

ALASKA LEGISLATURE

1947

HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 19, 1999

FURTHER REFERRALS:

Date of Committee Action: 2/22/99

The FINANCE Committee considered:

HB 73

HOUSE BILL NO. 73

MOTOR VEHICLE REGISTRATION FEES

"An Act relating to commercial vehicle registration fees and taxes; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 73(FIN) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) _____ fiscal note(s) _____

zero fiscal note(s) _____ zero fiscal note(s) DOA 2/12/99

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<u>Therriault</u> Therriault			X	
<u>Kohring</u> Kohring		X		
<u>Austerman</u> Austerman		X		
<u>J. Davies</u> J. Davies	X			
<u>Runde</u> Runde	X			
<u>Grussendorf</u> Grussendorf			X	
<u>Williams</u> Williams	X			
<u>DAVIS</u> DAVIS			X	
<u>Foster</u> Foster	X			

CO-CHAIR'S SIGNATURE Therriault
 Therriault

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 73

Revision Date: _____
 Title: An Act relating to commercial vehicle registration fees and taxes, and providing for an effective date
 Sponsor: (H) TRA
 Requestor: (H) TRA

Department Affected: Administrative
 BRU: Motor Vehicles
 Component: _____
 COMPONENT SERIAL NO.: 2343

Expenditures/Revenues: (Thousands of Dollars)
 Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES

CHANGE IN REVENUES ()

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF Program Receipts						
1037 GF Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 99) cost: \$ _____

POSITIONS:

FULL-TIME	
PART-TIME	
TEMPORARY	

ANALYSIS: (Attach a separate page if necessary.) In 1998 HB 404 was passed and that bill eliminated the requirement for annual or biennial commercial trailer registration. HB 404 increased registration fees on commercial cars, trucks, and buses to compensate for the loss of the trailer registration fees. The intent of this was to be revenue neutral with the changes. This bill addresses the same issue with the Municipal Registration Tax by increasing the tax rates on larger commercial vehicles to offset the loss of municipal tax revenue from the trailers.

DMV collects these taxes at time of registration and remits them to the appropriate municipality less an 8% collection cost which the state retains. There is no gain or loss of revenue since this bill merely shifts the existing tax burden from one class of vehicles to another. The tax rate changes can be accomplished by a computer table change in less than an hour.

Prepared by Charles P. Hesack
 Division: Motor Vehicles

Phone: (907) 269-5559
 Date: _____

Approved by Commissioner: Robert Poe
 Agency: Department of Administration

Date: 2/8/99

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

HB

73

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/8/99

FURTHER: S 3/11/99

DATE TURNED IN TO OFFICE: 3/11/99

Finance Committee considered

CS FOR HOUSE BILL NO. 73(FIN)

"An Act relating to commercial vehicle registration fees and taxes; relating to determining the taxable location of a vehicle for purposes of municipal registration taxes; and providing for an effective date."

and recommends:

- be **replaced** with _____ CS _____ (_____)
- adopt **previous** _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	-	<i>Revised by [Signature]</i>	✓		
<i>[Signature]</i>	✓	<i>as is</i>	X		
Co-Chair: <i>[Signature]</i>	✓	Co-Chair: <i>[Signature]</i>	X		
Co-Chair: <i>[Signature]</i>		Co-Chair: <i>[Signature]</i>			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
Admin	2/2/99	Ø	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

STATE OF ALASKA
1999 LEGISLATIVE SESSION

Version: HB 73

(H) Publish Date: 2/12/99

S: 3/11/99

Revision Date: _____
Title: An Act relating to commercial vehicle registration fees and taxes: and providing for an effective date.
Sponsor: (H) TRA
Requestor: (H) TRA

Department Affected: Administration
BRU: Motor Vehicles
Component: _____
COMPONENT SERIAL NO. 2348

Expenditures/Revenues: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2000	FY 2001	FY2002	FY 2003	FY 2004	FY 2005
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 99) cost: \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.) In 1998 HB 404 was passed and that bill eliminated the requirement for annual or biennial commercial trailer registration. HB 404 increased registration fees on commercial cars, trucks, and buses to compensate for the loss of the trailer registration fees. The intent of this was to be revenue neutral with the changes. This bill addresses the same issue with the Municipal Registration Tax by increasing the tax rates on large commercial vehicles to offset the loss of municipal tax revenue from the trailers.

DMV collects these taxes at time of registration and remits them to the appropriate municipality less an 8% collection cost which the state retains. There is no gain or loss of revenue since this bill merely shifts the existing tax burden from one class of vehicles to another. The tax rate changes can be accomplished by a computer table change in less than an hour.

Prepared by: Charles R. Hosack
Division: Motor Vehicles

Phone: (907) 269-5559
Date: _____

Approved by Commissioner: Robert Poe Jr.
Agency: Department of Administration

Date: 2/8/99

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

COMMITTEE COPY



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907)586-1325. Fax (907)-463-5450

February 12, 1999

Senator Jerry Ward, Chair
Senate Transportation Committee
State Capitol Room 423
Juneau, AK 99801-1182

Dear Senator Ward,

Re: SB 64 Motor Vehicle Registration Fees

Last year when HB 404 was adopted, the trucking industry representatives pledged to negotiate an agreement with municipalities to mitigate the negative impact on local registration tax revenues.

This was accomplished and the result is in SB 64. The bill has been reviewed by the affected municipalities, and SB 64 appears to mitigate the revenue loss to local taxpayers from exempting commercial trailers from registration taxes. It also appears to allow municipalities who set their own registration tax rates time to change their ordinances to reflect the agreement. The Alaska Truckers Association and other industry representatives have pledged to also support the change when it comes before borough Assemblies.

The AML Policy Statement neither supports nor opposes the subject of this bill.

Sincerely

Kevin Ritchie

Executive Director

cc AML Transportation and Utilities Subcommittee
Tim Rogers
Mike Scott
Ray Gillespie
Georgiana Zimmerele
Gary Bloomquist
Mayor Mike Navarre

ALASKA TRUCKING ASSOCIATION, INC.

3443 Minnesota Drive • Anchorage, Alaska 99503 • PHONE (907) 278-1149 • FAX (907) 274-1948

February 12, 1999

To: Senate Transportation Committee

From: Frank J. Dillon, Alaska Trucking Association, Inc.

Re: S.B. 64

S.B. 64 completes the excellent legislative work begun with the passage last year of H.B. 404. In part, H.B. 404 allowed for the elimination of having to annually register commercial trailers.

The revenue from these trailers was shifted to the commercial licensed power units, so as, to generate the same revenue to the State. The direct benefit to both the State DMV and the Industry was to eliminate more than 20,000 annual paper work transactions and the need to find and affix tags to the trailers.

At the last minute the "rule of unintended consequences" reared it's ugly head. The impact to municipalities which levy a local motor vehicle tax had been overlooked. Language was added before final passage of H.B. 404 that "sunsetted" the trailer provision in H.B. 404 as of March 30, 1999, unless a means of correcting the potential revenue loss to the municipalities was found.

S.B. 64 is that solution. S.B. 64 was agreed to after a series of meetings with representatives from cities, boroughs, the Municipal League, independent truckers, and the Teamsters.

S.B. 64 adds \$75 per year to the two heaviest weight classes of commercial trucks. This will offset the loss from the fees now paid to the municipalities from commercial trailers. S.B. 64 carries through with our intent in H.B. 404 of being revenue neutral.

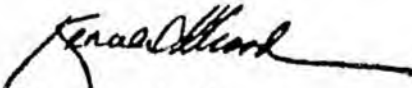


Senator Jerry Ward
February 11, 1999
Page 2

Your support is greatly appreciated. If there is any additional information we may provide or if there are any questions we may answer regarding SB 64, please let me know. Again, your support in passage of this bill is greatly appreciated.

Sincerely,

TEAMSTERS LOCAL 959



Gerald L. Hood
Secretary-Treasurer

cc: Hand delivered:
Senator Drue Pearce, Vice Chairman
Senator Rick Halford
Senator Mike Miller
Senator Georgianna Lincoln



General Teamsters Local 959 State of Alaska

Affiliated with International Brotherhood of Teamsters
ANCHORAGE, ALASKA 99501 521 E. 34TH AVE. (907) 565-9100 FAX (907) 565-9299 GERALD L. HODD, Secretary-Treasurer

FAIRBANKS, ALASKA 99707 P.O. Box 70609 (907) 452-2359 FAX (907) 452-5051
JUNEAU, ALASKA 99801 306 Wilcoy Dr. (907) 586-3225 FAX (907) 586-1227
KENAI, ALASKA 99611 P.O. Box 3150 (907) 253-4498 FAX (907) 233-8030

February 11, 1999

HAND DELIVERED

Senator Jerry Ward
Transportation Committee Chair
State Capitol
Juneau, AK 99801-1182

Re: Senate Bill 64

Dear Senator Ward:

On behalf of the several hundred Teamster members employed in the transportation industry, I would like to go on record supporting SB 64. This bill is intended as a clean-up to legislation which became law last session. Unfortunately, the tax issue was not addressed in the legislation, nor were the parties able to agree last session on a fix to the problem relating to municipal motor vehicle registration tax.

The passage of the legislation last year eliminated the requirement to register commercial trailers with the Division of Motor Vehicles (DMV). It was not known until late in last year's session that the DMV also collected taxes for approximately 13 Alaska communities. Since the legislation was revenue neutral, there were communities which would have lost revenue.

During the interim, there were several meetings held to discuss a resolution to this problem. Included in these meetings were representatives from the Alaska Trucking Association, the Teamsters, impacted communities, and the Independent Trucking Association, whose participation was limited to the last two teleconferences. It was agreed by all present at the last meeting that the proposed increase of \$75.00 per year for those vehicles weighing at least 12,001 pounds or greater would adequately make up the tax revenue on the trailers.

Therefore, SB 64 will continue to eliminate the requirement for registration of commercial trailers, with the exception of a one time \$10.00 fee. It also frees up industry employees because they will no longer have to physically tag and process paperwork for the trailers.

Although this poses an additional cost to many of our members in the industry, over time we believe that it will balance the playing field and help to create a more efficient industry.





ALASKA INDEPENDENT TRUCKERS ASSOCIATION

200 W. 34TH AVENUE, SUITE 863

ANCHORAGE, ALASKA 99503

PHONE: (907)522-3402

FAX: (907)258-7536

February 27, 1999

Senator John Torgerson
State Capitol
Juneau, Alaska 99801-1182

RE: H.B. 73 & S.B. 64

Dear Senator Torgerson;

I would like to speak to you as both an independent businessman and as a member of the Board of Directors for the Alaska Independent Truckers Association. We have been reviewing the above referenced bills and are very concerned about the possible ramifications of said bills. It is our understanding that the State feels that implementing these bills will save money in administrative costs, while increasing revenue. Possibly we have misunderstood, but we are at a loss as to why the State would give up several hundreds of thousand dollars in annual income to save approximately \$100,000. Let me clarify our thoughts and concerns.

