the intercoastal waterway which serves both recreational and commercial water traffic when firing specific ranges.

While there are a large number of facilities of all types that would have to be replicated at Parris Island, I would like to share with you just one of the problems associated with the sort of expansion that would be required should Parris Island be the sole recruit depot for the Marine Corps.

In 1986, when I was the commanding general at Parris Island, the syllabus for recruit training was expanded to require additional small arms training.

In addition to the known distance firing over a 500-yard course, there was now a requirement to fire from simulated combat positions at targets that appeared at varying distances from 100 yards to 500 yards.

The requirement to build this single additional live fire course required considerable study and ingenuity, as the structures on Parris Island had to be safe from the field firing.

But also small boats, and even the possibility of rifle fire striking into the adjoining communities had to be taken into consideration.

Bear in mind that the range of an M-16 rifle is over two miles.

I can tell you unequivocally that the requirement to double the current firing range facilities at Parris Island cannot be done given the current geographic and safety limitations of that Marine Corps recruit depot.

This fact alone appears to create a fatal flaw on the scenario outlined from the letter of the chairman to the secretary of defense on the 1st of July 2005.

Combined Marine Corps recruit training at Parris Island would provide very limited mobilization and surge for recruits under wartime conditions.

Additionally, Parris Island is in the low country of South Carolina and very vulnerable to seasonal hurricanes.

Hurricane Hugo, which devastated parts of South Carolina in 1988, served as an example of what could happen should a disaster of this type destroy a major part of the combined recruit training facility.

Another eventuality that makes our recruit depots advantageous is possible illness.

We are all aware of the potential for contagious disease spreading among young and women living in close proximity in recruit training facilities.

The seriousness of an interruption of flow of recruits into the active duty Marine Corps cannot be minimized.

Unlike other services, the Marines recruit young men and women of high quality to serve, but don't expect large numbers of those Marines to stay beyond their first enlistment.

And the reason is quite clear: For anyone who has watched the Marines on the news clips operating in Fallujah or Ramadi, and other difficult locations in Iraq, it's apparent that this is a young person's occupation.

And we need a constant stream of bright, high-spirited, highly trained young Marines to serve in combat formations.

Disruptions caused by weather, or other phenomenon, could have a serious effect on the combat readiness of the Marine operational units.

The combining of the recruit training function and the recruit functioning -- the recruiting function in 1970 continues to be a highly successful managerial initiative.

Recruiters and trainers work in close cooperation. The idea that recruits for the Marine Corps are recruited in either the eastern or western part of the country and then sent to their initial training in their respective

geographic locations, is not only an important factor in the decisions of young men and women, but it also is important to the families of Marine recruits who know that they're not far from home.

This tends to lessen the inevitable anxiety associated with young persons leaving home, perhaps for the first time.

I should note that a recruit beginning training today at Parris Island or at M.C.R.D. San Diego will be in Iraq in nine months. There is no doubt about that going to happen.

Finally, the assertion that the sale of M.C.R.D. San Diego property would generate substantial proceeds that would be applied to offset the cost of closing San Diego and consolidating recruit training at Parris Island seem to be not sustainable by the facts.

I will not take the time to describe the lack of economic benefit to San Diego. This is included in my written submittal.

However, I would summarize the land is encumbered significantly by historic register buildings, by wetlands, and limits in construction caused by proximity to the San Diego airport.

Further, the airport authority has stated that the property does not meet their requirements to build a second runway.

The Marine Corps needs two recruit depots. More than 21,000 recruits came in M.C.R.D. San Diego every year. This is more than half of the recruits the Marine Corps trains annually.

Consolidation would require moving large numbers of recruits to a base that cannot accommodate them and would require a huge expenditure of 640 million dollars to implement.

Even after such an expenditure, which is very difficult to justify, basic training of marine recruits would be curtailed because of safety and geographic limitations and would be vulnerable to interruptions from natural disaster and medical conditions.

Further, the ability to surge and response to the national security requirements would be significantly reduced.

The Marine Corps would also lose a vital presence in the west and in the pacific that has year in and year out reliably produced numbers of recruits.

In light of the conflicts in Afghanistan and Iraq, it is no small consideration.

I urge you to accept the secretary's existing recommendation to keep the Marine Corps recruit depot San Diego in operation as a vital element in fulfilling the mission of the Marine Corps and our nation's total force structure and readiness.

I would be happy to answer any questions you might have.

MR. BILBRAY: Is there any other witnesses?

MS. MEIER WRIGHT: With regard to the Navy Broadway complex, we in San Diego are interested in the chairman's questions to Secretary Rumsfeld.

Discussions about the closure of the Navy Broadway complex were raised by the Navy secretary to us months ago.

Our interest in these discussions is that the site is part of the long plan redevelopment of the North Embarcadero area of the city of San Diego.

The complex was built in 1922 as

Naval supply center San Diego and currently serves as the headquarters for Navy region south, now southwest, and hosts the offices of several other critical Navy facilities.

The statute enabling a partnership between the city and the Navy is now 18 years old.

Limited progress has been made hampering the completion of our downtown redevelopment efforts.

Today we believe that the 1987 legislation no longer comports with D.O.D. policies since it requires there be a continuing Navy presence on the site.

The Navy secretariat has advised us that it is their policy to focus capital investments on secure military installation and not on more vulnerable locations like the Navy Broadway complex.

Because the statute hasn't been amended, the closure of the Navy Broadway complex under BRAC 2005 could be a real win/win for San Diego as well as for the Navy provided that the money from a public sale reverts to the Navy so that it can build a new headquarters on a local military base where the public sale requires the

developer to build new facilities for the Navy as part of the deal.

For San Diego, it would be an opportunity to move forward with the long-anticipated redevelopment of a key part of a revitalized downtown San Diego.

Moreover, it takes advantage of the 1991 development agreement and entitlements between the U.S. Government and the city of San Diego.

So the BRAC process could be an efficient and effective means to take advantage of these entitlements and develop agreements on the property which are due to expire in January of 2007.

And they would provide the Navy the highest value if the property is sold.

The entitlements and vision of mixed-use complex on a 1/2 million square feet of property with 3 million feet of developable buildings.

It assumes residential development as part of the mix, which depends on the property not reverting to the title in trust.

The Navy secretariat and our

redevelopment agency council believe that such a reversion will not occur, which would maximize the financial return to the Navy from a public sale.

For the Navy, aging infrastructure could be replaced and must be replaced with a state-of-the-art headquarters facility for Navy region southwest in a more secure location on a military base in the region.

Some in the Navy have suggested developing the property via an enhanced-use leasing where the Navy retains ownership of the site.

The enhanced-use leasing approach, however, would require a long-term commitment to the property, at least 50 years, and would make residential development problematic.

And as such, it would not provide the Navy with sufficient revenue to replace the Navy Broadway complex facilities which we consider a priority.

And if D.O.D. policy is to invest in installation on secure military bases, we question why the Navy would maintain ownership of the property at a time when its monetary value is high.

We did not take this proposal to the Navy secretariat. They raised it with us.

Recently the city's redevelopment agency has sent you a letter expressing interest because it is clearly a positive for San Diego with expedited development of our North Embarcadero.

For two years, however, those of us leading the BRAC efforts have worked to understand and communicate the military value of San Diego bases and commands.

We know that Navy region southwest provides vital military value and that a new headquarters is essential if we are to support this closure, and I've explained what that would mean.

Because there appears to be some disagreement between the Navy as to the best course of action for them, we believe that Chairman Principi's request of Secretary Rumsfeld to provide the BRAC commission with a formal analysis will serve the best course of action.

So we urge you to carefully consider that response and ensure that it includes a new headquarters for Navy region southwest and

related facilities.

And now I would like to ask
assembly member Saldana --

MR. BILBRAY: You have to be very
brief because your time has run out.

MS. SALDANA: Yes.

Just on behalf of my constituents,
we -- San Diego county represents the largest
number of veterans in the State of California.

And I want to urge the commission
to consider coming to our community.

If on July 19th, you do vote to
move forward with either of these proposals that
you're facing today, please remember that under
federal law it is required that you hold a public
hearing where the issues being raised today on the
M.C.R.D. and the Navy Broadway complex can be
fully explored by the veterans, retirees, military
dependents and family members that reside in
San Diego.

Thank you all for your time. On
behalf of the entire team, thank you so much for
the opportunity to speak today.

MR. BILBRAY: Thank you.

Any questions? Mr. Chairman, I

thought you would have some.

MR. PRINCIPI: General, I -- I appreciate everyone's testimony.

I would like to ask you how is it that the Navy successfully consolidated three recruit training centers to one, the Air Force two to one, both with larger instruments?

The Army went down to four. That includes the National Guard. Why is it critical that the Marine Corps with a much lesser (inaudible) recruiting, probably 39,000 a year, of which I understand two-thirds, not half, are done in Parris Island.

As a matter of fact, the data we received from the Pentagon indicated that 2,500 recruits go through M.C.R.D. each month.

As we researched it, we found that some data points, only 600 per month went through M.C.R.A.

So in the era of constrained resources when the service chiefs, including the commandant, are concerned about out-year budgets, that the Marine Corps could not avail itself of the efficiencies by consolidating two recruit depots into one.

MR. HOAR: I am delighted to answer that question, Mr. Chairman.

First of all, we are constrained by geography and safety. The issue is you just can't do it all in Parris Island. That's the first issue.

The second issue, which is tremendously important, is the marines are not like anybody else. We are different in every respect.

We have entry-level training that lasts almost twice as long as other services, and then all members go on to infantry training so every Marine, regardless of his M.O.S., his military occupational specialty, is prepared to fight as an infantryman.

If his truck is stopped, he knows how to get out of that vehicle and fight and protect his comrades.

Every Marine that goes through and becomes an infantryman goes on to six more additional months to hone those particular skills.

The congress has realized this and continued to allow us much greater latitude in terms of training initial recruits and keeping

them in the training pipeline literally for months longer than the other services because we bring something different to the fight.

So we are different. And if it were possible to move into one of the recruit depots, I think -- I can't speak for the commandant, but I think we would be happy to do it.

But the figures that I see, to move M.C.R.D. San Diego to Parris Island, first of all, are very expensive, and because of the nature of the two locations, the payback takes almost 100 years in terms to wrap it up.

You still have a recruiting function that exists in both places that is geographically placed.

You have to leave that in the west coast. The base function remains pretty much the same.

And most of the base functions are contracted out, so there is no particular savings there.

So it really doesn't make an awful lot of sense to try to put it all at Parris Island to reduce the effectiveness of training, the

preparedness of young men and women that in nine months' time are going to go and serve in Iraq.

MR. PRINCIPI: Thank you, general.

MR. BILBRAY: General Turner, do you have any questions?

MS. TURNER: No.

MR. BILBRAY: Mr. Coyle?

MR. COYLE: Thank you, Mr. Chairman.

General Hoar, thank you for your testimony. Hardly a day goes by that we don't read in the newspapers about recruiting difficulties that the military is having.

And while the Marine Corps seems to do better than the other services in that regard, it's an issue for all of the services.

Could you say to what extent having the recruit depot in San Diego -- suppose it wasn't in San Diego. What would that do to the Marine Corps recruiting levels?

MR. HOAR: Well, I think it enhances our ability considerably because the commanding general at San Diego is also the commander of the western recruiting region and has responsibilities for recruiting west of the

Mississippi, Hawaii, Alaska, and all of those military activities in Japan, Korea, and elsewhere, where there are young men and women that are dependents in the armed forces.

And so on a day-to-day basis you will have the hands-on capability of watching that procedure.

When a recruiter is speaking to a recruit and a husband and wife or a mother and father of the recruit, or a potential recruit, we talk about San Diego, the relative proximity.

Thousands of parents come and watch graduation ceremonies every Friday at M.C.R.D. San Diego.

They stay in the motels along the freeway and in the midway area. It's very inexpensive. They come down and they visit the base.

We believe that we have a partnership with parents for the time that a young man or woman is in recruit training.

A recruit doesn't become a marine until he graduates. The relationship is quite different after that.

But for those first 12 weeks, it's

a partnership with a special requirement of the Marines to look after these youngsters, to bring them along slowly, to raise their physical ability, to raise their pride and their pleasure in serving as a Marine.

And I must tell you, the results that we see every week on Friday morning when a recruit company graduates is indeed very exciting.

In fact, the best story I can tell you when I was in Parris Island, is youngsters would lose so much weight when they were at Parris Island, that literally their mothers would not recognize them. Short hair, tanned and 30 pounds less than when they arrived.

MR. BILBRAY: We need to go on to the next panel. We're running a little behind.

But thank you very much on behalf of the San Diego area.

The next is Naval Base Ventura County. If the witnesses that are going to testify would remain standing and raise their right hand, you will have to be sworn.

MS. SARKAR: Members of the panel, if you would raise your right hand for me.

Do you swear or affirm that the

testimony you are about to give, and any evidence you may provide, are complete and accurate to the best of your knowledge and belief, so help you God?

VOICES: Yes.

MR. BILBRAY: All right. Whoever is going to manage the time, you have 25 minutes. Thank you.

I think someone needs another seat. They have been isolated. Thank you.

Who is going to take the lead?

MR. GALLEGLY: Good afternoon. I'm Congressman Elton Gallegly, and on behalf of our panel, I first want to thank the distinguished gentlemen and gentlewomen for their service to the BRAC commission and the continued service to our country.

MR. BILBRAY: I didn't recognize you with white hair, Elton.

MR. GALLEGLY: Jim, I stayed, and you, obviously, have done very well. I used to be the tall guy with dark hair; remember?

I would like to specifically thank my former colleague Commissioner Mr. Jim Bilbray, Commissioner Philip Coyle, who toured Naval base

Ventura County yesterday afternoon.

Today I am joined by my good friend Congresswoman Lois Capps, retired Rear Admiral George Strohsahl, Rear Admiral Dana McKinney, retired Captain Jack Dodd, and in the audience our former colleague in the House, Bob Lagarasino.

I've had the privilege of representing some or all of Naval Base Ventura County for the past 19 years in the house.

I support streamlining our military, but the technical joint cross-service group's recommendation to realign many functions from Point Mugu to China Lake, functions that are essential to the core mission of Point Mugu, or have been identified as centers of excellent areas, will raise the cost to the taxpayers by millions of dollars, decrease the military effectiveness and harm our military personnel.

Exactly the opposite of what BRAC is supposed to do.

We can only assume that the decision to eliminate 2,400 jobs, and up to 63 if you count the indirect, from Naval Base Ventura County, and transfer them to China Lake, was based on an initial assumption that Naval air station

Point Mugu would close.

No other scenario makes sense, because the enormity of the proposed realignment will devastate Naval Base Ventura County's ability to execute its remaining missions and support our deployed troops.

For the sake of time, I'll provide two brief examples. China Lake is 150 miles from the primary sea test range operating area.

Relocating range operations, aerial targets and aircraft to China Lake will increase response times to the range, reduce on-range time, increase safety risk factors and significantly increase operating costs.

It's important to note that the range in target costs were not included in the COBRA model.

And what sense does it make to move the range support aircraft to China Lake when they fly 86 percent of their sorties at Point Mugu and only 1 percent at China Lake.

Number 2, Point Mugu has been the Navy's electronic warfare center of excellence for more than 50 years.

Its civilian and military personnel

possess more than 4,500 collective years of electronic warfare experience.

Many of those scientists and engineers have told me categorically that they will not move their families from Ventura County to the desert, which will result in a tremendous loss of intellectual capital.

I believe that when the investment cost, safety and support of our troops are considered, you will agree that the department of defense recommendations simply do not make sense and reject them in the best interest of the military efficiency, preparedness and support.

And I thank you very much for allowing me the opportunity to be here today.

MR. BILBRAY: Thank you.

MR. GALLEGLY: At this time I would like to defer to my good friend and colleague that represents Ventura County and Santa Barbara County, Lois Capps.

MS. CAPPS: Thank you.

Good afternoon and welcome to California. Thank you, Chairman Principi, and each of you commissioners.

I want to convey my gratitude and

thanks for your service on this BRAC
commission.

Representing Naval Base Ventura
County in congress, I have become intimately
familiar with the critical role that this base and
the great men and women who serve there play in
ensuring the present and ongoing security of our
nation.

The base is an important asset for
our local community and a good neighbor. Most
important, it is a key component of our national
defense strategy.

As you know, Naval Base Ventura
county has two physically separate operating
locations, Point Mugu and Port Hueneme, that were
integrated to serve as the home to six major
tenant commands.

The base oversees an airfield,
significant activities and a 36,000 square mile
instrument at sea test range, and the only
military-controlled deep water harbor and port
facility between San Diego and Seattle.

Together, these facilities
contribute substantially to the operational
readiness of the defense department's total force,

including development and testing of new weapon systems, joint war fighting experimentation, training and readiness, homeland defense and daily war fighter support.

I reviewed the Pentagon's recommendations, and it's clear that the defense department erred when measuring the military value of these facilities.

These recommendations defy common sense, and here's why: First, relocating the vital functions performed by the personnel at Naval Base Ventura County would have lasting consequences for our national security.

The activities conducted at this geographical site for the Navy, the Air Force, the missile defense agency, and others, cannot be relocated anywhere else in this nation.

Moreover, the base's sea range is already linked with other inland ranges in California providing an unmatched capability to the defense department.

The proposed realignments would diminish these existing operational capabilities and efficiencies and negatively impact the war -- the ability of our war fighter to get his or her

job done, the effect of which would be immediately felt in Iraq and Afghanistan.

Second, realigning the base's sea range and targets, and moving the test squadron and electronic warfare personnel and facilities, will waste, not save taxpayer dollars.

I serve on the house budget committee. Let me tell you, we can't afford to spend a lot of money to move missions and personnel when there is no long-term savings involved.

Other speakers will be addressing these issues in more detail, so I won't dwell on them.

But I want to speak as a member of congress. This realignment is not just about numbers, missions or dollars. It's about people. It's about the fine example of sacrifice and patriotism that is on view every day at the base by military and civilian personnel alike.

And it's about a mission already well integrated and fine tuned with realtime consequences.

The commitment to serving our country and its citizens by the people of this

base is essential to the ongoing readiness of our war fighters to carry out their missions even as we are speaking.

I strongly encourage you to reject the Pentagon's recommendations and instead consider the current configurations as vital to the Navy base's valuable role in enhancing our nation's military and homeland security.

Again, thank you for being here with us today. Thank you for your service to our country.

I would like to now ask Rear Admiral Dana McKinney to begin the Ventura County presentation.

MR. BILBRAY: I was told we added another ten minutes here -- 32 minutes total to your schedule so that you'll have 27 minutes.

MR. MCKINNEY: Chairman Principi and commissioners, good afternoon. My name is Dana McKinney.

I'll be leading off the first of three presentations followed by Captain Jack Dodd and Admiral George Strohsahl.

I'm here today to express my own opinions about moving the electronic warfare jobs

from Point Mugu to China Lake.

Electronic warfare, the parlance now is airborne electronic attack, and that is a term I'll be using in this presentation.

Based on my experience, I have come to the position that the A.E.A. mission should not be moved.

I come to this position as a war fighter, as a developer, and a former commander of the Naval air warfare center weapons division and aircraft division.

I have a lot of experience in the EA-6B aircraft. I maintain very close ties with the operational community of Whidbey Island, and I can tell you from my experience, talking to the folks up there, that they are very concerned about this proposal.

I was EA-6B program manager, and I attended every day during that position on the strong team at Point Mugu at the weapon systems support activity to support my programs.

I was commander of the Naval air warfare center weapons division, and I lived at China Lake for two and a half years where I commanded a single command, Point Mugu and China

Lake together, and I managed an integrated business unit.

I also testified in 1995 against the proposed closure of Point Mugu, and I provided that BRAC testimony for the record, because I think it speaks to the integrated nature of the weapons division.

Next slide. I also need to add that I was the Navy air warfare center aircraft division commander during 1996/1997, moved from Warminster down to the Patuxent River, and I'll talk about that experience a little bit later in the presentation.

I would like to make these four points: Airborne electronic attack is a vital D.O.D. capability now and in the future, and it depends on an expert technical support base.

The realignment that is being proposed will decimate that technical base, and the projected savings just aren't there.

I think this move will increase the risk to our troops, and I don't believe it's worth it.

As far as the importance of A.E.A. and the EA-6B, A.E.A. is critical to our joint war

fighting capabilities.

I don't need to remind you that we're a nation at war. A.E.A. support is a go/no-go criteria for our coalition Air Forces and has been since desert storm.

Even though we're not conducting sustained air strike operations now, our A.E.A. forces are providing direct support to our ground troops, our Marines, our Army and our special forces in Iraq and Afghanistan today, and they're saving lives today by doing this.

One thing I should point out is the EA-6B is the only A.E.A. platform in the D.O.D.

As such, it provides this A.E.A. capability for the Navy, Army, Air Force and Army and our coalition allies, so the EA-6B is the only game in town.

Now, I want to illustrate the value of Point Mugu in the A.E.A. mission.

The nature of A.E.A. demands rapid response. It's a cat-and-mouse game of threat and response, and it's a continuous process that requires a very responsive technical base to support keeping the mission viable.

The Mugu EA-6B Wisa is a vital part

of that response and has been a critical A.E.A. asset.

They have 30 years of dedicated experience in this mission. They grew up with the EA-6B community.

That capability is not duplicated anywhere in D.O.D., and I'm not just talking about the facilities.

More importantly, I'm talking about the profound understanding of technology and mission that is inherent in the Point Mugu Air Force. It's not duplicated anywhere else in the world.

They do ongoing support for our forces deployed. They do block upgrade management. They provide a rapid response and reach back on a daily basis.

They've developed a very close working relationship with our fleet and have daily interaction with the folks at Whidbey Island, the EA-6B troops at Whidbey Island, at Cherry Point and our deployed forces in the fleet.

One thing also to know, it's important, is that the Point Mugu Wisa is an integral part of the EA-18G development program.

EA-18G is the follow on to the EA-6B. It's in development now, and the Navy chose Point Mugu because the Navy is convinced that Mugu is the A.E.A. Center of Excellence. That is why it was located here.

Now, the central issue in my mind, the loss of the expert workforce at Point Mugu if this realignment is approved.

My experience comes from my time at Patuxent River during the Warminster move to Patuxent.

There you had a highly skilled technical workforce with very marketable skills. They were being asked to move from an urban environment to a rural environment in southern Maryland.

The result was we lost 80 percent of those folks during that move.

I think we have a similar situation here. Probably aggravated by the fact that China Lake is much more remote than Patuxent River is, and climate is very different.

Chairman Principi, you had a discussion with Mr. Wynne on the 18th of May in which you expressed concern about the brain drain,

in particular, Point Mugu/China Lake move.

I share your concern very deeply, and I think you're right on point on that discussion.

In my mind, the realignment means the Navy and the D.O.D. is going to lose most of its A.E.A. technical base within the next two years, and the impact has already started to be felt.

As far as the savings claimed by this proposal, I just don't think they're justified.

I want to stress that Naval air warfare center weapons division is a single integrated unit ever since we established in 1992 during the N.A.W.C. consolidation.

For the last 13 years, we've been working to become more and more efficient, and we've already eliminated the redundant functions between China Lake and Point Mugu.