First, by making a commercial trailer fee one time for as long as the trailer does not change title, only benefits a few large corporations. To compensate for the loss of this revenue it is proposed that an increase in the registration and taxes be put on the power unit. What this essentially does is put the onus of picking up the lost revenue on the independent owner-operators. How you may ask? Well large corporations like Sealand have approximately 1,800 trailers with only approximately 25 power units. Carlile approximately 1,200 trailers, Totem approximately 1,000 trailers and LTI approximately 1,500 trailers, all with only a minimal amount of power units. If you are making \$100-\$150 per trailer annually with 1,800 trailers that is \$180,000-\$270,000 in revenue annually with would drop to \$18,000 one time until that trailer changes title. That is a tremendous loss of revenue that will need to be made up somehow. A number of the larger corporations are using independent owner-operators' power units to move their trailers. How come these owner-operators are not complaining you may ask? Well, again several of the corporations have said that they will pay for their owner-operators registration & tax if they don't oppose this bill so that it has a better chance of becoming law.

Most independent owner-operators have one power unit and one trailer, so how does this help them? However if you allow the registration fees and taxes to be increased to compensate for the loss of income it will be the thousands of independents paying for the corporations and this will have more far reaching ramifications. As the costs keep going up, there will be more and more independents and small companies that will be unable to finance the higher cost of doing business and will be forced to go out of business. Therefore that income will also be lost as those power units will no longer be registered and used. In the bigger picture, less fuel will be bought, less repair work for mechanic shops, less parts and tires bought, less insurance needed. Therefore, the whole economic community losses. That could also cause a resurgence in the unemployment rate. All for the sake of helping out a few large corporations. Sadly enough most individuals and owner-operators don't even know about H.B. 73 or S.B. 64 so that they can let our State government know how they feel.

read by
Phillips

If it is determined that we still need to only have a one time \$10 registration fee for trailers, possible another solution should be found to generate the lost income. For example, the State no longer has a tax or permit fee for 40 foot doubles. Maybe we should. Most States have this. Nevada charges an annual \$3,000 per year for doubles. Maybe this option should be researched. Also, maybe the State Department of Transportation should be more concerned with actually implementing and enforcing the safety program that is already on the books and would benefit that whole State instead of catering to a few large corporations. Hopefully you can help us in our concerns.

Sincerely,

Harold Ebersole
By H.

Harold Ebersole
AITA Board Member, Trucker & Voter

March 5, 1999

Senator John Torgerson
State Capitol Bldg., Room 416
Juneau, Alaska 99801-1182

RE: H.B. 73 & S.B. 64

Dear Senator Torgerson;

With regards to the above referenced bills, we in the industry do not understand why, when DOTPF sponsored C.S.H.B. 43 that passed May 22, 1998, that some one did not see that the dollar figure was not even close to the one-time \$10 trailer fee. I would say they shot themselves in the foot and now they want the owner-operators and small business' to foot the bill. Cement trucks, wreckers, delivery trucks with no trailers, buses and pickups for commercial use are who will end up paying the price. With approximately 18,443 trailers on an average annual registration fee of \$125, that is \$2,305,375. At a one time \$10 registration fee that is \$184,430. Why give up over \$2.1 million dollars in Annual State revenue per year that is already received to benefit only a few large corporations?

Possibly the DOTPF would better spend their time in enacting the legislation and programs already on the books. The State has approximately 41,374 trucks over the 10,000-pound range, which includes pickups used for commercial purposes, approximately 18,443 trailers and approximately 2,332 buses. There are approximately 16,802 Class A, 9,992 Class B and 1,603 Class C commercial driver licenses at this time in the State of Alaska. Over the past 5-6 years we have had meetings with people from Federal DOT out of Portland and the latest was a set down with the Governor about safety and still nothing. I am sending a clipping from the Homer paper and it tells you about how the safety program and moneys spent over the past have gone. If the program were working, as they would like you to believe, those trucks would have been inspected over the years and would have been in shape.

What some of us call the FEA instead of the DOTPF office, which consists of Frank Dillion, Ed Moses and Aves Thompson, has to our observation cost the State millions of dollars in the safety program over the past years and to this date there is still no program. Oh, there is on the books, but it has not been put into practice. But that is another story. The FEA are taking care of a few and the rest of us have to pay the price.

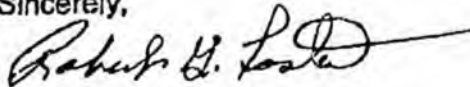
Frank Dillion would like you to believe he is the driving force in the trucking industry but remember the ATA brought him in, I believe from Hawaii. Frank

said, and let me quote him, "I work for the Board of Directors not you." At the time he said that, he was referring to the 50 to 55 independent construction truck owner-operator members of the ATA. They had been members about 4 years at that time. It was also at that time that Mr. Dillion said that "We are not spending any more time on the safety program, it is a dead issue." This is what triggered the forming of the Alaska Independent Truckers Association in January 1994.

The members of the Alaska Independent Truckers Association understand the need to raise more capital, however we cannot understand how DOTPF thinks H.B. 73 and S.B. 64 will accomplish this goal.

Thank you for your time and help in this matter. Should you have any questions, please call me at (907)522-3402.

Sincerely,



Robert G. Foster
OS Trucking
200 W. 34th Avenue, Suite 968
Anchorage, Alaska 99503

Member of the O.O.I.D.A. & A.I.T.A



General Teamsters Local 959 State of Alaska

Affiliated with International Brotherhood of Teamsters
ANCHORAGE, ALASKA 99503, 520 E. 34TH AVE. (907) 565-8122 FAX (907) 565-8265 GERALD L. HOOD, Secretary-Treasurer

FAIRBANKS, ALASKA 99707, P.O. Box 70609 (907) 452-2959 FAX (907) 452-5051
JUNEAU, ALASKA 99801, 306 Wiloughby (907) 586-3225 FAX (907) 586-1227
KENAI, ALASKA 99611, P.O. BOX 3150 (907) 283-4498 FAX (907) 283-8030

March 4, 1999

HAND DELIVERED

Senator John Torgerson, Co-Chair
Senator Sean Parnell, Co-Chair
Senate Finance Committee
State Capitol
Juneau, AK 99801-1182

Re: House Bill 73

Dear Senator Torgerson & Senator Parnell:

On behalf of the several hundred Teamster members employed in the transportation industry, I would like to go on record supporting HB 73. This bill is intended as a clean-up to HB 404 which became law last session. Unfortunately, the tax issue was not addressed in HB 404 as it related to municipal motor vehicle registration tax.

The passage of HB 404 eliminated the requirement to register commercial trailers with the Division of Motor Vehicles (DMV). It was not known until late in last year's session that the DMV also collected taxes for approximately 13 Alaska communities. Since HB 404 was revenue neutral, there were communities which would have lost revenue.

During the interim, there were several meetings held to discuss a resolution to this problem. Included in these meetings were representatives from the Alaska Trucking Association, the Teamsters, impacted communities, and the Independent Trucking Association, whose participation was limited to the last two teleconferences. It was agreed by all present at the last meeting that the proposed increase of \$75.00 per year for those vehicles weighing at least 12,001 pounds or greater would adequately make up the tax revenue on the trailers.

Therefore, HB 73 will continue to eliminate the requirement for registration of commercial trailers, with the exception of a one time \$10.00 fee. It also frees up industry employees because they will no longer have to physically tag and process paperwork for the trailers.



March 4, 1999
Page 2.

Although this poses an additional cost to many of our members in the industry, over time we believe that it will balance the playing field and help to create a more efficient industry.

Your support is greatly appreciated. If there is any additional information we may provide or if there are any questions we may answer regarding HB 73, please let me know. Again, your support in passage of this bill is greatly appreciated.

Sincerely,

TEAMSTERS LOCAL 959



Gerald L. Hood
Secretary-Treasurer

cc: Hand delivered:
Senator Dave Donley
Senator Lyda Green
Senator Pete Kelly
Senator Loren Leman
Senator Randy Phillips
Senator Gary Wilken
Senator Al Adams

MAR 5 '99 11:28 FROM ALASKA TRUCKING ASSOC

PAGE.001

ALASKA TRUCKING ASSOCIATION, INC.

3443 Minnesota Drive • Anchorage, Alaska 99503 • PHONE (907) 276-1149 • FAX (907) 274-1946

March 5, 1999

To: Senate Members

From: Frank J. Dillon, Alaska Trucking Association, Inc. (ATA has over 300 Statewide Members, of which, 60% are owner/operators or "mom and pop" operators.)

Re: CS H.B. 73

CS H.B. 73 completes the excellent legislative work that began with the passage last year of H.B. 404. In part, H.B. 404 allowed for the elimination of having to annually register commercial trailers.

The revenue from these trailers was shifted to the commercial licensed power units, so as, to generate the same registration revenue for the State. The direct benefit to the State DMV and the Industry was to eliminate more than 20,000 annual paper work transactions and the need to locate and affix tags to the individual trailers.

At the last minute the "rule of unintended consequences" reared it's ugly head. The impact to municipalities which levy a local motor vehicle tax had been overlooked. Language was added before final passage of H.B. 404 that "sunsetted" the trailer provision in H.B. 404 as of March 30, 1999, unless a means of correcting the potential revenue loss to the municipalities was found.

CS H.B. 73 is that solution. CS H.B. 73 was agreed to after a series of meetings with representatives from cities, boroughs, the Municipal League, independent truckers, and the Teamsters.

CS H.B. 73 adds \$75 per year to the two heaviest weight classes of commercial trucks. This will offset the loss from the fees now paid to the municipalities from commercial trailers. CS H.B. 73 carries through with our intent in H.B. 404 of being revenue neutral.



Alaska State Legislature

House of Representatives



Transportation Committee

SPONSOR STATEMENT

House Bill 73

“An Act relating to commercial vehicle registration fees and taxes; and providing for an effective date.”

Last year, the Twentieth Legislature, Second Session, passed Senate CS for CS for House Bill No. 404(RLS). This bill raised temporary registration fees for out-of-state trucks to fund size, weight, and safety inspections statewide. This bill eliminated the requirement of annual registration of commercial trailers with DMV, saving the state \$100,000 by eliminating 20,000 yearly transactions. It also saved trucking companies the chore of hunting down hundreds of trailers statewide, on barges, or even out of state to affix registration stickers.

The House version raised fees on commercial trucks to offset the revenue lost to the state from registering trailers. However, in the final days of passage, bill critics noted that some municipalities lost tax revenues by eliminating trailer registrations. (DMV collects taxes for some municipalities when it registers vehicles.)

The bill was amended to include a 'sunset' date of March 30, 1999. This 'sunset' was to allow the trucking industry, municipalities, and DMV time to agree on a plan to replace the lost revenues or go back to yearly registration of trailers.