The establishment of the Naval base in Ventura in 2000 further reduced the redundancies between Port Hueneme and Point Mugu on the base operating side.

So as far as I can tell, we've

consolidated already, and those savings have already been taken.

I won't go through all the multiple flaws, but -- Jack Dodd will go through those in detail. But there are multiple flaws in the technical J.C.G.S. analysis, which Jack will cover in a minute.

In conclusion, my judgment, based on 28 years as a war fighter, a developer and a weapons division manager, is that this move will decimate our technical workforce, it will weaken a critical D.O.D. war fighting capability, and the savings just aren't there.

This is a mistake, and I strongly urge the commission to reject this proposal.

Thank you for the opportunity for me to testify today, and I will now turn it over to Jack.

MR. DODD: In my testimony I will summarize the rebuttal of D.O.D.'s analysis and recommendations, and the details of which are provided in the report we provided to you this morning.

In summary, D.O.D. significantly deviated from BRAC law specifically in not

properly considering military value criteria
Numbers 1 and number 2 and not properly
considering the cost and savings, criteria
Number 5.

Additionally, they did an extremely
poor job of data management and analysis and
deviated from their own departmental guidance to
enhance jointness in transformation.

The current D.O.D. recommendations
are shown. Basically they mean realign Naval base
Ventura county weapons and armament functions to
China Lake, to realign Naval Base Ventura County
C4ISR functions to Point Loma, and to realign
electronic warfare work to China Lake.

You're familiar with military value
Number 1. Basically to us this means that
BRAC actions should enhance not degrade our
war fighters' ability to carry out their missions.

Next. Electronic warfare is the
first instance of D.O.D.'s deviation from the
selection criteria.

As you heard from Admiral McKinney,
this realignment would cost significant disruption
to our war fighting capabilities and would
decrease military value.

Additionally, this recommendation was made in spite of the fact that Point Mugu is a current, recognized electronic warfare center of excellence.

The proposed realignment would not result in increased synergy with China Lake activities.

Next. In the second instance of deviation, D.O.D.'s recommendations would destroy the Navy's ability to fully integrate shipboard combat systems and would place our sailors in harm's way.

In its desire to establish centers of excellence, the D.O.D. reached too far.

The vertical launching system, the N.A.T.O. Sea Sparrow missile and rolling airframe missile launching systems are components of the ship's combat systems. They are not weapons.

The cooperative engagement capability and internal communication switchboards are integrated components of the entire detect to engage sequence performed by integrated systems and are not Navy or joint C4ISR systems.

Okay. In summary, the D.O.D. proposed realignments decrease military value.

They would negatively affect our war fighter capabilities. They would unnecessarily cost the taxpayers, and they would not result in any increase synergy at either China Lake or Point Loma.

The recommendation should be rejected. Do not realign electronic warfare to China Lake.

Do not realign combat systems integration functions to China Lake.

And do not realign C.E.C. and I.C. switchboard functions to Point Loma.

The combination of military value criteria number 2, and the deputy secretary of defense's guidance on military value principles, means that no BRAC recommendations should degrade the efficiency or effectiveness of D.O.D.'s test and training ranges or their supporting functions.

And disregard to this guidance, the technical joint cross-service group recommended that the sea range personnel be moved to China Lake.

These recommendations were made in spite of the following facts: The Sea range

supports a large number of non weapons and armament customers.

The Sea range personnel are not separable in two distinct defense technical areas such as weapons and armament, air combat or space systems. There is no synergy to be gained.

In fact, the efficiency and effectiveness of the range would be decreased and significant intellectual capital would be lost.

Sea range operations are inextricably linked to the coastal geography, to the coastline of Point Mugu, to the adjoining Laguna Peak and the offshore islands.

Significant unnecessary upfront and recurring costs would be incurred.

And, oh, by the way, open-air ranges, where the purview are the education and training group, not the technical joint cross-service group.

The E&T, J.C.S.G., made no recommendations concerning Point Mugu.

The recommendations to move target functions from Point Mugu to China Lake were made in spite of the following facts:

92 percent of aerial target

operations are conducted at the range and only 8 percent are conducted at China Lake.

Probably more obviously, 100 percent of all seaborne target operations are conducted at the sea range.

There is no synergy to be gained by moving target functions to China Lake.

In fact, by operating over 150 miles away, significant target operational efficiency would be lost as well as the intellectual capital of the folks that would not move.

Additionally, significant unnecessary upfront and recurring costs would be incurred.

D.O.D. also recommended moving the VX-30 range support aircraft, the P-3s and C-130s to China Lake.

This recommendation was made in spite of the following facts: The range support aircraft perform an average of 86 percent of their sorties on the sea range, 13 percent of their sorties off range around the world, and only 1 percent of their sorties at China Lake.

Range support aircraft support sea

range's operations. They do not test weapons and armaments.

Relocation to China Lake would result in significant, unnecessary military construction, recurring operational and maintenance costs and would not result in any savings for military personnel.

In summary, the recommendations to realign the sea range, targets and range support aircraft decrease military value and should be rejected.

We also found that D.O.D. deviated from the selection criteria Number 5. Specifically in the technical joint cross-service group did not perform a proper analysis of the costs and savings associated with their recommended realignments.

Specifically, extremely poor analyses were performed on Tech. 18, which cover weapons and armaments, and Tech. 54 which Covered electronic warfare.

The D.O.D. Tech. 18 scenario affecting weapons and armaments basically realigns Point Mugu's sea range and target operations and Port Hueneme weapons systems integrations

functions to China Lake.

In doing this, however, they did not include the cost to move the functions. The cost of the required milcons the annual recurring costs of conducting sea range and target operations remotely from China Lake.

They did claim an arbitrary across-the-board 15 percent savings in military civilian and contractor positions. The D.O.D.'s numbers are shown.

However, the true cost must include the expenses to move the range and targets that were omitted by D.O.D. These costs were left out of Tech. 18.

Additionally, after 12 years of consolidations, reorganizations and re-struction by the Naval air warfare center, as referenced by Admiral McKinney, all redundancy and duplication between Point Mugu and China Lake have been eliminated. There is no 15 percent to be saved.

If we add the cost, if we just take two simple steps, we add the cost of moving range and targets, because they're a legitimate cost, and we subtract the non-existent 15 percent savings, we get the following COBRA results:

Payback 100-plus years.

As the folks before us spoke, the model only goes to 100, and anything over 100 you would have to guess how long it takes.

Okay. The second most important number is after 20 years we're still a quarter of a billion dollars in the hole.

Next chart, please. We assume that the sea range targets and VX-30 aircraft do not move, and the Port Hueneme weapons systems integration function do not move, as we're recommending, okay, and we delete the associated recurring costs and savings of those moves, and remove the bogus 15 percent savings, we come up with the following numbers:

Payback in 29 years. And after 20 years, we're still operating at a 77 million dollars worth of loss.

We found similar cost analysis issues in Tech. 54 concerning electronic warfare.

This scenario would relocate all Point Mugu electronic warfare folks up to China Lake.

In the model, however, it claims an unitemized, unjustified payroll savings of 3

million dollars a year.

This is not the 15 percent and it's not the locality pay. It's a mysterious 3 million dollars a year in payroll savings that were thrown into the data call that were not justified.

If we -- however, if we use D.O.D.'s numbers, we come back with payback in 12 years and some savings over 20 years.

If we simply modify Tech. 54 by subtracting the 3 million dollars a year of unjustified savings -- and we realize there was significant discussion between the losing and gaining activities about exactly how much it would cost to move electronic warfare to China Lake.

Without considering those, although we recommend you look into them, without considering any of those other costs, only the bogus 3 million dollars a year savings, we end up with a 31-year payback. And after 20 years, you still have a 25 million dollars worth of loss.

And in summary, both the weapons and armaments and electronic warfare scenarios by the technical joint cross-service group will result in high one-time costs and unacceptable long-term cost to the taxpayer.

By not considering these costs in its analysis, D.O.D. significantly deviated from BRAC law.

Size or deviations from the selection criteria, we found that D.O.D. did an extremely poor job of analyzing and managing the data.

The most egregious example of this poor execution was in the technical joint cross-service group handling of what has become known as "question 47 data."

In response to data call's Tech. 2B and Tech. 18b, Naval Base Ventura County personnel identified inconsistencies and confusion that would result if they were to arbitrarily lump personnel into weapons and armament or C4ISR categories.

An example, the poor design of this data call can be found at the sea range. The sea range supports all types of customers.

Not just weapons, but also aircraft ships and space systems.

All range personnel support all customers. They cannot be arbitrarily categorized as either weapons and armament, air platforms or

space systems people.

The Point Mugu folks protested that just because 70 percent of the sea range work is performed in support of weapons, that doesn't mean that 70 percent of the range people are weapons people.

In spite of these facts, Naval base Ventura County was directed to roll up all their people into the predefined technical areas.

However, they were allowed to explain the logic excluding certain inextricable personnel and their question 47 inputs.

Naval Base Ventura County operated in good faith. They identified all the positions as requested. They identified those positions considered inextricable under question 47 responses including Point Mugu sea range and targets and Port Hueneme combat systems and C.E.C. personnel.

The technical joint cross-service group without asking N.B.V.C. personnel for any clarification ignored those certified inputs.

When D.O.D. wrote out all of their numbers, the technical joint cross-service group forwarded data that did not include the question

47 exclusions were included.

The number published by D.O.D. was 2,250, when the more accurate number should have been around 800.

And G.A.O. in their July report also investigated this issue. A quote from their report shown.

When we were able to talk to the G.A.O. analysts about what happened, they reported that when they talked to D.O.D., the D.O.D. analyst admitted that they did not understand question 47 and they threw out the numbers.

This concludes my testimony. I would now like to introduce Admiral George Strohsahl, who will discuss how D.O.D. deviated from their guidance to enhance jointness in transformation and will present our conclusions and recommendations.

MR. STROHSAHL: Mr. Chairman, commissioners, good afternoon. I'm Mr. George Strohsahl.

I led the team that planned the naval air warfare center that enabled by BRAC '91, and I then was subsequent its first commander.

Next chart, please. I believe our two congressmen and the two speakers have pretty well covered most everything in this background and the subsequent slide.

In the interest of time, I will just highlight one or two items additionally.

It can't be said strongly enough that weapons division is a totally integrated organization.

Technical leadership is distributed. The admiral lives at China Lake. The senior executives who manage targets, range and electronic warfare live and work at Point Mugu, and they have people at China Lake working for them.

And there's leaders at China Lake that have people at Point Mugu working for them. A single, totally integrated distributed command.

I just spent eight years in industry after leaving the Navy, and I found that that's how some of the best high tech companies operate as well. They move work to where the people are, not people to where the work may be.

Next chart, please. Unlike the BRAC proposal in 1995, which would have closed

Point Mugu, this proposal does not, so there aren't any infrastructure savings in the closing of the base, and it doesn't close for a very good reason.

The Navy, Air Force and Coast Guard were horrified when they thought it was going to close.

Jack has already mentioned the 15 percent savings. We took them in 1991. They're gone.

And subsequent management has even made it leaner and more efficient than what we started with when we first stood up in N.A.W.C. in January 1992.

We do know, not only from the Warminster move but from other moves historical in the BRAC database that people, civil servants, typically do not relocate to another place.

We would expect at least 80 percent of the employees at Point Mugu and those at point Hueneme, who are affected by this relocation, would simply in the urban environment of Ventura County, they would simply migrate to other jobs.

They wouldn't make the move, and it would be this loss to the Navy, and loss to the

Department of Defense and it's a loss to the war fighters in their support.

Incredibly, the sea range stays but the people who operate it don't. That doesn't make any sense to me at all. In fact, it's my worst nightmare scenario. It just absolutely does not make sense.

Next chart, please. They haven't mentioned jointness or transformation.

We do know that Secretary Rumsfeld and Undersecretary Wynne mentioned it in their guidance to the D.O.D. BRAC planners: Enhance jointness, continue the transformational aspects of the D.O.D. policy.

Let's take a look at Naval Base Ventura County realignment and how does that play against jointness and transformation.

First of all, the range last year supported -- 25 percent of its operations were Navy tests. The other 75 percent were Air Force, other defense agencies and allies.

I'm willing to bet you right now that there is an F-22 on the range at Point Mugu utilizing it because they're there every day from Edwards Air Force Base. It's their test range as

well as the airspace over Edwards. It is a joint range.

Moving it to a Navy-centric organization located at China Lake is a step away from jointness.

Similarly, electronic warfare, as Admiral McKinney said, is centered around EA-6B right now.

It will be centered around the EA-18G in the future. And at this point this EA-6B is a joint service weapon system flown by both Air Force and Navy. And Marines are moving it to a Navy-centric organization is a step away from jointness.

Similarly, we have the hardware and the looplat supporting the joint service amram (ph) weapon system, which is managed by the Air Force, shutting down under this realignment.

Radar-reach (inaudible) lab, which has a large number -- it's unique and has a number of joint users shutting down under this realignment, moving those functions to a Navy-centric organization solely at China Lake.

All of those fly in the face of jointness as we see it.

Transformation can be looked at as achieving a desired result with new and more efficient means.

We believe that the creation of the warfare centers, the air warfare center and the weapons division, in particular under BRAC '91, was one of the most forward-thinking management concepts that has come along in D.O.D., and is still one of the most modern concepts that the department has, and it's embraced by many of our most successful companies.

That's transformation. Moving back to a single stovepipe type of organization reminiscent of the cold war environment at one place, and getting rid of a good part of 2,200 intelligent workers, is about as anti-transformational a move that I can imagine.

Next, please. I'm stating things pretty strongly because of the nature of this proposed realignment.

I can only conclude that the T.G.A.C. did a terrible job. They deviated from BRAC law. They deviated from D.O.D. guidance. They failed to do proper data analysis and management.

And when they couldn't figure out how to do something, they just said it was expert military judgment that makes it right.

Existing work synergies, in both the surface warfare center and the Naval air warfare center, are ignored.

The new centers are not very well conceived as they're proposed. They're going to lose most of their intellectual capital. They will have a terrible adverse impact on the war fighters, and we don't see how the costs are recoverable.

Please, next slide. We're left with no choice. Remove the entire realignment from the BRAC consideration. That's the only sensible thing to do.

However, we do acknowledge that you may try and find something, some merit, something in it that is worth looking at.

If you do it, please use the question 47, inextricable data, to find the right numbers of the people to move.

And under any circumstances we strongly urge you not to realign the range targets, the Marine support aircraft away from the

range and electronic warfare away from the center of excellence that existed for 30 years.

And in the last couple minutes, let me just tell you, I'm an old, retired warrior and test pilot. I don't have any axe to grind, and the outcome of this, I don't have any stake in the outcome. I live in another state, and I'm not being paid to be here.

I just couldn't sit still and watch this happen, so I've been giving some thought to a philosophical underpinning for an action to take.

Next chart, please. Retain the N.A.W.C. weapons division two-site concept. It has worked well for 14 years.

Ask the people at China Lake. They'll tell you it's working well as well.

Retain the proposed concept in this BRAC of a weapons and electronic warfare Megacenter, but have it distributed with positions at two sites that exist today.

As a result, you would not move any of the N.A.W.C. weapons division people or positions out of Point Mugu.

Take a look at the service warfare center, Port Hueneme division, weapons positions

decreased by the proper data and realign them to the air warfare center weapons division.

Realign them in place of Port Hueneme or, if necessary, move them five miles down the street to Point Mugu to be part of the weapons and armament center.

Take a look at the C4ISR positions at the surface warfare center, decrease the number by the question 47 data, and then go ahead and relocate, realign the remaining handful of positions that are more properly associated with the center at Point Loma to Point Loma.

Those are our recommendations. This is an alternative, philosophical way of looking at it.

It also retains your ability to allow some of the other realignments at China Lake under the guise of these centers to occur, because the centers will continue to occur.

Thank you for your time.

MR. BILBRAY: Thank you.

Time has expired, but we thank all of you for your testimony, and I don't know if there is a question or not.

MR. COYLE: I have.

MR. BILBRAY: Commissioner Coyle.

MR. COYLE: Yesterday when we were at Naval Base Ventura County with respect to the operations between Point Mugu and China Lake, we were told that they essentially operate as one university with two campuses under a joint management structure.

And that basically the Navy does what makes sense at Point Mugu, and the Navy also does what makes sense at China Lake.

And we were told that there is no duplication between these two campuses, if I can call them that.

And further, we were told that neither Point Mugu nor China Lake can afford duplication, which would only raise their costs to their customers and drive those customers away.

And so my question is: Considering the management relationship that the Navy has created between these two campuses, why is this a BRAC action at all?

If the Navy thinks they save, you know, 5 cents, the Navy that I know, they'll figure out a way to save it, and they will do it.

But my question is: Is this an

appropriate BRAC action at all?

MR. MCKINNEY: I agree with what you said 100 percent.

It is important to note that the weapons division commander makes those kinds of decisions with his staff every year.

We have to set our rates competitively and we drive out every cent we can that's not contributing to the mission.

So that the Navy decided they wanted to realign jobs from one place to another, within the weapons division, they would do that based on where the work gets done best based on the workforce and the facilities.

And I think the Navy could have done this -- if there were sufficiency to be gained, they would have been done already.

And we've been doing this since I was the weapons division commander basically the last 13 years that the weapons division has been in place, so I don't see the sense of this.

MR. COYLE: Would you say that, you know, that this should not have been a technical or educational, doesn't matter, joint across service-group action at all, rather if it was

going to be an action, it should have been a Navy action and is -- and has basically come about as the result of a flawed scenario?

MR. GALLEGLY: Commissioner Coyle, I would agree with that. It's hard to understand why they proposed what they have.

You hear rumors of how the deliberations went, but it's not a matter of record, and I don't want to really get into that, except that in the end they ended up with recommendations that are not joint. They are Navy centric, clearly Navy centric, and they're not understandable.

MR. COYLE: And Mr. Chairman, if I could just ask one more question.

China Lake is a wonderful place. I've been there many, many times. I used to work there 100 years ago, and deserves to get high rankings for military value in many categories, but Naval Base Ventura County has military value in different ways.

Did your team look at the rankings of these two locations, and do you have any comments one way or the other?

MR. DODD: Yes, sir.

As you know, the military value criteria were broken up into a lot of different categories.

And the range functions and engineering function ranked very high.

I will give one specific example in the case of electronic warfare.

Electronic warfare was rolled up into a category that was called centers electronic warfare and electronics.

And judging those, they broke out the military value criteria into each of those separate elements. And in fact, in electronic warfare, Point Mugu ranked higher in military value than China Lake in electronic warfare research and acquisition -- let me restate.

In electronic warfare development and acquisition ranked higher than China Lake.

China Lake ranked higher in research because of the laboratories and T&E because of the echo range.

And their deliberations, as published, the technical joint cross-service group looked at that and says, well, one ranks higher than the other, and in each of these different

categories, we will use military judgment to determine that electronic warfare should move to China Lake.

So the military -- and, of course, military value is not just quantitative in terms of numbers, as we've discussed. It's also qualitative. Okay. And that's a military judgment.

What Assistant Secretary of the Navy, H.T. Johnson, when he talked to us described as common sense.

Military value is quantitative. You measure it, and then you put a common sense filter on it.

Okay. What we're seeing in the case of E.W. it's a coin flip of military value.

If you treasure the development and acquisition capabilities of Point Mugu, you don't move those at all, because it ranks higher.

But in all these cases a common sense filter has to be applied.

MR. COYLE: Thank you.

MR. BILBRAY: I have one quick question.

When we were there yesterday,

Commissioner Coyle and I, the question came up if we did not move these facilities to China Lake, there is no place for the military facilities from Naval base Corona to come over; is that correct?

MR. DODD: That's probably a question better directed to Naval Base Ventura County, the host base.

But what we're told is because of the vacancy in the F-14 laboratory buildings that you may have seen yesterday, that there has to be some kind of military construction refurbishment cost anyway.

In fact, there is enough room. There is enough room for the Corona people to come over.

MR. BILBRAY: This is the case. But they also mentioned the fact, yes, they showed us a couple of buildings they cannot use because of problems. They can't refurbish. They have to build new.

But they also told us, and maybe you're not the proper one to ask, the fact that they had planned to put Naval base Corona and some other buildings in addition to what they had to build.

But if they didn't move to China Lake, we don't have those buildings available now for them to move into. My staff will address to Naval Base Ventura.

MR. DODD: I think that's better.

As a community group, we don't have as much insight as the base people do on vacant buildings.

MR. BILBRAY: Thank you, gentlemen, and we'll get to the next panel in just a second.

This is Marine Corps logistics base Barstow.

And at this time will you rise to be sworn in, please, and raise your right hand.

(Panel rises.)

MS. SARKAR: Members of the panel, please raise your right hand for me.

Do you swear or affirm that the testimony you are about to give, and any evidence you may provide, are complete and accurate to the best of your knowledge and belief, so help you God?

VOICES: I do.

MR. BILBRAY: Please begin. You have a total of 25 minutes.

MR. DALE: Good afternoon,
commissioners.

MR. BILBRAY: It's not working.

MR. DALE: Good afternoon,
commissioners, BRAC staff, ladies and
gentlemen.

My name is Lawrence Dale, I'm mayor
of the city of Barstow, California.

We thank you for coming, and we
especially thank you for tackling this very
difficult but important job of independently
evaluating the job -- the recommendations that
D.O.D. made regarding base closure and
realignment.

We've taken you at your word that
you are interested in the facts only, not
emotional appeals.

So we haven't brought a bunch of
people wearing identical t-shirts waving signs or
otherwise disrupting these proceedings.

We just brought the facts.
Especially the facts about the military value of
how the defense department's recommendations
concerning the Marine Corps logistics base Barstow
substantially deviates from the three of BRAC

selection criteria.

I'm going to call on our state senator Roy Ashburn to start this very important testimony.

Roy?

MR. ASHBURN: Thank you very much.

Good afternoon. I'm here both as the state senator, who is privileged to represent the people in the Barstow community, and as chairman of the California State Senate Committee on our military bases and national defense.

As chairman, I've kept the focus on military value issues. And, frankly, I'm concerned about the D.O.D.'s recommendation about ground depot maintenance now done at the Marine Corps logistics base Barstow.

D.O.D.'s recommendation has a negative impact on operational readiness of the Marine Corps.

D.O.D.'s analysis ignored cycle time or turnaround time critical to combat readiness.

D.O.D.'s analysis also ignored the basic organizational differences between the Marine Corps and Army ground depot maintenance and

the effects of these on combat readiness.

The result of leaving out the two factors about depot maintenance that are most important to combat readiness is a substantial deviation from the BRAC selection criteria 1 and 3, with their emphasis on operational readiness, contingency mobilization, surge and future total force requirements.

The recommendation also deviates substantially from the force structure plan.

Barstow representatives on this panel will explain further our concern about that deviation from the force structure plan.

To illustrate the impact of D.O.D.'s recommendations on the combat readiness of the Marine Corps, I want to share an example of how these differences play out in real life.

When the 11th Armed Cavalry regiment was deployed from the national training center Fort Irwin, an Army installation in their deployment to Iraq recently, they needed to have their 50-caliber machine gun rebuilt first.