After several recent teleconferences and meetings, the affected parties reached certain agreements. **HB 73 meets these agreements by:**

- Making permanent the new registration fees for commercial vehicles.
- Raising the municipal tax schedule by \$75 per year on trucks over 12,000 pounds to restore lost revenue to affected municipalities.
- Tightening the 'situs' language so that trucks are registered for where they are normally used.



FEB 16 1999

217 Second Street, Suite 200 • Juneau, Alaska 99801 • Tel (907)586-1325. Fax (907)-463-5450

February 12, 1999

Representative Beverly Masek, Chair
House Transportation Committee
State Capitol Room 432
Juneau, AK 99801-1182

Dear Representative Masek,

Re: HB 73

Last year when HB 404 was adopted, the trucking industry representatives pledged to negotiate an agreement with municipalities to mitigate the negative impact on local registration tax revenues.

This was accomplished and the result is in HB 73. The bill has been reviewed by the affected municipalities, and HB 73 appears to mitigate the revenue loss to local taxpayers from exempting commercial trailers from registration taxes. It also appears to allow municipalities who set their own registration tax rates time to change their ordinances to reflect the agreement. The Alaska Truckers Association and other industry representatives have pledged to also support the change when it comes before borough Assemblies.

The AML Policy Statement neither supports nor opposes the subject of this bill.

Sincerely

Kevin Ritchie
Executive Director

cc AML Transportation and Utilities Subcommittee
Tim Rogers
Mike Scott
Ray Gillespie
Georgiana Zimmerele
Gary Bloomquist
Mayor Mike Navarre

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

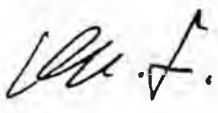
130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

February 9, 1999

SUBJECT: Sectional Summary of HB 73 (Work Order No. 21-0388VA)

TO: Representative Beverly Masek
Attn: Ted Deats

FROM: Michael F. Ford 
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Increases biennial registration fees for commercial vehicles. Repeals a reference to trailers and semitrailers.

Section 2. Increases annual registration fees for commercial vehicles.

Section 3. Imposes a one-time registration fee of \$10 for trailers or semi-trailers.

Section 4. Increases the biennial tax imposed by municipalities on certain commercial vehicles.

Section 5. Specifies that for purposes of the municipal vehicle tax, a vehicle is taxed in the location it normally used, during the period of the vehicle's registration.

Section 6. Increases the annual tax imposed by municipalities on certain commercial vehicles.

Section 7. Adds two transition provisions. Under (a), the department is authorized to collect additional sums in those municipalities that have amended the statutory fee schedule. Under (b), municipalities that have adopted amended fee schedules can adopt new schedules without meeting the requirements of AS 28.10.431(j). New schedules must be passed after this Act takes effect and before December 1, 1999.

Section 8. Effective date.

MFF:jdr
99-056.jdr

SENATE FINANCE COMMITTEE

SIGN-IN

**SB 64-MOTOR VEHICLE REGISTRATION FEES
HB 73-MOTOR VEHICLE REGISTRATION FEES**

NAME: FRANK DILLON Subject/Bill No: SB 64/HB 73
Co./Dept./Title: AK Trucking Assoc Phone: 276 1149
Address: 3443 Mima Dr. Asheville Zip: 99503
Do you wish to testify? Yes No Respond To Questions

NAME: Juanita Hensley Subject/Bill No: HB 73/SB 64
Co./Dept./Title: Dept Admin Phone: 465-5648
Address: PO Box 1000000 Juneeau Zip: 99811
Do you wish to testify? Yes No Respond To Questions

NAME: Barbara Huff Tucker Subject/Bill No: HB/73/SB 64
Co./Dept./Title: Teamsters Phone: 565-8230
Address: 520 E 37 Zip: 99503
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

NAME: _____ Subject/Bill No: HB73

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: PAUL FUAS Subject/Bill No: HB73

Co./Dept./Title: SEALAND / TOTE Phone: 723-8019

Address: BOX 20604 Zip: 99802

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

03/11/99
09:14:42

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM
PARTICIPANT LIST (ALL PARTICIPANTS)
TCN:90306 SCHEDULED FOR:03/11/99 09:00 TO 11:00
PUBLIC HEARING SENATE FINANCE

LTN1150
BY:ANC
FOR:ANC

LOCATION: ANCHORAGE

HB 73	PETER	BLANAS		TESTIFY
HB 73	CHUCK	HOSACK	DMV	TESTIFY
HB 73	CHARLES	MCKEE		TESTIFY

Eagle River

Harold Ebersole

*AK Independent
Truckers Assn*

Loren Ripple

HB

77

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 19, 1999

FURTHER REFERRALS:

Date of Committee Action: 3/4/99

The FINANCE Committee considered:

HB 77

HOUSE BILL NO. 77

JOINT ARMED SERVICES COMMITTEE

"An Act relating to the Joint Armed Services Committee, a permanent interim committee of the Alaska State Legislature; and providing for an effective date."

recommends it be replaced
with the following committee substitute

CS HB 77 (FIN)

the same title
 a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal note(s) _____

fiscal note(s) _____

zero fiscal note(s) HFC

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>C. Theriault</i>	Theriault	X			
<i>C. Bunde</i>	Bunde	X			
<i>Eric Kohring</i>	Kohring	X			
<i>Alan Austerman</i>	Austerman	X			
<i>J. Grossendart</i>	Grossendart			X	
<i>J. Davis</i>	J. Davis	X			
<i>W. Williams</i>	Williams	X			
<i>[Signature]</i>	John	X			

CHAIR'S SIGNATURE

C. Theriault

Theriault

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. CS HB 77(FIN)

Title: "An Act relating to the Joint Armed Services Committee"
Sponsor: Representative Murkowski
Requestor: _____

Dept. Affected: Legislative Affairs Agency
BRU: Legislative Council
Components: Council & Subcommittees
Serial #: _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (THOUSANDS OF DOLLARS)

General Fund						
Federal Fund						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

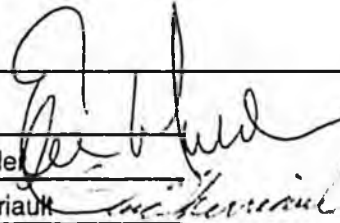
POSITIONS:

Full-Time	0	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Note: Funding for the Joint Armed Services Committee in the amount of \$18.0 is included in the Legislature's FY 2000 request; therefore, new funds are not needed.

See attached sheet for additional details.

Prepared by: House Finance Committee  Date: 03/03/99
Representative Eldon Mulder Phone: 465-2647
Representative Gene Theriault Phone: 465-2647

HB 77 establishes the Joint Armed Services Committee as a permanent interim committee of the Alaska State Legislature. Membership will include 5 members of the Senate, 5 members of the House and 5 members of the public.

The \$18.0 in the council & subcommittees component will fund the travel costs of two meetings (one in Anchorage and one in Fairbanks) totaling \$14.6. The travel and per diem amount is based on the assumption that 9 members will be receiving travel and per diem benefits for the Anchorage meeting and 12 members for the Fairbanks meeting. The FY 2000 request also includes needed contractual items in the amount of \$3.4.

Travel and per diem

(Each trip consists of one nights lodging and two full days of meetings)

Anchorage meeting per diem (includes one nights lodging) = (9 individuals x \$213/day)	\$1.9
Anchorage meeting per diem = (9 individuals x \$62/day)	\$0.6
Anchorage meeting travel costs = (\$350 x 9)	\$3.2
Anchorage travel and per diem total	<u>\$5.7</u>

Fairbanks meeting per diem (includes one nights lodging) = (12 individuals x \$181/day)	\$2.2
Fairbanks meeting per diem = (12 individuals x \$60/day)	\$0.7
Fairbanks meeting travel costs = (\$500 x 12)	\$6.0
Fairbanks travel and per diem total	<u>\$8.9</u>

Travel and per diem total	14.6
----------------------------------	-------------

Contractual

Phones = (\$100/month)	\$1.2
Advertising	\$1.6
Postage = (\$50/month)	\$0.6
Contractual Total	<u>\$3.4</u>

Total expenses	<u><u>\$18.0</u></u>
-----------------------	----------------------

pls call

*adopted
3/4/99*

NO CHANGE

1-LS0413D
Cook
2/24/99

CS FOR HOUSE BILL NO. 77(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): **REPRESENTATIVES MURKOWSKI, Foster, Kott, Harris, Mulder, Phillips**

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Joint Armed Services Committee, a permanent interim
2 committee of the Alaska State Legislature; and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1. LEGISLATIVE FINDINGS.** The legislature finds that

5 (1) the Secretary of Defense, in both the Quadrennial Defense Review and the
6 Defense Reform Initiative, has called for the reestablishment of a Base Realignment and
7 Closure Commission to conduct two new rounds of military base closures;

8 (2) all military bases in Alaska are scheduled for review and evaluation for
9 potential placement on the closure list;

10 (3) the strategic location of the state's military bases, their unparalleled training
11 and maneuver areas, and their modern facilities represent an asset of unmatched military value
12 to the nation;

13 (4) the total economic value that the military adds to the state exceeds
14 \$1,700,000,000 annually;

1 (5) any new base closure or realignment actions in the state would create
2 serious economic and socioeconomic effects for the communities where they are located;

3 (6) the closure of Adak Naval Air Facility and realignment of army activities
4 at Fort Greely by the 1995 Base Realignment and Closure Commission continues to create
5 challenges for communities committed to their productive reuse and integration into the state's
6 economy;

7 (7) the unprecedented proliferation of weapons of mass destruction and ballistic
8 missiles constitutes a growing threat to the United States, which has begun to develop a
9 weapons system capable of defending the nation against ballistic missile attack;

10 (8) sites in Alaska are under consideration for the deployment of that system
11 that offer the unmatched military value of strategic location from which all 50 states can be
12 defended as required by the United States Constitution; and

13 (9) as our nation's armed forces continue to shift from a forward deployed
14 force based overseas to a power projection force stationed within the United States, Alaska's
15 modern bases, extensive training areas, and established tradition of joint operations between
16 the individual services offer the United States Department of Defense an unequaled location
17 to organize, train, and deploy the integrated forces the United States requires in the Twenty-
18 First Century.

19 * Sec. 2. AS 24.20 is amended by adding new sections to read:

20 **Article 5. Joint Armed Services Committee.**

21 **Sec. 24.20.650. Joint Armed Services Committee established.** (a) The Joint
22 Armed Services Committee is established as a permanent interim committee of the
23 legislature.