It may seem surprising at first that this Army installation contracted the work out to the Marine Corps logistics based in

Barstow, but not when you compare the turnaround times.

The M.C.L.B. could guaranty and did achieve a turnaround, or cycle time, of 30 days compared to the three years reportedly offered by Anniston Army depot.

Obviously, the 11th A.C.R. didn't have three years to wait for their guns.

Commissioners, this is what a substantial deviation from BRAC selection criteria 1 and 3 looks like in real life.

And now it's my pleasure to present San Bernardino County Supervisor Bill Postmus who represents the people in the area.

MR. POSTMUS: Thank you very much, Senator, and good afternoon, Mr. Chairman and commissioners.

Thank you for this opportunity to testify for you, before you on behalf of the constituents of San Bernardino county, the Barstow area, with respect to the Marine Corps logistics base in the Barstow community.

My testimony this afternoon concerns the economic impact analysis performed by the D.O.D. on the community of Barstow.

The economic impact analysis is so flawed it constitutes a substantial deviation from the BRAC selection criterion Number 6, and we owe it to ourselves, and to you, to correct the record this afternoon.

To estimate the impact of the supposed local economic area, the D.O.D. compared the number of jobs estimated to be lost at the Barstow base to the total employment base of the entire San Bernardino/Riverside/Ontario, California metropolitan area.

This is a geographical area that covers over 27,000 square miles with a total population of over 3.3 million people.

This region is larger than ten states and the District of Columbia.

The city of Barstow, by contrast, occupies 40 square miles, and in the year 2000 had a population of just 21,000 people.

Barstow is a rural city with its own economic base. Barstow is located 35 miles from the nearest city to the south, 140 miles from the nearest city to the east, 70 miles from the nearest city to the southwest, and 65 miles from the nearest city to the northwest.

It is therefore not surprising that our own information shows that virtually all the employees of the base in Barstow live within a 35-mile radius of Barstow.

Clearly, the only reasonable way to measure the economic impact of the recommended job loss is to compare it to the employment base of Barstow and not to the San Bernardino County/Riverside/ Ontario region.

Our county department of community development and housing has prepared a more accurate comparison.

They estimate the impact to be 8 percent of Barstow's total labor force. That's a far cry from the 1/10th of 1 percent estimated by the D.O.D.

In other words, the D.O.D.'s estimate underestimates the proposed job losses by a factor of 80.

The use of this incorrect indicators of local economic impact effectively constitutes a substantial deviation from the BRAC selection criterion Number 6.

I want to again thank you for this opportunity to testify before you, and I would

like to introduce Ruben Fabunan, a representative from the American Federation of Government Employees Local 1482.

MR. FABUNAN: Good afternoon. I work as an electronic technician at the maintenance center Barstow, the depot maintenance facility.

MR. BILBRAY: Pull it closer to you, please.

MR. FABUNAN: We who work there call ourselves civilian Marines. Some of us are Marine Corps veterans, some of us aren't. But we are all civilian Marines.

As civilian Marines, we are all part of the force. In fact, as far as I know, there is no other branch of the armed forces that treats their civilian Marines as part of the force the way the Marines do.

Every one of us feels personally responsible for the lives and safety of the Marines who use the equipment we rebuild.

There is an old saying there, "What we do is important because a Marine's life depends on it."

The conclusion for realignment was

flawed by not taking into account the capabilities, the capacity or trained personnel at the new depot.

There was no consideration of how much the cost was to add end facilities to the new depot also.

There is no need to remind you the Marine Corps are America's 911 force, so readiness is of utmost importance.

Gone will be the days of support in the Marine Corps forces stationed here in the west coast by providing Marines expertise advice on the equipment we work on or to provide them with their part to get them back in full operation.

Gone will be the days when the maintenance center was a one-stop shop for Marine Corps equipment.

This realignment is like taking my Ford into the service station, and the Ford manager telling me, listen, we can work on your engine, but we have to take electric work 3,000 miles away. It just does not make any sense.

We who work at the maintenance center and who live in the community of Barstow have a duty to defend the combat readiness in the

Marine Corps.

And now I urge you to reconsider this realignment action, and I send it over to Bob Lucas of the Chamber of Commerce.

MR. LUCAS: Commissioners -- commissioners, I'm here as a chairman of the military affairs committee of Barstow area Chamber of Commerce principally to introduce the member of our committee who will give most of the testimony.

But first I want to say I believe we have a military affairs committee in the chamber because many of our businesses are dependent upon the military.

However, I want to stress that our primary focus here is on the mission, getting the mission done.

In other words, we are going to talk to you about mission values only.

I would like to introduce Patricia.

MS. MORRIS: Thank you, Bob.

Good afternoon. I'm here both as a member of the military affairs committee of the Barstow area Chamber of Commerce and as assistant to the city manager of the city of Barstow.

My testimony this afternoon will

focus on how the D.O.D. recommendation regarding Marine Corps ground depot maintenance is a substantial deviation from BRAC selection criteria 1 and 3.

I believe that we've already shown that the purported economic impact analysis is a substantial deviation from criterion 6.

And I would like to mention that you will be able to find additional details about our testimony in the written testimony that we've already submitted to you.

MR. BILBRAY: That would be attached to the record today.

MS. MORRIS: Thank you very much, Commissioner Bilbray.

The D.O.D. recommendation deviates from the selection criteria 1 and 3 by forcing the Marine Corps, which is America's 911 emergency response force and an agile force by necessity into a support paradigm originally designed for a large, stable and standing Army.

The Marine Corps and the Army's model of ground depot maintenance, which is to say fifth echelon maintenance, are fundamentally and qualitatively different in ways that significantly

impact combat readiness and combat effectiveness of their respective forces.

First of all, Marine Corps depots are multi-commodity depots. This means that a large principal end item, such as an amphibious vehicle, a combat vehicle or a tactical vehicle, figuratively enters the depot by the front door, all of its components are removed and all of them are rebuilt, including even the weapons of the personnel that staff or man the principal end item.

At the same depot, reassembled back onto the principal end item, which itself has been stripped down to the bare metal and rebuilt, and when the P.E.I. exits the depot, we just fully rebuilt functional, and sometimes often, actually, built to better-than-new specifications because they incorporate technological improvements as well.

On the other hand, armed depots rather than being multi-component depots are component depots.

And each of the Army depots specializes in a limited number of components.

What this means is, the principal

end item enters the depot by the front door. Its components are removed, packed, shipped off to various other Army depots located as far away as 3,000 miles, worked on at those Army depots, and then they are shipped back to the original tear-down depot, reassembled onto the P.E.I., the principal end item, and then the principal end item leaves the tear-down depot by the back door.

What this means, historically we know the only way that this method, the Army model of depot maintenance is feasible is if you accept lower levels of combat readiness and longer turnaround times or longer cycle times.

This means historically that the Army has repaired to and from stop, while the Marine Corps has repaired to and from use.

The reason for this is that the Marine Corps has never been given the kind of budget it would need to be able to have their equipment held in stocks. They have to use the equipment that they have.

Historically, the Army has been able to budget -- has been budgeted such that they could maintain large standing stocks of material and equipment.

We wonder if that model -- if that's feasible anymore, but I'll get to that later.

The different depot organizations are causally related to the different mission of the Marine Corps and the Army. It's not for nothing that the Marine Corps is America's 911 emergency response force.

The Army has not been given that mission. The causal link is -- it's a dual causal link: Mission, depot maintenance model, depot maintenance model, mission.

Let me give you a couple of examples of the results of these differences between Army model and then Marine Corps model and their effects on cycle time, and therefore by extension, combat readiness.

First of all, Senator Ashburn told you the story of the 11th Armored Cavalry regiment and their 50-millimeter machine guns.

Commissioner Bilbray can tell you, from having visited the base, that Tobyhanna Army depot, to which D.O.D. is recommending all radar work be sent, currently contracts with a Marine base in Barstow to repair two of the types of

radars because they are unable to keep up with their workload in these radars.

Commissioner Bilbray also learned that the Marine base in Barstow achieves a 90-day turnaround or recycle time contrasted to over a year for Tobyhanna.

A third example is a story of how Barstow got into the business of rebuilding image intensifiers.

Image intensifiers, as you may know, are the guts of all of the night vision devices that we use to fight our wars at night when our enemies are blind.

In 1988, the Army rebuilt all image intensifiers for all branches of the armed services, but by 1988 the Army was 18 months behind schedule and was projecting zero deliveries for 1989.

This was a crisis for the Marine Corps. The commandant, accordingly, ordered Barstow to acquire the capability of rebuilding image intensifiers.

Barstow did so, began rebuilding image intensifiers in 1989, and now rebuilds thousands of image intensifiers a year.

In light of this, it's truly puzzling that the D.O.D. is recommending that this workload be transferred from Marine Corps logistics base Barstow to Tobyhanna Army depot.

We know from previous experience that Tobyhanna Army depot is not able to meet the turnaround requirements of the Marine Corps.

And why do you think that that would be different this time?

BRAC selection criteria 1 and 3 state that in evaluating bases for closure or realignment, D.O.D. will give priority consideration to the impact on operational readiness, as well as the ability of installation to accommodating contingency, mobilization, surge, and the future total force requirements and to support operations.

Yet D.O.D. is recommending that Barstow be converted from a multi-commodity depot into a depot working on only seven commodities, and the transfer the 17 other commodities to three Army depots and the other Marine Corps depot, all of which are located on the east coast. In other words, approximately 3,000 miles away.

This despite the fact that, as

Commissioner Bilbray learned when he visited the base on Monday, the fact that 2/3rds of Marine Corps ground equipment is located in the western United States and the Pacific.

It's also being made, this recommendation, despite the fact that the department of the Navy estimates that it will increase cycle time by at least ten days and probably as much as 30 days for the other Marine Corps depot.

I'm not even speaking now of the Army depots, but the examples I've given you give an idea of the possibilities in terms of the differences in the cycle times.

But of even greater concern to us is that these recommendations do not make it clear whether D.O.D. is recommending that only the repair of secondary depot repairables, that is to say, for example, engines and transmissions that arrive at the depot in boxes separately, is D.O.D. only recommending the transfer of those types of commodities to the other depots or are they recommending the transfer of those commodities even if they arrive embedded in principal end items like an engine and transmission in an

assault amphibious vehicle.

It appears that D.O.D. is recommending that M.C.L.B. Barstow be converted into a tear-down depot essentially on the Army model.

In other words, an assault amphibious vehicle would arrive, its engine and transmission will be taken out, packed, shipped, et cetera. You get the idea from what I said earlier.

We think that this is the case because of the size of the estimated savings that D.O.D. is going to get from doing this, and also because secondary depot repairables are such a small percentage of the current workload of Barstow in these commodities.

For example, again, as Commissioner Bilbray learned, 57 percent of engines and transmissions worked by M.C.L.B. Barstow are associated with principal end items.

Another 39 percent are Paxman engines for which M.C.L.B. Barstow is the only repair source in the world, not just in the Marine Corps or D.O.D.

And only 4 percent of engines and

transmissions are secondary depot repairables.

Another example would be the tests of diagnostic and measuring equipment that M.C.L.B. Barstow rebuilds.

Fully half of that is rebuilt for customers that are internal to M.C.L.B. Barstow. Only half of it is rebuilt for external customers.

We believe that converting M.C.L.B. Barstow into a tear-down depot would have a disastrous effect on turnaround time for almost all commodities in the Marine Corps arsenal.

Even transferring commodities to the other Marine Corps depot, which is 3,000 miles away, would degrade the combat readiness of the Marine Corps by increasing cycle times, as I mentioned earlier.

Well, if what we say is true, how did D.O.D. come to make this recommendation?