24 (b) The committee is composed of

25 (1) five members of the senate, at least one of whom is a member of
26 the minority, appointed by the president of the senate;

27 (2) five members of the house of representatives, at least one of whom
28 is a member of the minority, appointed by the speaker of the house of representatives;

29 (3) a state resident, other than a member of the state legislature, who
30 is appointed jointly by the president of the senate and the speaker of the house of
31 representatives after considering the recommendations of the Alaska chapters of each

1 of the following organizations:

2 (A) the Association of the United States Army;

3 (B) the Air Force Association;

4 (C) the Navy League of the United States;

5 (D) the Marine Corps Association;

6 (4) a state resident, other than a member of the state legislature, who
7 is appointed jointly by the president of the senate and the speaker of the house of
8 representatives after considering the recommendation of the Seventeenth Coast Guard
9 District Auxiliary;

10 (5) a state resident, other than a member of the state legislature, who
11 is appointed jointly by the president of the senate and the speaker of the house of
12 representatives after considering the recommendation of the mayor of the Municipality
13 of Anchorage;

14 (6) a state resident, other than a member of the state legislature, who
15 is appointed jointly by the president of the senate and the speaker of the house of
16 representatives after considering the recommendation of the mayor of the Fairbanks
17 North Star Borough; and

18 (7) a state resident, other than a member of the state legislature, who
19 is appointed jointly by the president of the senate and the speaker of the house of
20 representatives after considering the recommendation of the adjutant general of the
21 Department of Military and Veterans' Affairs.

22 **Sec. 24.20.655. Terms of office; vacancies.** (a) Each legislative member
23 serves for the duration of the legislature during which the member is appointed. Each
24 public member serves for three years. An individual who has served on the committee
25 may be reappointed.

26 (b) A legislator ceases to be a member of the Joint Armed Services Committee
27 if the legislator ceases to be a member of the house from which the legislator was
28 appointed. When a seat on the committee becomes vacant, it shall be filled within 30
29 days in the manner of the original appointment. An individual appointed to fill a
30 vacancy serves for the remainder of the term to which appointed.

31 **Sec. 24.20.660. Travel and per diem allowances.** Members of the Joint

1 Armed Services Committee are entitled to reimbursement for travel expenses.
2 Members of the committee shall receive per diem allowances in accordance with the
3 policy adopted by the legislative council under AS 24.10.130(c).

4 **Sec. 24.20.665. Meetings.** (a) Eight members of the Joint Armed Services
5 Committee constitute a quorum.

6 (b) The committee members shall select one member from the senate and one
7 member from the house of representatives to serve as co-chairs of the committee.

8 (c) The committee may meet during sessions of the legislature and during
9 intervals between sessions at the times and places the co-chairs may determine.
10 Whenever possible, meetings shall be teleconferenced to reduce travel cost.

11 **Sec. 24.20.670. Administration.** The legislative council shall provide
12 administrative and other services to the Joint Armed Services Committee. Within the
13 limits of the amounts made available to the committee by the legislative council, the
14 committee may make expenditures and enter into contracts to carry out the purposes
15 of AS 24.20.650 - 24.20.675. Contracts must be approved by a majority of the
16 members of the committee and are otherwise subject to procedures adopted by the
17 legislative council under AS 36.30.020.

18 **Sec. 24.20.675. Powers and duties.** (a) The Joint Armed Services Committee
19 shall

20 (1) monitor the military base realignment and closure activities of the
21 federal government for bases in the state;

22 (2) work on specific realignments and closures proposed by the federal
23 government for bases in the state;

24 (3) work with the state's congressional delegation regarding federal
25 military base realignments and closings in the state;

26 (4) attend meetings and hearings related to federal realignments and
27 closures of military bases in the state and provide testimony as necessary;

28 (5) review the effect on the state and its communities of federal
29 realignments and closures of military bases in the state;

30 (6) monitor the development of the national ballistic missile defense
31 system and work with the congressional delegation of the state, other state and local

1 government organizations, and community groups to advocate and expedite the
2 deployment of the system in this state;

3 (7) investigate opportunities to increase joint and combined military
4 training in the state;

5 (8) advocate the stationing of reconfigured power projection forces at
6 bases located in the state; and

7 (9) prepare and submit a report of its activities to the legislature on the
8 first day of each second regular session.

9 (b) The committee may appoint a citizens' advisory board. Individuals
10 appointed to an advisory board may not receive reimbursement for travel expenses or
11 per diem allowances.

12 * Sec. 3. AS 24.20.650, 24.20.655, 24.20.660, 24.20.665, 24.20.670, and 24.20.675 are
13 repealed January 1, 2009.

14 * Sec. 4. Section 1 of this Act is repealed January 1, 2009.

15 * Sec. 5. Chapter 31, SLA 1998, is repealed.

16 * Sec. 6. This Act takes effect July 1, 1999.

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. CS HB 77(FIN)

Title: "An Act relating to the Joint Armed Services Committee"
Sponsor: Representative Murkowski
Requestor: _____

Dept. Affected: Legislative Affairs Agency
BRU: Legislative Council
Components: Council & Subcommittees
Serial # _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (THOUSANDS OF DOLLARS)

General Fund						
Federal Fund						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

Full-Time	0	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Note: Funding for the Joint Armed Services Committee in the amount of \$18.0 is included in the Legislature's FY 2000 request; therefore, new funds are not needed.

See attached sheet for additional details.

Prepared by: House Finance Committee
Representative Eldon Mulder
Representative Gene Therriault

Date: 03/03/99
Phone: 465-2647
Phone: 465-2647

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

NO. low
BILL VERSION: HB 77
PUBLISH/DATE: _____

Revision Date: _____
Title: "An Act relating to the Joint Armed Services Committee, a permanent interim committee...
Sponsor: Representative Murkowski
Requestor: House Special Committee on MLV

Department Affected: Legislative Affairs Agency
BRU: All
Component: All

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANECUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE FUND SOURCE	0	0	0	0	0	0
---------------------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS (Attach a separate page if necessary)

The expenses of the Joint Armed Services Committee will be absorbed within the Legislature's budget.

Prepared By: Karla Schofield, Deputy Director
Division: Administrative Services

Phone: 466-3852
Date: 2/9/99

Approved By: Pamela A. Worni, Executive Director
Agency: Legislative Affairs Agency

Date: 2/9/99

Distribution (by preparer): Leg. Finance, Legislative Sponsor, Requestor, OMB, Gov., & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

REPORTED OUT OF
HFC

NO.

BILL VERSION:
PUBLISH DATE:

HB 77

Revision Date: _____
Title: "An Act relating to the Joint Armed
Services Committee, a permanent interim committee..."
Sponsor: Representative Murkowski
Requestor: House Special Committee on MLV

Department Affected: Legislative Affairs Agency
BRU: All
Component: All

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE FUND SOURCE	0	0	0	0	0	0
---------------------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	0	0	0	0	0	0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact:

ANALYSIS (Attach a separate page if necessary)

The expenses of the Joint Armed Services Committee will be absorbed within the Legislature's budget.

Prepared By: Karla Schofield, Deputy Director
Division: Administrative Services

Phone: 465-3852

Date: 2/9/99

Approved By: Pamela A. Worni, Executive Director
Agency: Legislative Affairs Agency

Date: 2/9/99

Distribution (by preparer): Leg. Finance, Legislative Sponsor, Requestor, OMB, Gov., & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

NO. _____
BILL VERSION: HB 77
PUBLISH DATE: _____

Revision Date: _____
Title: "An Act relating to the Joint Armed Services Committee, a permanent interim committee..."
Sponsor: Representative Murkowski
Requestor: House Special Committee on MLV

Department Affected: Legislative Affairs Agency
BRU: All
Component: All

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

The expenses of the Joint Armed Services Committee will be absorbed within the Legislature's budget.

Prepared By: Karla Schofield, Deputy Director Phone: 465-3852
Division: Administrative Services Date: 2/9/99

Approved By: Pamela A. Varni, Executive Director Date: 2/9/99
Agency: Legislative Affairs Agency

ALASKA STATE LEGISLATURE

Chair:
MILITARY AND VETERANS AFFAIRS

Member:
JUDICIARY
COMMUNITY AND REGIONAL AFFAIRS
LABOR AND COMMERCE



REPRESENTATIVE LISA MURKOWSKI
Government Hill • Elmendorf • East Anchorage

Session:
ALASKA STATE CAPITOL
JUNEAU, AK 99801-1182
PHONE: (907) 465-3783
FAX: (907) 465-2293
TOLL FREE: (877) 460-3783

Interim:
716 WEST 4TH AVENUE
ANCHORAGE, AK 99501-2133
PHONE: (907) 269-0174
FAX: (907) 269-0177

HOUSE BILL 77 JOINT ARMED SERVICES COMMITTEE SPONSOR STATEMENT

Alaska is being considered as the site, for the deployment of a National Missile Defense System. The Pentagon and the Secretary of Defense recently stated that another round of Base Realignments and Closures are forthcoming. Because of these challenges, I have introduced House Bill 77.

House Bill 77 would replace the existing Joint Committee on Military Bases in Alaska established in ch. 31, SLA 1998 with the Joint Armed Services Committee. Similarly, the Joint Armed Services Committee would have an existence longer than called for in the Uniform Rules, Rules 21(b) & (c). In fact this would be a permanent interim committee so that members may be activated year round. The committee would be activated on July 1, 1999 and the Legislative Council would provide administrative and other services to the Committee.

This committee would provide a unified front by House, Senate, Military and Civilian members to monitor timely military topics relative to Alaska. Furthermore, it would review and encourage state policies to ensure the continued well being and education of members of the armed forces, both active and reserve components.

The military in Alaska accounts for approximately \$1.7 billion of Alaska's economy. We are in the crux of two swaying forces with regard to our military – the potential creation of new sites for a National Missile Defense and possible consolidation of existing operations. These processes require considerable and constant attention. It is imperative that the Legislature takes a leading role to monitor the economic impact of future military related events. The Joint Armed Services Committee will provide that focus.

The Associated Press State & Local Wire

The materials in the AP file were compiled by The Associated Press. These materials may not be republished without the express written consent of The Associated Press.

October 14, 1998, Wednesday, PM cycle

SECTION: State and Regional

LENGTH: 364 words

HEADLINE: Hull creating new commission on preserving military bases

BYLINE: By PAUL DAVENPORT, Associated Press Writer

DATELINE: PHOENIX

BODY:

Gov. Jane Hull is creating a new state task force to work at preserving Arizona's military installations from the threat of possible closure.

Mrs. Hull scheduled an afternoon news conference in Tucson to announce she was signing an executive order creating the task force aimed at preserving the bases, spokeswoman Francie Noyes said this morning.

Members of the task force will include the governor, legislative leaders as well as legislators, mayors, county supervisors and business leaders from areas with bases, Noyes said.

Some of the areas already have support groups but not all, and the new task force is intended to boost base-preservation efforts statewide, she said.

Arizona lost one major installation, Williams Air Force Base in the Phoenix area, as the Pentagon began closing bases in the wake of the end of the Cold War.

Major air bases in Arizona include Davis-Monthan Air Force Base in Tucson, Luke Air Force Base in Glendale and the Marine Corps Air Station at Yuma. Other major installations include the Darryl M. Goldwater Air Force Range east of Yuma, Fort Huachuca in Sierra Vista and the Yuma Proving Ground.

The Clinton administration has urged additional base closures to save money that could be used instead for military operations and training and for equipment purchases, but Congress has balked so far.