Amazingly, or at least amazingly to us, by leaving out of the analysis both cycle times and any consideration of the organizational differences between Army and Marine Corps depots and the impact of those differences on combat readiness.

We looked at the data calls, and

the depots were not even asked to provide cycle times for their commodities; therefore, it couldn't be part of the analysis.

The minutes of the various committees show no indication that any consideration of the differences, the organizational differences between Army and Marine Corps depots was given, and obviously no consideration to the implications of that for combat readiness.

But that's not all. We see the real possibility of a substantial deviation from the 20-year force structure plan because there is a fundamental disconnect between the direction of D.O.D. transformation and the recommendations D.O.D. made regarding depot maintenance workload, ground depot maintenance for the Marine Corps.

In other words, if you look at the national military strategy, you will see that D.O.D. is pushing the other branches of the armed services to become more like the Marine Corps in terms of flexibility, adaptability, responsiveness, expeditionary character.

But, oddly enough, the recommendations of D.O.D. regarding ground depot

maintenance are pushing the Marine Corps to become more like the Army in terms of doing depot maintenance.

We see this as a fundamental disconnect, and we believe that it is a substantial deviation from the force structure.

We would ask for you to investigate that. And if you agree with us, we would ask for you to set aside these recommendations as substantial deviation from selection criteria 1, 3, 6 and from the force structure.

There are a number of issues that we believe that the commission must investigate during its review of the recommendation to align M.C.L.B. Barstow.

I would like to highlight just a few and refer the commission to tab 7 for the complete list.

The first one, why were the maintenance depots not asked for cycle times for each commodity when cycle time is obviously a critical element both of depot effectiveness and of operational readiness?

Was D.O.D.'s strategy based on maximizing military value of depots or maximizing

cost efficiencies for commodities?

We believe that readiness was lost in the shuffle.

Was the possibility that Army and Marine current logistics are fundamentally and qualitatively different even considered?

We think not.

Would the effect of implementing D.O.D.'s recommendation be to convert one of the corps's two multi-commodity depots into a tear-down facility?

We think so, and that's a bad idea.

Did D.O.D.'s pursuit of savings result in the corps losing its just-in-time repair and maintenance model and adopting something like the Army specialized depot model?

We think so.

Will D.O.D.'s recommendation harm the corps's combat readiness and effectiveness?

Definitely. We think that the harm will be significant.

Is the payback the D.O.D. cites acceptable when compared to the cost in combat readiness and effectiveness of giving up one of the corps's two multi-commodity maintenance

depots?

We say no.

General Eisenhower once said,
"logistics controls all military campaigns and
limits many."

We ask that the commission not
allow logistics to unnecessarily limit the combat
readiness and combat effectiveness of the Marine
Corps. Marines are already in enough danger.
Let's not put them in any more.

Thank you.

MR. BILBRAY: Thank you. At this
time is there any questions from members of the
committee?

I was interested when I was there
that the representative from Quantico, which I
expected to say, "Well, I'm going along with the
recommendations," said they had great reservations
and actually felt that this was a bad decision by
the BRAC, so I think the committee will look
at that very carefully, and thank you very much
for being here.

Naval weapons station China Lake,
20 minutes. Please remain standing to be sworn.
Senator, you boys have been sworn already, so you

don't need it repeated.

MS. SARKAR: Members of the panel,
if you would raise your right hand for me.

Do you swear or affirm that the
evidence you're about to present, and any
testimony you may give, are complete and accurate
to the best of your knowledge and belief, so help
you God?

VOICES: I do.

MR. BILBRAY: All right. You have
20 minutes. Please pick your person to manage
that time, and let's proceed.

As everybody can see in the
audience, we're over our 4:00 o'clock time limit,
but we'll not cut you off in your 20 minutes.
Thank you.

MR. MCCARTHY: Well, thank you very
much.

I'm Assemblyman Kevin McCarthy, and
in consideration of time, I would like to just
make the introductions here.

We have with us with Congressman
Bill Thomas's office sitting at the front down in
the stands Shelby Hagenhour and Vincent Fong.

We have California State Senator

Roy Ashburn, Kern County Supervisor John McQuiston, Mayor of the city of Ridgecrest, Chip Holloway.

And then we have Phil Arnold and Bill Porter who will be making the presentation today.

Combined, the two have 80 years of experience as engineers and senior managers at China Lake Naval weapons center.

Phil and Bill serve as the co-chair of the China Lake defense alliance, a volunteer group supporting the China Lake Naval weapons base, so let me turn it over to Phil to give the presentation.

MR. BILBRAY: Be sure to speak close to your microphone.

MR. ARNOLD: Yes, sir. I understand. Thank you very much.

Good afternoon, chairman and the members of the commission.

Before I get into my briefing, I would like to just point out one thing: We feel that the Department of Defense made a little bit of a mis- -- they made a little muff because they didn't look as hard at joint use of bases as we

would have thought that they should.

We've worked with our colleagues from supporting Edwards Base and the Naval base Ventura County with a concept paper for a joint aerospace R.D.A. T&E center, and we've included that in the package for your review and is part of the record.

We also have an extensive set of handouts and -- from ourselves on our comment on the recommendations and from the city of Ridgecrest about the city and its ability to handle the forthcoming BRAC

MR. BILBRAY: Those are submitted, and we'll make them part of the record.

MR. ARNOLD: Thank you very much. First slide, please. Our recommendations are summarized here. We support the basic recommendations.

We have some quarrel with the first item, which I'll get into, but we support the Naval integrated R.D.A. T&E center creation and relocating sensors of electronic warfare and electronics R.D.A. T&E to China Lake.

We believe that they made a mistake when they withdrew moving the program managers

from Patuxent River to China Lake, and we'll discuss that.

We accept recommendations moving aircraft intermediate maintenance of guns and ammunition from China Lake.

And can point out that the guns and ammunition relocation to Picatinny Arsenal was one where they did go joint and took a Naval function and moved it to an Army base in this case.

Next, please. In looking at the creation of the integrated R.D.A. T&E center, the first question we think ought to be asked is does it make sense.

Certainly you need to look, does it meet the BRAC criteria, did it use certified data, was it a consistent analysis, and so on.

We believe all of that is true. And although I won't take time to step through each of the criteria, those are in our package that we've submitted for the record.

We believe that it makes sense because right now weapons and armaments are scattered across the country in ten different bases, which wastes resources. It degrades focus.

And in addition to saving money, it

just seems to be a waste, particularly since weapons is a fairly small part of the overall appropriations certainly compared to the big platforms. Thanks a lot.

Next slide, please. The joint technical cross-service group was concerned about putting all their brains in one basket. They wanted to see a competition for ideas.

This is satisfied by having one integrated center in each of the three services.

The important point that we want to make here is that if you're going to consolidate and try to bring together your resources, for example, in weapons and armament R.D.A. T&E, you ought to go ahead and do the job and not cherry pick out pieces or pull parts of it away from it.

Each time you do that, you erode the effectiveness and the efficiency of the overall consolidation, so we think that's an important point.

Next slide. China Lake, we believe, is the right site. If once you decide you want to or that it makes sense to integrate, the next question is: Where should that be?

We believe that should be China

Lake.

It has the most complete staff, laboratories and ranges, the full spectrum capability from the most basic research to supporting systems out in the field, even in combat, and it does that.

It's a huge base. It's not encroached. There's plenty of room to accept all of this, and we agree with the judgment and the analysis of the cross-service group that it has definitely by far the highest in military overall.

The moves are cross-defective. The community infrastructure can handle the influx, and there are no significant environmental problems.

Next, please. This is the military value ranking in three categories: Development and acquisition, research, testing evaluation.

Jack Dodd mentioned those categories earlier in the discussion on electronic warfare.

You see China Lake is on the top of the list in each of those three categories among all of the eight military bases involved in this integration process, so it certainly is the

strongest of the group.

Next slide, please. We believe that China Lake is especially good because it also supports transformation.

It has joint service customers -- their customers are from all services, from foreign countries, and it's truly a joint site for weapons R.D.A. T&E.

And also is the site for combat aircraft weapon system integration. That's basically a software problem.

There are 1.3 million lines of code for the F-18 series, and just recently China Lake was rated by the independent software engineering institute as level 5. That is as high as you can go.

We're talking six sigma quality and reduced time and schedule over time. Reduced cost in schedule as they progressed up that line. It's a very significant capability.

And finally, they are involved in system integration beyond just putting a weapon on a platform and integrating the platform weapon system up into the larger combat system, and there is a system operation right now in Iraq as an

example of that.

The question of the sea range, you just heard a discussion of that as though all of the people were being moved from the sea range to China Lake.

First of all, we strongly support the sea range. That's a vital joint service asset that absolutely must be maintained.

The issue is not whether to maintain the sea range. The question is who needs to stay there to operate it and functioning well and who does not need to stay there and can move into China Lake with the remainder of the team.

Next, please. Certainly the range operators, the target operators need to be on site, and other functions.

Other functions can move to China Lake just as well and the management and some of the data reduction and so on.

The technical joint cross-service group examined that. They have numbers which are not easy to dig out. We assume that they're on the order of 150 to 200 people.

But whatever they are, they've looked at the problem, there will be people to

operate the ranges and still accept the BRAC recommendation, and we think there is value in consolidation.

Next, please. The area that we disagree is on program managers. At the very last minute, and I'm saying in the last week in the deliberations leading up to the final decisions from the department of defense, they decided to exempt moving program executive offices and program management office from the headquarters of Navair and Patuxent River to China Lake.

This was an undocumented decision. There was a line-up hearing in the minutes of a meeting of the technical cross-service group.

There was another line a few days later saying they accepted it. Another line from the infrared steering group.

Otherwise, no documentations, no COBRA. The COBRA calls that were in the COBRA runs up to that point were extracted, and so that was just an arbitrary decision.

Next, please. We believe it makes sense to put the program managers with his support team.

Now, we have -- we would agree that

perhaps the program executive offices to whom they report could continue in the headquarters area.

But there are a lot of reasons both in terms of cost and in terms of good communication between the manager and his team by leaving them as originally intended at the integrated center.

In the old days, it used to make sense because you had to run across from Navair, for example, to the Pentagon with information when there was an emergency coming up.

Nowadays, there is plenty of electronic communications and so on, and it's a lot easier to get in a video teleconferencing center, which we have, and excellent ones, than getting in the car and driving up Highway 5 across the crowded Wilson Bridge through the freeway traffic, and so on, down into the Pentagon.

So we just think it makes sense. And just to put it in as a simple question: Does it make more sense for the manager to be with his support team or where the money is.

We think that the answer is the way they originally intended with the team.

Next, please. Just as a point of

fact, the other services have already had their management team out in the field at Eglin, at Wright-Patterson, and the Navy has a team down in San Diego. Next, Please. And they work just fine.

Okay. Now to the electronic warfare, which you've recently heard a considerable number of comments.

One of the things that was brought up by Mr. Dodd was the 15 percent factor.

As it turns out, in the COBRA runs you'll find that they actually use 5.7 percent. Had they used the standard 15 personnel efficiency factor, the payoff would be in six years instead of 12, or rather than 17, as Mr. Dodd said.

The overall military value, I'll talk about that a little, although I don't think that's the issue.

The other big issue, in fact, the main issue is that the EA-18G, which is going to be phased in to replace the EA-6B, that initial operational capability is in fiscal year 2009.

China Lake is the system integrator for the EA-18G. The electronic warfare suite is highly integrated in the EA-18G, and it makes

sense to put the team together and co-locate them where they can work together on a day-to-day basis.

I think that it's just looking to the future.

Next, please. These are the number. Mr. Dodd referred to those earlier. And you see that indeed in development and acquisition, Point Mugu does have a higher number.

China Lake is very strong in the testing evaluation because of the electronic warfare range where you would be integrating them together.