Cirillo said he saw no problem in Mrs. Hull creating another commission. "I see them working together," said Sen. Edward Cirillo, R-Sun City West. "I don't see it as stepping on our toes in this very important area."

Cirillo said his panel may propose legislation to authorize counties to create agricultural preservation districts that would pay farmers in return for restricting development on farmland near air bases.

The Associated Press State & Local Wire, October 14, 1998

While converting farmland to light industrial uses would not be a problem, building new homes there could produce noise complaints that would be a black mark against the base if and when more closures are considered.

Cirillo said an alternative to paying for development restrictions might be to trade state land elsewhere for the farmland so a farmer retiring from the business can get his money out of the land.

LANGUAGE: ENGLISH

LOAD-DATE: October 14, 1998

CRB*California Research Bureau, California State Library*

908 H Street, Suite 100
 Sacramento, California 95814
 (916) 653-7843

CRB Note vol. 4 no. 1 May 7, 1997

State Military Base Retention Programs

Charlene Wear Simmons, Ph.D.
 May 7, 1997

Assemblymember Joe Baca, Chair of the Assembly Select Committee on Defense Conversion, requested that the California Research Bureau gather information on other state programs to retain active military bases. This CRB note summarizes the results of that inquiry.

More Bases are Likely to Close

"...the U.S. military twenty years hence is already being formed by decisions being made today."

Andrew Krepenevich

Strategic analysts contend that the U.S. military is entering a period of intense military transformation, in which there will be dramatic shifts in how the armed forces fight and organize themselves for combat. The rapid worldwide dissemination of sophisticated technology, which enables regional powers to greatly improve their military capabilities, poses new defense challenges. Key U.S. military competencies will include information superiority and establishing control of space.

In this changing environment, a large armed force and numerous fixed land bases are arguably costly vestiges of World War II and Cold War strategies. Cuts in the federal defense budget and significant downsizing of the force structure (number of troops, aircraft carriers, active fighter wings) create strong pressures to close facilities and save on operations and maintenance: active duty personnel have been cut by a third but the support structure (bases) by only 18 percent. Further, large investments need to be made to procure new advanced information technology and weapon systems (to the potential benefit of California's high tech industries).

The Secretary of Defense is reportedly recommending two additional base closure rounds, in 1999 and 2001. California has the largest number of bases of any state and therefore is a potential target for more base closures. (Footnote 1)

State Survey

The following discussion is drawn from a survey of many, but not all, defense-dependent states. Of these states, Colorado, Georgia, South Carolina, Texas and Pennsylvania have the most active military base retention programs. Common elements include a statewide military affairs council and an active statewide office which interfaces with local communities and base commanders. The goal is to ensure that military base missions are supported and enhanced by civilian services (schools, programs for retirees), public infrastructure (roads, sewers), local land use planning (flight zones, growing room to prevent encroachment) and political support (such as coordinated local-state-federal lobbying for new missions).

Arizona

During the last Base Realignment And Closure (BRAC) round, the State of Arizona appropriated \$1 million to assist local communities with military bases to hire consultants and lobbyists, with the goal of keeping their bases off the BRAC list. (Local support activities are generally located in Chambers of Commerce.) The effort was largely successful, as only one base was closed. Should there be another closure round, the state would consider a similar effort.

Colorado

In 1993, the Governor created the Defense Conversion and Retention Council. The Council is composed of 15 members appointed by the Governor and includes a mix of business, education and retired military leaders (active military personnel are not able to participate). The current chair is a commercial Realtor who is also a retired Brigadier General. The Council's charge, amended in 1995 to include retention activities, is to provide the Governor with information about the state's closed and active military facilities and the economic benefit and potential cost of losing military presence. It also is charged with developing a plan for a coordinated state response to defense conversion and retention. The Council meets every 6 weeks and has visited all military and Department of Energy facilities in the state. The Office of Statewide Defense Initiatives serves as staff to the Council and provides assistance to defense dependent communities and companies.

Colorado experienced three base closures in the BRAC rounds. Colorado Springs is the most defense dependent area in the state, with 5 bases accounting for 41 percent of the local economy. The state and community have worked together:

- to enhance military lifestyle, infrastructure and mission capabilities, including new and expanded base access roads and affordable military housing;
- to facilitate and coordinate city-county-state regulatory and other requirements; and
- to work with local Members of Congress to secure funds for warehouses and other needed support facilities and to bring new missions to the bases.

The Office serves as a liaison to the military community and interfaces with state agencies on their behalf. It also works with local communities and legislators to make sure that they understand the importance of defense dollars.

The Colorado General Assembly has appropriated \$500,000 to fund seed grants for defense retention efforts, requiring a 1 to 1 match, with a state share of up to \$50,000 per grant. The grants can be used by companies and communities to match federal grants (EDA, OEA, NIH, NJI)(Fograte?) for technology transfer or lobbying. For example, grants might fund the transfer of military technology to

local civilian contractors to strengthen the local economy and the military's civilian support structure. Twenty grants have been awarded; performance measures include the number of jobs created and the amount of money leveraged.

Another interesting undertaking is the Colorado Airspace Initiative. Its goal is to ensure that the Air Force has sufficient airspace for high-altitude and air combat training while taking into account increases in population, civilian air use and recreational activities.

Connecticut

The Connecticut Department of Economic and Community Development has a coordinator for national defense downsizing who works with defense impacted regions to provide technical and financial programmatic assistance. It also has a naval liaison who keeps in touch with naval issues. During the last BRAC rounds, the state convened a coalition of local, state and federal officials to successfully keep the Groton/New London submarine base open. The coalition has since worked to improve the military value of the base by offering permit and financial assistance for port dredging activities.

Florida

Florida's defense conversion efforts, which focus on job retraining and the "Soldiers to Scholars" project, are being implemented by Enterprise Florida, a public-private partnership in its first year of operation. Officials contacted at Enterprise Florida do not think the state is undertaking active retention efforts at this time.

Georgia

Georgia has been extremely successful in retaining its military installations--none were closed during the BRAC rounds. The Governor has established a Military Affairs Coordinating Committee composed of 40 members, including the base commanders of the state's 13 military installations who serve as ex-officio members. The committee also has 45 Associates, composed of military retirees, Chambers of Commerce, business leaders and legislators. The Governor continues to take a personal interest in the committee and its activities, facilitating quick state responses to military needs.

The committee's goal is the continued viability of Georgia's military installations. It accomplishes this by removing operational impediments and adding value to military missions. This might require buying land to ensure that air force runways are not crowded. Committee staff are very knowledgeable about BRAC criteria, for example that the military evaluates "Accident Potential Zones" when it reviews bases for closure. Another example is ensuring that a bombing range is not threatened by a landfill which would draw birds, potentially lowering a base from green to yellow on the BRAC criteria.

The committee meets quarterly and over a 3 year cycle visits each installation, at which time it evaluates the base commander's needs and considers how to deliver remedies to solve problems. Remedies might include meeting base infrastructure needs such as roads and sewers, increasing efficiencies through lower gas and electricity pricing, or improving quality of life through improved housing and services to retirees.

The committee seeks to attract and acquire additional missions and force structure and has a close

working relationship with the state's Congressional delegation. It regularly invites Department of Defense officials to visit Georgia's bases, effectively marketing the state's bases to the military brass. In addition, committee activities target skilled military retirees to keep them in the state, including an active Troops to Teachers program.

The committee is staffed by a 3 person office that operates out of the state Chamber of Commerce. It is not a state operation, although it submits a yearly audit. This provides the office considerable flexibility in its operations.

Indiana

Four years ago, the Governor of Indiana created a commission to address defense downsizing in the state. The commission was recently eliminated. The state has one military base left and officials contacted for this survey were not concerned about its closure at this time, given its unique mission. In general, the state focuses on how to make the base more valuable to the military by improving infrastructure, worker training, and facilitating technology transfer to supporting industries.

Kentucky

The Kentucky Military Affairs Commission was created by legislation and is located in the Governor's office. It provides advice to the governor and the legislature and works with local redevelopment authorities. Kentucky experienced two base closures during the BRAC rounds. The Commission is responsible for improving and enhancing Kentucky's military activities and commands.

Maryland

The Department of Business and Economic Development, Office of Technology Development, administers the state's programs targeted at defense downsizing. Activities include providing advice to the governor and legislature, proposing legislation, administering grant and loan programs and serving as a liaison with local reuse authorities. The state experienced three major closures and realignments in the 1995 BRAC round. It provides grants to businesses for defense conversion and to local advocacy organizations.

Massachusetts

The Massachusetts Government Land Bank was established in 1975 to provide an organized response, including financial assistance, to military reductions and closures. Retention activities have consisted of organizing local task forces, chambers of commerce and state and federal legislators. In addition, the state has authorized a \$100 million bond for infrastructure improvements for bases. The state plans to re-evaluate its retention activities after the Quadrennial Report is issued by the Department of Defense in mid-May. (Massachusetts had two bases closed in the 1991 and 1995 BRAC rounds.)

Ohio

The state created a Defense Conversion fund for closure and conversion activities. It has one major military base, Wright-Patterson AFB, in Dayton. The Dayton Chamber of Commerce has a standing committee, incorporated as a non-profit organization, whose purpose is to support base activities. The

state sponsors lobbying efforts in Washington, D.C. relative to base retention and funds infrastructure that supports the base's mission.

Pennsylvania

The Governor created an ad hoc statewide committee, the BRAC PAC (Base Realignment and Closure, Pennsylvania Action Committee) to provide assistance to communities to avoid BRAC 1995 closures. The commission has been renamed the Base Retention and Conversion Committee (BRAC) PAC. Its mission is to interact with Pennsylvania's bases, undertake public outreach and education activities, act as a "best host" and provide a liaison point with military leaders. It holds regular meetings with military base commanders, with the goal of ensuring efficient and well supported operations. It monitors efforts at the national level.

The state has enacted legislation to grant military civilian employees and their dependents immediate residency for purposes of state tuition at institutions of higher education. It has also created a website to welcome new residents, such as military civilians, with information about schools, communities and state programs. (<http://www.state.pa.us/>)

South Carolina

The Department of Defense is the largest employer in South Carolina; each of the military services have installations in the state. The Military Assistance Council was established in 1994, by legislation and is composed of 16 members including top state officials and business leaders. The military commanders of the state's military installations participate as "partners." The Council meets quarterly and serves as a forum to exchange ideas, share funding opportunities and address veterans assistance and transition issues, including Troops to Teachers. A subcouncil on base development reports on current issues relative to realignment and generally shares information on what's going on at the bases.

The state's Military Affairs Office is located in the Office of Local Government of the Budget and Control Board (composed of the Governor, Chairs of the Senate Finance and House Ways and Means Committees, the Treasurer and Comptroller). The general goal is to enhance the viability of military installations and their roles and mission. The three person office works with the Military Assistance Council, the state's 10 Councils of Government (representing 42 counties) and interfaces with the Department of Defense. Staff are former military officers.