I just want to talk a little bit about -- about this. There is no question that Point Mugu has a superb technical team in electronic warfare.

We don't argue about that nor do we -- can we argue with the fact that many of the strong technical people will not move. That's just a matter of fact. That's what happens when you consolidate.

We've had experience earlier in closure of the Naval ordnance laboratory in Corona. We had about a third of the top technical

people move from Corona to China Lake.

These happened to be very dedicated people. These are the people that love their work, and when the word move, in spite of all the reasons not to, they moved there.

And it turns out that Ridgecrest is a wonderful place to work.

In terms of recruiting new personnel, China Lake is by far superior to almost any other government lab, and we think that in gradually building up the team for the future, China Lake would be much stronger. A lower cost of living, and all of the other things like a 10-minute drive to work in the morning, and so on, that makes it so great.

The point is that BRAC is for the future. It's not for the present. So the EA-6B is very important, and in the process of making this transition, it's a question of risk management.

How do you hang onto your technical capability while you transition to the future to the EA-6G, to the joint strike fighter, and all the systems of the future and put them into a tightly managed, integrated team?

Next please. China Lake is located by Ridgecrest, California. It's about 28,000 people. The mayor is down here, if you have any questions.

It's a Navy town. We love the Navy. We like to see the airplanes fly overhead, and it's ready to accept it. It's about 80 percent of our economy is generated on the base, and we are going to support it under any circumstances.

Just to put things in perspective, this is not a brand new work level for China Lake. In 1999, there were more people in China Lake than there would be -- working at China Lake than there would be if all of these BRAC recommendations were followed.

It's already been there, and the community has already been able to handle it. The infrastructure is in place. They have water, believe it or not, ground water for 100 years; waste treatment facilities have already been put in; there's space for housing.

The developers will love it. They're all over the place, as you would imagine, right now. And they can't imagine working in a

place that they can fill with houses.

The schools are prepared. They've also had a higher student population in the past and have the capability to handle the students without new construction, and it's just ready to go.

Next, please. In conclusion, we respectfully recommend that you accept the recommendations, with the exception of the program management.

The program executive offices can stay where they are. Program managers should be out with their team.

We've also asked that you resist the requests to truncate or cherry pick or reduce the proposed realignments.

And finally, that you do approve the relocation of the sensors electronic warfare.

Admiral Strohsahl was very eloquent in talking about how China Lake and Point Mugu are welded as a team. They were.

He also should have mentioned, or could have mentioned, that the workforce was 40 percent larger at the time that they came together.

And right now there's plenty of room at China Lake to handle everything where they can get together and work together every day.

Next, please. I want to thank you. We all thank you very much for the great sacrifice you're making.

This is a very tough job, and we understand that. We appreciate what you're doing however you -- whatever your conclusions are, although we would appreciate it even more if you came around our way.

Thank you very much.

MR. BILBRAY: Any questions?

MR. PRINCIPI: Mr. Arnold, Mr. Porter, you both worked very hard on a truly joint aerospace RDT&E center and briefed that proposal to people in the Pentagon and the services.

And jointness was supposed to have been a high principle for this BRAC round. The secretary of defense said it was part of the motivation for it.

But what you and J.A.O. and others have noted, there are very few truly joint actions. There's inter/intra service

consolidations that are proposed, but not joint cross-service consolidations.

Do you know why one of the joint cross-service groups didn't take up your proposal, especially since they were called the joint cross-service groups?

UNIDENTIFIED SPEAKER: I can give you speculation. I believe that in the end, the services ended up managing the process as opposed to managing from above.

I suspect, although I can't prove it, that there were many cases -- I know there was basically a veto.

An example was the program manager, which was a strong desire of the technical cross-service group and -- help me.

Anyway, the technical cross-service group. So it's just pretty obvious to me that the services ran the show. It's about that simple.

MR. PRINCIPI: Thank you.

MR. BILBRAY: If there is no other questions, we'll thank you all for coming and we appreciate your testimony.

UNIDENTIFIED SPEAKER: Excuse me.
Mr. Chairman, if I can just make one comment.

I'm very privileged to represent China Lake, Edwards Air Force Base, Fort Irwin, the Barstow base that we talked about in the previous panel.

But I also for the past two years have served as the chairman of the California state senate select committee on BRAC, if you can believe that we have had a BRAC committee made up of members of the legislature on a bipartisan basis.

This past week I had the opportunity to ask the members of the California senate to sign a letter that was addressed to each of you as commissioners thanking you for holding a hearing in California.

You know, in California politics, we don't often get agreement on anything. We did have our great governor here earlier today.

But every member of the legislature from the California senate signed that letter thanking you for taking the time to visit as you have and to hold this hearing.

And as the chairman of that committee, I just want to express my appreciation to you.

MR. BILBRAY: Thank you.

If that's submitted, we'll put it into the record. Thank you.

Will the representatives of Guam please come up now.

If the audience will please quiet down a little bit so this testimony can come forward, please. Quiet down out there, please.

Go ahead.

MS. SARKAR: Governor, congresswoman, members of the panel, please raise your right hand for me.

Do you swear or affirm that the testimony that you're about to give, and any evidence you may provide, are complete and accurate to the best of your knowledge and belief, so help you God?

VOICES: I do.

MR. BILBRAY: You have 30 minutes. We ask that you allot the time between yourselves and you manage your time, because at the end of 30 minutes we need to conclude this hearing.

Thank you.

MS. BORDALLO: Good afternoon and Hafa Adai. My name is Madeleine Bordallo, and I

represent the people of Guam in the United States Congress, and I am a member of the armed services committee.

I thank the chairman and the BRAC commission for extending me this opportunity to provide my views on the impact of the current Department of Defense BRAC recommendations as they relate to Guam.

Before continuing, I would also like to welcome the Honorable Felix Camacho, the governor of Guam, and Mr. Lee Webber, chairman of the armed forces committee of the Guam Chamber of Commerce, who I have invited to provide additional information to the commissioners.

In the previous four BRAC rounds, Guam experienced significant military cuts. Peace-time cutbacks and a stable outlook in Asia permitted the United States to reduce its presence on Guam.

In this fifth BRAC round, the department of defense has recommended no closures on Guam and only limited realignment.

The recommended realignment of base operating services to consolidate Naval and Air Force services under the Navy makes both economic

and strategic sense.

The reemergence of Asia's strategic, highlighted in large part by China's economic growth and North Korea's nuclear positioning, has increased the importance of American military presence in our region.

The recommendations acknowledge this change, the strategic location of Guam, as well as the significant capacity of Guam to base American forces, whether they be land, sea or air.

To be clear, I am pleased with and support the Department of Defense's recommendations for Guam.

Therefore, it is my hope that the commission will adhere to these recommendations. I would encourage the commission, however, to consider and recommend the efficient manner in which to consolidate base-operating services.

While the Navy will assume full control for Andersen Air Force Base's management, this does not mean that Air Force systems or contracts are automatically inferior to the Navy's.

For example, in the case of telecommunications, it is my understanding that

the Air Force's system is highly favorable to the Navy's, particularly in its interaction with civilian structures, such as those managed by the Guam telephone authority.

Consolidation alone will not ensure true efficiency.

Let me briefly highlight several specific reasons I believe Guam has fared well in the BRAC recommendations.

The first, and the most important, is Guam's strategic location.

First on the list of the criteria utilized by the BRAC commission is the consideration of the current and future mission capabilities and the impact on operational readiness of the department of defense's total force.

Plainly stated, Guam's military bases are vital to the operational readiness and mission capabilities of American forces in the Pacific.

The strategic location of Guam's bases permit American forces to quickly reach the waters and lands in and around Asia.

Guam is only a two-day steam to the

heart of Asia, while Hawaii, the western-most American state, is a nine-day trip.

Guam is a three-hour flight for bombers. Hawaii, an eleven-hour flight.

General William Begert, former commander of the Pacific Air Forces, acknowledged other geographic elements of Guam's inherent strategic value when he stated, and I quote:

"It's about 1,500 miles, a little less, from Korea. 1,500 miles from the Taiwan straits, and not far from other places in southeast Asia."

The ability to project forces from Guam is very, very valuable.

The second criterion for BRAC consideration provides further insight. The commission is instructed to consider the availability and condition of land, facilities and associated air space, including training areas suitable for maneuver by ground, naval or air forces.

The U.S. government has ownership of thousands of acres of land on Guam. The facilities at Andersen Air Force Base in the Naval

station Guam provide ample space for training and have significant capacity for expansion.

Andersen Air Force Base includes not one, but two 2-mile runways. Andersen holds the largest fuel storage facilities in the entire Air Force.

Few state-side Air Force bases have the runway and flight-line space that Andersen offers, and none have the strategic location.

Naval station Guam is also a notable facility currently home porting two attack submarines.

The congressional budget office reports that it could hold up to 11 submarines.

The Naval station is also poised to host an American aircraft carrier and ancillary forces.

This says nothing of the Naval industrial base located within the privately owned Guam shipyard.

The shipyard is currently underutilized and has significant capacity for expansion.

Now, you may ask why we would need to expand a Naval shipyard at a time when your

commission is charged with closing several.

Well, once more, the answer is location.

The Guam shipyard can support not only ships home-ported in Guam, but the many more ships that operate in the Pacific.

Whether emergency, operational or routine maintenance needs, the proximity to Asian-manuever water makes the Guam shipyard an indispensable resource.

Lastly, Guam has the ground base maneuver space to facilitate any number of Marine, Army or special operations military exercises.

While Guam does not currently host any ground-based troops, something I fully expect will change in the near future, Guam has long been sought for its maneuver space, particularly by the special operation forces that have become the centerpiece of the global war on terror.

Furthermore, the commanding general of the third Marine expeditionary force has indicated a desire to base Marines on Guam, and we would welcome this move.

The third criterion for the BRAC commission to evaluate requires

consideration of the base's ability to accommodate contingency mobilization and future total force requirements.

A few words are particularly important here: "Contingency" and "future."

With ever-increasing concerns over developments in Asia, the potential for contingency operations in the region consistently remain high.

Guam's strategic location and the excess capacity of its bases are vital to American security plans.

I have already highlighted that Andersen Air Force Base has the largest fuel storage capacity in the Air Force.

In fact, Andersen has a history of playing a large role in contingency operations.

The air base was home to the most massive build-up of air power in history when in 1972 more than 15,000 people and 150 B-52 bombers deployed to Andersen to undertake Operation Linebacker II.

These bombers would go on to fly 729 sorties in just 11 days.

Andersen has relevancy and capacity

for non-combat contingencies as well.

During operation new life following the fall of Saigon, 40,000 refugees came to Andersen. And another 109,000 were processed for onward movement to the United States Mainland.

Andersen was also the base of operations for humanitarian relief mission following the eruption of Mount Pinatubo in the Philippines in 1991, and received 6,000 Kurdish refugees in '96 as part of the joint task force haven.

The increasing value of forward basing American forces in the Pacific makes Guam's ability to accommodate future total force requirements essential.

Guam's bases stand ready to gain naval formations as large as a carrier group, as much or more than carrier air wing, the Marines and equipment associated with a Marine expeditionary force and any number of Army formations.

Guam has fared well in the initial BRAC recommendations for sound reasons. The realignment of base operating services as part of BRAC will further prepare Guam to assume a

great role in American military basing.

Guam stands poised to receive additional troop and equipment assignments, and in the process to become the tip of the American military spear in Asia.

Guam, to use military slang, is ready, willing and able.

We should fully expect that the upcoming Quadrennial defense review, and recommendations from the overseas basing commission, will result in additional forces being located in Guam.

And I encourage the commissioners to consider further positioning Guam for this likely growth as you do make your final recommendations.