The Office interacts with installations and communities to ensure sufficient support on issues such as zoning and land use, utilities, right-of-way, housing, and adequacy of schools. Local communities have military affairs and defense issues groups, generally located in Chambers of Commerce and county councils. A key issue is preventing encroaching development near military facilities. A staff person specializes in Guard and Reserve issues (the state has the third largest standing Guard and Reserve in the country). The Office is supportive of key military initiatives directed at outsourcing, privatization and commercialization.

Texas

Governor Bush established the Office of Defense Transition in 1995, which will become the Office of Defense Affairs. It serves as a clearinghouse for military affairs and as a central point of contact for defense drawdown activities. The state has appropriated \$275,000 for base retention as well as reuse

activities. In addition, Texas Tech University has a study underway to provide a baseline of military installation needs such as improved infrastructure, transportation, education and workforce training.

The state's Defense Council prescribes measures that the state might undertake to support its military installations, such as customized worker training for outsourcing and privatization activities, streamlining environmental and permitting processes and improving state and local coordination. Two recent bills would create a matching grant program for defense-dependent communities (some of which are losing military activities at open bases) and a defense economic adjustment zone program. The state's Washington D.C. office is expert in defense-related matters.

Washington

Washington's program, which focused on downsizing in defense-dependent industries, is winding down. The state established Economic Development Councils by legislation, with mixed public/private funding, which were also active in responding to threatened base closures. Washington did not experience any base closures in the BRAC rounds. Program staff state that communities are confident that they will keep their bases, so there is no driving force to keep the state program going. The state has recently been successful in attracting a major new military mission, homeport status for a new Navy vessel.

APPENDIX

Pennsylvania Homepage for New Residents

Footnote 1

State-by-state comparisons may be inappropriate given California's land mass, which would extend from Boston, Massachusetts to Charleston, South Carolina, encompassing some 10 states and the District of Columbia. (See David Lyon and Tracy M. Gordon, *California Yesterday, Today and Tomorrow: Lessons from Eastcoastia*, unpublished paper, 1995.)

Footnote 2

Economic Development Administration, U.S. Department of Commerce; Office of Economic Adjustment, Department of Defense, National Institutes of Health, National Institute of Justice.

THE DEFENSE COMMUNITY IN TEXAS:

A Master Plan For The Future

**FOR THE GOVERNOR OF TEXAS, THE SEVENTY-SIXTH TEXAS LEGISLATURE,
AND THE TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT
1998-1999**

TABLE OF CONTENTS

[Download report \(.zip file\)](#)

TEXAS STRATEGIC MILITARY PLANNING COMMISSION

TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT

TEXAS MILITARY INSTALLATIONS AND ACTIVITIES

INTRODUCTION

EXECUTIVE SUMMARY

TEXAS: IT'S LIKE A WHOLE OTHER COUNTRY
TEXAS DEFENSE COMMUNITY
BASE REALIGNMENTS AND CLOSURES
OPERATIONAL AND BUDGET DECISIONS
EFFECT ON DEFENSE BUSINESS
PREPARING FOR THE FUTURE
FINDINGS AND RECOMMENDATIONS

CHAPTER ONE: SPEAK WITH ONE VOICE

FINDINGS
RECOMMENDATIONS

CHAPTER TWO: TEXAS AND THE MILITARY

FINDINGS
Reducing Costs
Military Value
Quality of Life
Enhancing Texas' Military Posture
RECOMMENDATIONS

CHAPTER THREE: DEFENSE-RELATED BUSINESS

FINDINGS
RECOMMENDATIONS

APPENDIX 1: ASSESSMENT

Army Installations
Navy Activities
Air Force Activities

APPENDIX 2

[back to Defense menu](#)



Copyright 1997 Texas Department of Economic Development

TABLE OF CONTENTS

EXECUTIVE SUMMARY

TEXAS: IT'S LIKE A WHOLE OTHER COUNTRY

Texas offers the military unsurpassed opportunities for land, sea, and air training. Fort Bliss near El Paso consists of 1.1 million acres: *larger than the state of Rhode Island*. Laughlin Air Force Base near Del Rio is home to the *fifth largest air force in the world*. Naval Station Ingleside is home to *85 percent of the Navy's surface mine countermeasures fleet and 50 percent of the Navy's airborne mine countermeasures helicopter force*. Fort Hood near Killeen is home to *37 percent of all of the nation's active military ground combat power: 24,000 combat vehicles and aircraft*.

There is good reason for the military services to have located so many of this nation's military assets (ships, aircraft, armored vehicles, and people) in Texas. Texas is good for the military and Texas is good to the military. Superb weather for training, world-class training areas, an excellent transportation infrastructure, an outstanding quality of life, a highly motivated, quality civilian work force, and patriotic citizens provide the military with a very supportive culture in which to train, work, live, and play.

TEXAS DEFENSE COMMUNITY

Texas is well known for its petroleum, agriculture, ranching, and high technology industries. However, the Defense Community, one of the largest economic engines in the state in terms of employment, has historically been one of the least recognized. The Defense Community in Texas is made up of defense-related businesses and their employees, defense-dependent communities, military installations and activities, civilian DOD employees, active duty service members, Reserve, National Guard, and retired military service members and their families and dependents. The state's Defense Community is a large and diverse group of Texans. During federal Fiscal Year (FY) 97 the Defense Community, in Texas, employed 253,798 active duty, direct hire civilians and Reserve and National Guard personnel. Because defense dollars support jobs in other sectors of the economy, almost 370,000 Texas workers are directly or indirectly associated with defense spending in the state. In 1996, 117,600 workers in Texas were employed through defense contracts for military equipment and services alone. The DOD is the largest employer in the state.

However, there are some disturbing trends that may have a negative impact on the Defense Community in Texas and, by extension, all Texans.

BASE REALIGNMENTS AND CLOSURES

Between FY 88 and FY 97, the Defense Community lost almost 28,000 active duty and direct hire civilian jobs (Figure 3). Some of these jobs were lost due to the downsizing of the military after the fall of the Soviet Union (actions taken as a result of the Base Realignment and Closure (BRAC) process). Many more jobs, however, were lost due to operational and budgetary decisions made by the military services and the DOD.

Since FY 88, nine Texas military installations and activities have been closed or realigned.

Naval Station Galveston (Galveston) 1988

Bergstrom Air Force Base (Austin) 1991

Carswell Air Force Base (Fort Worth) 1991

Naval Air Station Chase Field (Beeville) 1991

Naval Air Station Dallas (Dallas) 1993

Bergstrom Air Force Base Reserve (Austin) 1995

Kelly Air Force Base (San Antonio) 1995

Reese Air Force Base (Lubbock) 1995

Red River Army Depot (Texarkana) 1995

A number of smaller installations and activities were also closed:

Abilene Navy/Marine Reserve Center (Abilene)

Bergstrom Air Reserve Station (Austin)

El Dorado Air Force Station (El Dorado)

Laredo Naval Reserve Facility (Laredo)

Longhorn Ammunition Plant (Karnack)

Midland Naval Reserve Facility (Midland)

Naval Station Galveston (Galveston)

Naval Weapons Industrial Reserve Plant (McGregor)

OPERATIONAL AND BUDGET DECISIONS

Looking at the impact of BRAC alone does not tell the whole story. Texas lost about 7,000 jobs due to the rounds of BRAC from 1988-1995 (Figure 1). The state really lost 27,981 jobs over the same period due to military budget cuts and operational decisions (Figures 2 & 3). While BRAC was perceived as a real threat to the Defense Community in the state, DOD budget cuts and operational military decisions have had an even greater negative impact.

EFFECT ON DEFENSE BUSINESS

In the world of defense-related business, Texas has experienced similar reductions. Between FY 95 and FY 97, the total value of defense contracts awarded to businesses in the state (contracts over \$25,000) has declined by \$1.6 billion dollars (Figure 4). Between 1991 (Persian Gulf War) and 1996 the number of jobs related to defense contracts in Texas fell 19.8 percent (29,000 jobs).

PREPARING FOR THE FUTURE

The 75th Texas Legislature recognized the potential repercussions of reduced defense spending on the state's economy and defense-related communities and has taken steps to correct them. By establishing the TSMPC and the Office of Defense Affairs, the Legislature formed two groups to act as proponents for the Defense Community in the state.

The Cold War allowed Texas to feel secure that the level of spending on defense would always remain high. However, declining DOD budgets and the post-Cold War shift in military operations make it critical that the state now become engaged to protect and enhance its Defense Community.

Individual communities and regions that rely on the Defense Community need support now, and in the event of future rounds of base closures. Operational and budgetary decisions that are taken by the military services and DOD can cause the loss of jobs in Texas' Defense Community. Furthermore, the level of defense business in the state can be maintained and increased.

By tasking the TSMPC to develop and update an annual Master Plan, and by establishing the Office of Defense Affairs in the Texas Department of Economic Development, the Legislature served notice that the state will be fully involved in the Defense Community: people, jobs, bases, and business. The state will be engaged with the military services and the DOD, Texas military installations and activities, the defense-dependent communities, defense-related business, and the people (active duty, retired, and civilian) who make up the Defense Community.

FINDINGS AND RECOMMENDATIONS

Texas has the opportunity to solidify the position of the Defense Community in the state for both near- and far-term. Communities generally have long lists of issues on which they are working, as do the military services and DOD. In this first edition of plan, the TSMPC generally concentrated its findings and recommendations on what the state could do to assist the Defense Community. The findings and recommendations of the TSMPC have been grouped into three broad areas: Speak With One Voice, Texas and the Military, and Defense Business.

SPEAK WITH ONE VOICE

When addressing issues to the military services and DOD, it is much more effective to speak with a single voice than with the attendant confusion and frustration of multiple voices. The issues of the state's Defense Community are too important to the future of Texas to allow them to be heard in a muddled voice by the federal defense establishment in Washington, DC. A state which speaks with one voice will have enormous power and influence with the military services, the DOD, and the federal community in Washington, DC. If organized correctly, Texas through the Office of Defense Affairs, can join the Texas Congressional delegation in offering leadership and help the state's defense-dependent communities, defense-related businesses, and military installations and activities with the important issues that affect the Defense Community.

- The TSMPC recommends that the 76th Texas Legislature change the charter of the Office of Defense Affairs to make it the state's focal point for the coordination of all issues, discussion, decisions, and policies that would affect the Defense Community (military, civilian, and business). The TSMPC also recommends that the 76th Texas Legislature take the following actions:
 1. Ensure that the Office of Defense Affairs is staffed appropriately and organized to conduct this important function. At a minimum the Office of Defense Affairs should consist of:
 - a director
 - an assistant for Economic Adjustment Assistance grants and Defense Economic Adjustment Assistance Zones,
 - an assistant to serve as liaison with the state's defense-dependent communities and military bases,
 - an assistant for defense-related business, and
 - an administrative assistant.
 2. In order to meet its legislative charter, the Office of Defense Affairs should employ a firm that can provide it with timely and accurate access to information from the military staffs and the Office of the Secretary of Defense. The Office must have visibility into the military services and DOD so that it can work on issues while they are in the formative stage, before they become budgetary, operational, or policy decisions.
 3. Designate the Office of Defense Affairs (assisted by the TSMPC) to be the state's manager for the execution of the Master Plan.
- The TSMPC recommends that the 76th Texas Legislature establish new legislative committees, or sub-committees within existing committees, that address the needs of the Defense Community in the state. If neither of the above are possible, then at a minimum the Legislature should form a statewide caucus to do the same.
- The TSMPC recommends that defense-dependent communities that surround a military installation or facility form a single local organization that is chartered to speak on behalf of the communities on defense issues. These organizations should interact directly with the Office of Defense Affairs, and the legislative committees, sub-committees, or caucus on Defense Community issues.

TEXAS AND THE MILITARY

During its visits to military installations and with the help of the statewide assessment, the TSMPC has looked closely at Texas' current military installations and activities and identified issues in four general areas of importance: reducing the cost of operating Texas' military bases, maintaining and enhancing the military value of Texas' bases, improving the quality of life of military service members and their dependents in Texas, and, enhancing the military posture of Texas.

REDUCING COSTS

- The TSMPC recommends that the state support defense-dependent communities, military installations and activities, and defense-related business in their efforts to outsource functions and privatize jobs that are currently performed by active duty service members.
- The TSMPC recommends that the Legislature allow the state's military installations and activities to purchase utilities as wholesale customers.
- The TSMPC will investigate how excess facilities on military bases can be occupied and utilized by federal, state, and local entities and by businesses.
- The TSMPC will investigate the capabilities of local training and technical education facilities to teach military curricula items.

MILITARY VALUE

- The TSMPC recommends that local communities review the need to enact and enforce ordinances that prohibit encroachment on or near military bases.
- The TSMPC will review the environmental concerns of the state's military installations and activities and make recommendations to address these problems.
- The TSMPC and Texas Department of Transportation should review the status of state roads and railroads that are designated as strategic arteries for the rapid overseas deployment of military forces.
- The TSMPC recommends that communities, which have port areas that are designated strategic mobility ports, assign high priority to issues identified as problematic to the rapid deployment of military forces.

QUALITY OF LIFE

- The TSMPC recommends that leaders at all levels of government in Texas continue to support federal legislation that would make military pay equivalent to that of the private sector.
- The TSMPC recommends that the state and local communities actively seek federal congressional assistance to help military bases in their efforts to enter into public-private housing arrangements on or near military installations and activities.
- The TSMPC recommends that leaders at all levels of the government in the state of Texas support the continuation of Federal Impact Aid for local schools.
- The TSMPC recommends that active duty military personnel, who meet the educational requirements of their respective services for college level courses, be exempt from the state's TASP test.
- The TSMPC recommends that the insurance code be adjusted to allow insurance companies to offer

discounts on automobile insurance for junior enlisted personnel (E-1 through E-6).

ENHANCING TEXAS' MILITARY POSTURE

- The TSMPC will develop recommendations on ways to enhance future military training opportunities in the state. These recommendations should include low level air routes, an amphibious exercise area, and an air-to-ground bombing area.

DEFENSE BUSINESS

The Defense Community in Texas is big business. The combined payroll of the 253,798 active duty, direct hire civilian, and Reserve and National Guard personnel in Texas in FY 1997 was nearly \$5.3 billion. If the payroll of the state's retired military personnel is included, the total increases to \$8.1 billion.

In the same year, the military services and DOD invested an additional \$7.4 billion in the state through defense contracts (contracts worth over \$25,000) (Figure 5). That \$7.4 billion employs over one hundred thousand additional Texans. The total impact of FY 97 defense dollars on Texas was \$37 billion.

- Texas should address defense-related business as it does its other important businesses. While organizing to speak with one voice and addressing military issues are important, the TSMPC will focus some of its effort in 1999 on defense-related business in the state. The TSMPC will investigate ideas and recommend programs that:
 1. Encourage defense-related businesses to remain in the state.
 2. Support the efforts of the state's defense-related businesses to increase their domestic and international defense business.
 3. Encourage new defense-related businesses to relocate to Texas.
- The TSMPC recommends that the Texas Department of Economic Development review its various business service programs to determine how they can be adjusted to provide additional help for defense-related businesses.
- The TSMPC recommends that the 76th Texas Legislature direct the Texas Department of Economic Development: (1) to develop a strategy that promotes the benefits of doing business in Texas to defense companies and, (2) to develop a database of the state's defense contractors, prime contractors and sub-contractors and their defense-related work force.



Copyright 1997 Texas Department of Economic Development

TABLE OF CONTENTS

CHAPTER ONE: SPEAK WITH ONE VOICE

It is much more effective to address issues to the military services and DOD with a single voice. Multiple voices can confuse and frustrate important issues. A state, which speaks with one voice, will have enormous power and influence with the military services, the DOD, and the federal community in Washington, DC. There is no other state as well positioned to support the military, nor is there another state that has been as supportive of the Defense Community as Texas has been. However, in the future, Texas' efforts toward the Defense Community can be better coordinated and focused on major issues.

Many departments, agencies and commissions in state government take actions that affect the Defense Community in the state. The Public Utility Commission, Texas Natural Resource Conservation Commission, Texas Department of Insurance, Texas Department of Agriculture, Texas Historical Commission, Texas Department of Transportation, Texas Education Agency, General Land Office, just to name a few, can positively or negatively affect the Defense Community of Texas. These agencies can unknowingly jeopardize jobs (military and civilian), military installations and activities, and business in the Defense Community.

For example, the stated purpose of the TNRCC's proposed air quality plan is "to take Houston, Dallas, and other metro areas far down the road to satisfying the Clean Air Act." Most of the state's military installations or activities are in less developed regions. If a military base or installation is included in the expanded regions of the TNRCC's plan it could receive an adverse environmental rating. The future growth of a military installation or activity may be negatively affected, if the state gives it an adverse environmental rating. In short, an adverse environmental rating by the state could affect the decision to move an air wing, armored division, or squadron of ships to Texas' bases that are located in areas that have adverse environmental ratings.

There are now no formal Legislative committees or subcommittees, or caucuses that directly addresses the concerns and needs of the statewide Defense Community (military, civilian, and business). There is no single place in the Legislature where the different groups that make up the Defense Community can turn for support. Texas can lead the way by organizing in the Legislature to support its Defense Community.

The efforts of defense-dependent communities that are adjacent to a single base (i.e., in close proximity to a military base) can sometimes be at odds. In some locations there is no single organization that addresses the issues of the local Defense Community; there are a number of organizations whose efforts lack coordination, or even conflict. Therefore, as the several communities surrounding a base try to prepare for a BRAC round or argue against a budget cut or operational decision, their efforts can sometimes be disjointed and counterproductive.

A single voice, from the executive branch, from the Legislature, from the local communities, and the Texas congressional delegation speaking on the behalf of the Defense Community in the state will be heard clearly in the halls of the Pentagon, the Capitol, and the White House.

FINDINGS

Because the Defense Community has not previously been recognized as such, Texas does not have a clear understanding of the impact that it has statewide. This understanding is vital to enlarging or maintaining the Defense Community in the future. At the federal level, the military services and DOD generally deal with individual communities or areas that are located near military bases. State governments are generally not organized to address defense issues on a statewide basis. State governments do not take advantage of their unique positions. They generally do not speak with one voice to the decision-makers in our nation's capitol. The Defense Community in Texas could benefit greatly from a statewide focus in Austin.

There is no single point of focus for the coordination of issues affecting the Defense Community, both within the state and with the military services and DOD. A focal point such as this could become the statewide focal point for the coordination of all issues, discussions, decisions, and policies that affect the Defense Community in Texas.

The TSMPC believes that the establishment of the Office of Defense Affairs in the Texas Department of Economic Development is a good first step, as is the requirement for the TSMPC to produce and annually update a Master Plan.

The Office of Defense Affairs lacks the resources to carry out its charter. It does not provide, nor is the state able to provide information to defense-dependent communities regarding federal actions affecting military installations. In order to provide the required information, the Office of Defense Affairs must be able to gather timely information about mission changes, pending budget cuts, and operational changes from within the military services and DOD. The Office then must coordinate that information with defense-dependent communities and the Texas Congressional delegation.

The Office of Defense Affairs needs to have up-to-date information on the future plans and policies of the military services and DOD that could have an impact, both positive and negative, on the Defense Community in Texas. The Office currently has no mechanism in place to obtain this information in the formative stage, while a decision can still be influenced, before it becomes the policy of a military service or DOD.

The Master Plan is best viewed as a living document. Numerous issues that affect the Defense Community require careful examination and coordination throughout the various branches and agencies of the state government. These issues need to be worked with other state and local entities to arrive at a way-ahead for the state and its Defense Community.

The Legislature does not have appropriate, formally established bodies with which to address the issues affecting the Defense Community in the state. Such bodies (one in the Senate and one in the House) would enable the Defense Community to have a legislative champion for issues important to the Defense Community and the state.

The messages of defense-dependent communities that are adjacent to a single base are sometimes muddled. Those defense-dependent communities that portray the clearest message and have been most successful in defending and enhancing their bases are those that speak with a single voice through a single organization. Unified, single, local organizations such as these would work directly with the Office of Defense Affairs and the legislative committees, subcommittees, or caucuses created to address Defense Community issues.

In summary, organizing and connecting the Defense Community in the state at all levels, (executive, legislative, and local) would give Texas a powerful capability to rapidly address and respond to issues that are important to the state's Defense Community. Gathering vital information, and then quickly coordinating with local communities, the Texas Congressional delegation, the Texas Office of State and Federal Relations will enable Texas to focus all of the power of the state on an issue. It will also enable the state to speak with one voice to the military services and the DOD on behalf of its Defense Community.

RECOMMENDATIONS

1. The TSMPC recommends that the 76th Texas Legislature change the charter of the Office of Defense Affairs to make it the state's single focal point for the coordination of all issues, discussions, decisions, and policies that would affect the Defense Community (military, civilian, and business).
2. The TSMPC recommends that the 76th Texas Legislature ensure that the Office of Defense Affairs is staffed appropriately and organized to conduct this important function. At a minimum, the Office of Defense Affairs should consist of: a director, an assistant for Defense Economic Adjustment Assistance Grants and Defense Economic Adjustment Assistance Zones, an assistant to serve as liaison with the state's defense-dependent communities and military bases, an assistant for defense-related business, and an administrative assistant.
3. The TSMPC recommends that the Office of Defense Affairs employ a firm which can provide the Office with access to timely and accurate information from the military staffs and the Office of the Secretary of Defense in Washington, D.C.
4. The TSMPC recommends that the 76th Texas Legislature designate the Office of Defense Affairs (assisted by the Texas Strategic Military Planning Commission) to be the state's manager for the execution of the state's Master Plan.
5. The TSMPC recommends that the 76th Texas Legislature establish new legislative committees or subcommittees in existing committees that address the needs of the Defense Community in the state. If neither of the above are possible, then at a minimum the Legislature should form a statewide caucus to address Defense Community related issues.
6. The TSMPC recommends the defense-dependent communities, which surround a military installation or activity, form a single local organization that is chartered to speak on behalf of the communities on defense-related issues. These organizations should interact directly with the Office of Defense Affairs and with the legislative committees, subcommittees, or caucus on Defense Community issues.