I thank the commissioners, and let me now introduce the governor of Guam, the Honorable Felix Camacho.

MR. CAMACHO: Good afternoon and Hafa Adai.

Honorable Chairman and commissioners, my name is Felix Camacho. I am the governor of Guam.

I would like to thank you for

allowing the territory of Guam to testify on the recommendations that you are considering on changes to U.S. military installations.

The Department of Defense has made the recommendation to realign Andersen Air Force Base Guam by relocating the installation management functions to commander U.S. Naval forces Mariana's Islands, Guam.

While everyone would like to see an increase in military, we understand that national security and defense is always considered a top priority, and we stand ready to assist the nation in whatever way possible.

With this in mind, we urge that every effort be undertaken to ensure that the civilian employees who will be affected are forwarded every opportunity to retain federal employment.

Guam appears before you today with a personal history of the 1995 BRAC realignment which resulted in the loss of thousands of jobs for a total reduction of 43 percent of our military population at that time.

However, we as a government are more prepared to deal with the round of

recommendations presented to us today.

We have received a 500,000 dollar BRAC national emergency grant to assist with any displaced workers who may be affected.

Despite the current BRAC recommendations, we recognize that Guam continues to be in the forefront of discussions about military movement in this region.

Honorable Commissioners, I stand and I testify before you here today that Guam stands ready for increased, permanent military presence on the Island.

Our geographic proximity to potential flash points in Asia makes Guam the leading edge of America's strategic triangle in the Pacific.

We welcome the use of our island for U.S. forces in the Pacific and look forward to doing our part in homeland defense missions.

Guam's strategic location to this theater provides excellent opportunities in the operational cost savings and time response.

The U.S. military is investing more than 1 billion dollars in facility development on Guam over the next several years including

upgrades to family housing areas and medical facilities and new department of defense schools in a special operations facility.

We believe that these investments are based on the crucial role of Guam and the unique capabilities we offer to the U.S. military and to the nation.

Including the fact that the U.S. military enjoys unencumbered airspace with light and infrequent competing air traffic and has 7.5 million square feet of ramp space.

Guam is a U.S. sovereign territory for host nation consent to pre-position war munitions, deploy weapons or to conduct operations.

The military owns more than 39 acres of land or 29 percent of our total land area and has 17 million gross square feet of buildings for use.

There is a deep harbor with 17,000 linear feet of wharfage with the ability to handle 3 million pounds of ordnance-net explosive weight.

We have a privatized ship repair facility capable of dry docking and repairing carrier strike force support vessels.

Our home-ported attack submarines facilitate and support expeditionary strike group exercises and the carrier strike force preparing for deployment.

Guam hosts the largest Air Force munitions storage facility in the Pacific.

But there is so much more to Guam. Our people are gracious hosts who welcome all with a warm embrace.

Our community is built around strong family relationships, and our people hold our families in the highest regard.

On Guam you will find that family means everyone, including our military neighbors.

The people of Guam wholeheartedly support U.S. military presence on the island and encourage the expansion of U.S. military activity to meet present and future national security interests.

As such, the government of Guam has begun the planning and implementation of construction of new public schools, and we are investing more than 60 million dollars over the next two fiscal years alone to improve roads throughout the island.

One of our priorities in this funding is a main thoroughfare that links Andersen Air Force Base with the Naval activities.

Our power authority has secured 150 million dollars or more over the next five years for upcoming infrastructure improvement projects, including several that will place critical power lines underground.

The power utility already produces enough energy to meet current demand and support future growth.

We are closing our old landfill and designing a new facility that will meet solid waste needs for both civilian and military communities.

And our government recently privatized the last publicly owned communication in the United States, and now the island is enjoying improved service.

The private company expects to invest over 100 million dollars over the next few years so that Guam will have one of the best systems in the nation with enough capacity for military use.

Plans are underway to improve our

water and wastewater systems, our maintenance production treatment and monitoring with more than 140 million dollars in upcoming projects.

Our airport and seaport improvements are being undertaken as part of an overall package to satisfy homeland defense requirements and to accommodate increases in air and sea traffic.

Our seaport authority is privatizing terminal operations very shortly and is currently in the design phase of a new deep draft wharf, which could be used by a carrier and support vessels.

Our airport authority will be investing more than 300 million dollars over the next ten years in projects and has the ability to handle military passengers and cargo.

Meanwhile, in conjunction with military representatives, we have developed a long-range capital improvement planning process to leverage limited financial resources which will be part of Guam's fiscal recovery plan.

Now, these are just some of the critical projects that the local government has undertaken for the benefit of every man, woman and

child living on Guam today.

And for those who will be living here in the future, we are and will continue to commence initiatives that make Guam the best possible platform for hosting military missions.

It is our belief that Guam is uniquely positioned to play a much bigger role in our country's defense, and we expect that the military transformation will add significant value to our nation's ability to deter aggression, defend freedom and promote stability worldwide.

In closing, in about one week, or on July 21st, the people of Guam will celebrate the 61st anniversary of the liberation of our island.

Now, this amazing remembrance takes place every year and honors the U.S. forces that liberated our people for more than two and a half years of brutal occupation.

The pride and patriotism of the people of Guam is as evident today as it was more than 60 years ago. A true, shining example of dedication to our country and the American spirit.

Please accept my gratitude for the opportunity to present testimony on this important

issue.

I thank you for your critical work on this commission, and I assure you of the continued dedication of the people of Guam to the defense and preservation of freedom in our great nation.

May God bless the United States of America. Thank you, and Situs Masi.

I now present Mr. Lee Webber. He's the first chairman of the armed forces committee of the Guam Chamber of Commerce.

MR. WEBBER: Thank you, Governor, and thank you, Congresswoman Bordallo.

Good afternoon, Mr. Chairman and members of the commission. It's an honor to be here and be part of team Guam to make this presentation to you.

The membership of the Guam Chamber of Commerce generates 2 billion in economic activity, or approximately 70 percent of Guam's gross island product.

Our chamber has an ambitious armed forces committee. Our purpose is to establish, enhance and facilitate communications between the military and business community and the government

of Guam.

During the past 10 years, we have been very successful in facilitating many interactions among these elements of the Guam community.

The people of Guam resolutely demonstrated their patriotism to the United States while being occupied by a foreign power.

Since its liberation in 1944, and especially after being granted citizenship by the virtue of the organic act of 1950, Guam has continued to demonstrate great patriotism for America, particularly in its wars.

In the past, no like-sized community on the mainland compare equally with our people's willingness to serve, their level of sacrifice and their casualties.

Indeed in the war on terrorism, Guam currently has 361 or 33 percent of its National Guard's strength of 1120 troops deployed.

The greatest concentration of reservists as proportion to population stateside or in the District of Columbia, Hawaii, North Dakota, Vermont, Alaska and South Dakota.

In those states, about one of every

100 residents over the age of 17 is a reservist. By comparison, Guam's ratio is roughly one of every 85 residents serving in the reserve components, making Guam the highest per capita concentration of reservists among the combined states and territories.

In two separate surveys, one commissioned by our organization and the other conducted by Gannett Company for the Pacific Daily News confirmed that there remains a broad-based island-wide support for U.S. military on Guam.

83 percent and 81 percent, respectively, felt that the military not only makes a contribution to Guam, but they would be in support of an increase of military activities and presence.

As the commission well knows, since Guam is in Asia and seven to ten steaming days from Hawaii, the presence of the U.S. military on American soil is of significant, strategic, economic and political importance.

Our prominent location in Asia not only offers an essential stabilizing influence, but in a global sphere, the U.S. military's presence in Guam is strategically, economically,

socially and politically very important.

U.S. military presence in Guam provides the region as a whole with a stabilizing presence and offers a strategic launch platform providing a strong deterrent capability in the region.

It also overcomes the tyranny of distance by providing launch platforms without creating an air of provocation.

Home porting on Guam creates cost reduction and efficiencies because of being forward deployed, as well as morale enhancements, which in many ways, especially travel, are unsurpassed when compared to other ports.

In addition, Guam and the Mariana's Islands offer a variety of virtually unencumbered land, sea and air training space that includes one of the last live fire ranges in the Pacific, a capability everyone is recognizing as invaluable for qualification certification, skills enhancement and cost containment for our military range, which is located 180 miles northwest of Guam in the Sienna My, allowing our military to hone its live fire skills.

As mentioned earlier by Governor

Camacho, we have and continue to work on the development of Guam's economic and infrastructural base to ensure there is ample capacity to support future logistical and other non-combatant requirements of military in our region through the 21st century.

We have and will continue to work to fully leverage public, private partnership opportunities.

In the area of training, Navy, Air Force, Marine Corps leaders have expressed that Guam's weather, environment and R and R assets make it an ideal training venue.

This affords our great nation the ability to exercise deterrence without provocation throughout the Pacific Rim.

Additional military activity on Guam will have the added benefit of investing in America and broadening Guam's economy.

This, in turn, will reduce our economic dependence on Asia-driven tourism, which is often volatile.

Investing in Guam should also abridge certain security issues. As contrary to other jurisdictions who also have military assets,

this investment will dissuade us from placing such a heavy emphasis on embracing as well as a rush to embrace China's long-term tourism potential.

Guam is a very compassionate society, and in closing I think it's critically important to note that Guam is the only piece of U.S. residential soil that has ever been occupied by a foreign aggressive force.

And when you come to Guam to visit and you meet the elders, you will never have to ask the definition of freedom and liberty.

Through occupation, they have lived it, understand firsthand that without freedom and liberty we live in tyranny.

And because we are America, you will never have to ask for whom the bell tolls. It tolls for thee.

Thank you very much. I wish Godspeed in your decision-making process.

MS. BORDALLO: I would like to extend my sincere thanks to Governor Camacho and Mr. Webber for their comments and for their efforts in representing the people of Guam.

As you can see, the leadership on Guam is united in our support for the military, in

our view on this BRAC round, in our preparedness to assume an even greater role in America's national security.

Ever since congress passed the Goldwater-Nichols act in 1986, the military byword has been "jointness."

Guam represents a place where jointness has truly taken hold. Naval submarines ship out to sea while the U.S. Air Force planes provide overhead cover.

U.S. Marines conduct maneuver exercises on Guam's land with the support of Naval gunfire and the close air support of the Air Force jets.

The consolidation of base operations systems between Andersen Air Force Base and Naval station Guam is only an outgrowth of existing jointness.

The next step in making Guam America's most forward joint military operating base is welcoming an increased Naval service presence and a Marine expeditionary unit.

There is no U.S. sovereign soil more fit, more capable and more strategically located to achieve this joint feat than Guam.

Simply stated, members of the commission, Guam is the only American land where the military can create the remarkable joint combination where the forces are at the same time home ported and forward deployed.

In traveling with the Secretary of Defense, Mr. Rumsfeld, to look over Guam last year, he said to me, "We go where we're wanted."

The people of Guam are loyal Americans who stand ready to do their part to help promote the national defense.

The military, ladies and gentlemen, is wanted on Guam.

I thank you, and God Bless our great country of the United States of America.

MR. BILBRAY: Thank you, Governor, Congresswoman, and representative Mr. Webber.

This concludes the Los Angeles California regional hearing of the defense base closure and realignment commission.

I want to thank all the witnesses who testified today. You have brought us thoughtful and valuable information. I assure your statements will be carefully considered by the commission members as we reach our decision.

I also want to thank all the elected officials and community members who have assisted us during our base visits in preparation for this hearing.

In particular, I would like to thank Senator Dianne Feinstein and Governor Arnold Schwarzenegger and their staffs for their assistance in coordinating this hearing.

Finally, I would like to thank the citizens of the communities represented here today that have supported the members of the armed services for so many years, making them feel welcome and valued in your towns.

It is that spirit that makes America great.

This hearing is closed.

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