TABLE OF CONTENTS

CHAPTER TWO: TEXAS AND THE MILITARY

Texas has a unique blend of military bases (installations and facilities). Training, research and development, operational, depot and industrial installations offer the state and local governments tremendous opportunities to support the missions of the military services. In order to participate in the decision making process of the military services and the DOD, state and local governments must have a thorough understanding of the current status of DOD-related activities, the developing trends in the DOD, and the capabilities and shortfalls of local installations. The Office of Defense Affairs is tasked to provide this information (but, as discussed in Chapter One, not adequately resourced to do so).

In FY 97, the military services and the DOD contributed \$15.6 billion directly to the state economy through contract funding, employment of civilian and active duty military personnel, and retired military payrolls. Decreased or redirected defense spending resulting from budget cuts, operational decisions, and cuts to DOD force modernization accounts will reduce the amount of defense money that is spent in the state of Texas.

The future viability of Texas' military installations and activities cannot depend solely on securing the continuing presence of the military services and the DOD. This viability depends on lowering the support costs of the installations and activities to the services and DOD, removing impediments to the missions that the installations and activities support, improving the quality of life of military service members and retirees, and enhancing military operations conducted in the state.

FINDINGS

The military services and the DOD are struggling to find enough money in their budget to: (1) maintain today's forces at the proper numbers with the proper level of readiness and training to support the Commander-in-Chief's foreign and defense policy, (2) pay our military service members an adequate wage, (3) maintain an adequate infrastructure of military installations and activities, and (4) purchase more modern ships, aircraft, tanks, transports, vehicles, satellites and weapons systems for future conflicts or wars.

In his October 17, 1998 statement on the "Strom Thurmond National Defense Authorization Act for Fiscal Year 1999", President Clinton advised the Congress that he has instructed the Office of Management and Budget, and the National Security Council to work with the Department of Defense to "...reduce unnecessary base infrastructure and support services." As a result of this statement and other indicators, some analysts believe that there will be additional rounds of BRAC in the near future. In general, Texas' military installations and activities are strong and in good position to withstand future rounds of BRAC. But Texas, and in particular the defense-dependent communities, can do more to solidify the position of their bases.

Reducing Costs

The military services and the DOD are seeking to save money by reducing the costs of operating their installations and activities. The military is conducting studies to determine if jobs and support functions which are now done by military service members can be done more cheaply by civilian contractors.

Outsourcing jobs or privatizing functions can stretch across a large area of services. The following lists areas that active duty military service members currently perform on military installations and activities that may be outsourced or privatized:

- food service operations (cafeteria and fast food)
- family service centers
- morale, welfare, and recreation services
- facilities maintenance and repair (custodial service, elevator maintenance and repair, grounds maintenance, building maintenance and repair, etc.)
- utilities (electrical, gas, water, and sewage system maintenance and repair)
- environmental (protection, services, hazardous waste collection and disposal, spill response, industrial waste water systems operation and maintenance)
- supply (warehousing, quarters and housing management, linen services)
- transportation (refuse collection, driver testing, licensing and instruction, air craft/motor vehicle maintenance and repair, construction and handling equipment maintenance and repair)

- information systems (management, maintenance, and repair)
- systems maintenance and repair

Military installations and activities in the state are large consumers of public utilities. They are charged currently at the more expensive retail rate rather than the more economical wholesale rate. In March 1997, the military (Navy and Air Force) petitioned the state's Public Utility Commission for the purpose of purchasing electrical power as wholesale customers. The case is still pending (PUC Docket NO. 17180).

Training and education are costly items for the military. Some military training (combat training, intelligence training, military skills training) will always need to reside with the military services. Other training, such as financial management, functional skills, some equipment maintenance and repair, medical, electronic, information systems, etc., is not military specific and could be outsourced or privatized. Most military bases are located near civilian educational institutions, both technical and non-technical. These educational institutions could adopt the military's training curricula and provide the training at the civilian facility or conduct the training at facilities on the military installation and activity at a reduced cost to the military services and DOD.

The movement or restructuring of military units for operational or budget reasons has, and will continue to create excess facilities at the state's military installations and activities. These excess facilities can become a financial albatross to the commanders of military installations and activities, especially if the base is prohibited from razing the structures or if the structures are classified as historic. The military installation or activity can then either let the facilities deteriorate and become an eyesore, or spend money on the upkeep of a building, which may be vacant.

When military installations and activities identify excess facilities, it would be beneficial for the state and local communities to work with the bases to encourage federal or state governmental, or business tenants to occupy and maintain these excess facilities. This would be a win-win arrangement for the military bases and the state. It would reduce the cost of the installation or activity to the military and establish a state, local, or business presence on the base. This would also strengthen the overall position of the installation or activity in future rounds of BRAC.

Military Value

The military value of an installation or activity is another important driver for the military services and the DOD when assessing the future viability of a base. In BRAC 95 and previous rounds, DOD and Congress defined military value as follows:

1. The current and future mission requirements and impact on operational readiness of the DOD's total force.
2. The availability and condition of land, facilities, and associated airspace.
3. The ability to accommodate contingency, mobilization, and future total force requirements.
4. The cost and manpower implications.

Of course, there is no guarantee that military value will be defined for some future BRAC the same way it was defined for BRAC 95. Regardless, it is certain that military value, however it is defined, will be the most important discriminator for the retention of any installation or activity. Military value is an area where the state and local communities can make a major difference to the long-term viability of an installation or activity by addressing constraints or impediments that negatively affect the military missions that the base supports.

Most military installations and activities were built far away from towns and cities. Urban and suburban growth has brought them new neighbors with new concerns. New construction or development in take-off and landing flight paths, within low-level air training routes, near maneuver areas, and in proximity to explosive training areas, has caused the military to scale back and adjust necessary training. Local communities need to understand that encroachment, which affects training, weakens the value of that base to the military services and DOD. In the worst case, the military might entirely suspend training and move the training and the base to another location or state.

Environmental issues – air quality, water quantity, hazardous waste management, explosive ordnance, etc. – are all of concern when they affect the military's ability to train and exercise for war. This does not mean that the military should be excused from these laws or policies. However, their particular needs have not been clearly heard and considered in the drafting and implementation of new laws or policies.

The highway, air, railroads, and port infrastructure in the state is critical to the ability to deploy Army and Air Force units based in Texas. When an Armored Division or Air Force Wing has to move quickly, it cannot do so on a poorly maintained or inadequate road or rail network. When the tanks, vehicles, and missiles get to their port of embarkation, the port must have the

capacity to receive necessary ships and then expeditiously load the military cargo. This infrastructure system extends from roads on a base that were once private but are now public, to the farm to market system, the state road system, to the interstate highway system. It also extends to the railroad and port system of the state. A delay in getting deployed could result in a loss of lives at the point of crisis.

Quality of Life

Quality of life is an important issue to the men and women of our armed services, just as it is to the rest of our Texas work force. Quality of life extends from pay and allowances, to housing, to schools, to education, to taxes, to having the right part to fix the airplane, tank, or ship, and to having a good chance to return from battle alive.

Some of these issues can only be addressed at the federal level. However, others are clearly state and local community issues.

During its site visits to Texas military bases, TSMPC heard concerns from the military about the current plight of service members. The military lags far behind the civilian workforce in receiving remuneration for the services they provide to the country. The military is not paid on a scale commensurate with their civilian counterparts who perform the same kind of work.

Paying the military a comparable civilian wage would benefit the state and local communities in two ways. First, it would reduce the increasing number of military families that must seek public assistance to feed themselves. And second, it would give the military more take home pay that will be spent in the local economy. This is a win-win situation: a win for military families, and a win for businesses where the military spends its money.

Affordable housing is another key quality of life issue. Where the military used to build, and then maintain and manage large housing systems, it now recognizes that it is more cost effective to simply pay for the services it wants. The military will probably never totally get out of the housing market. However, the military services and the DOD are studying ways to reduce their costs through outsourcing and privatization. The Texas Department of Housing and Community Affairs program for low income housing tax credits might be an appropriate program that, with additional funding, could help provide affordable housing to the military. In the Coastal Bend region, the Navy has entered into a partnership with a private contractor to build and then manage housing projects. The active duty service members are given first priority in renting at a price nearly equivalent to their housing allowance. However, the contractor can also rent units that are not in use to civilians. Each of the military services is pursuing separate public-private housing efforts in the state.

This public-private trend in the construction, maintenance, and management of housing for military members can be another win-win situation for the services and the state and local communities. The military can win because it can reduce costs, the state and local communities can win because (particularly with off-base housing) more jobs may be created and the tax base may be increased.

Education is important to military people, not only for their families, but also for their continued personal and professional growth. In general, military service members are very involved with their families and are supportive of local schools and high quality education. The Federal Impact Aid Program directly reimburses public school districts for the loss of revenue sources due to the presence of a federal installation or activity. The Federal Impact Aid Program is key to maintaining quality education in school systems that are heavily populated by children from military families. Without the Federal Impact Aid Program, local school districts that serve military populations would have to levy a substantial tax increase on homeowners.

Texas requires that all undergraduate students who enter a public institution of higher education be tested for reading, writing, and mathematics skills prior to enrolling in any college-level course work. This TASP requirement can create additional demands on active duty military and their adult dependents that are not found in other states.

True story. A soldier arrives at Fort Hood three semester hours short of completing his Associates degree with Central Texas College. The soldier had completed several college hours at Central Texas College Branch offices located outside the state of Texas. The soldier is an exemplary student and has successfully completed freshman level courses in English and Algebra. However, the soldier must now arrange his schedule to take the TASP test, and pay the \$29 fee. All this in spite of the fact that: (1) the Army education counselors have reviewed his academic potential and declared him eligible in all respects for the Army Tuition Assistance Program, (2) and he is a demonstrated successful college level student.

Texas has a high rate for automobile insurance compared to other states. The automobile insurance rates in Texas, particularly for military service members in the lower enlisted ranks with large families, are essentially a cut in pay. Service members must meet the state's auto insurance requirements in order to drive their vehicles on military installations and activities.

Enhancing Texas' Military Posture

Texas generally provides the military with unencumbered air, sea, and land training areas. However, the state can strengthen its future position with the military services and DOD by enhancing the training opportunities available in the state.

Areas that allow the military to conduct realistic training are at a premium nationwide. Encroachment issues, environmental issues, and to some extent, anti-military issues have all combined to reduce realistic training areas throughout the nation. The military's need for realistic training areas will continue into the future. Advances in computer simulation and virtual reality can reduce the need for, but do not replace realistic, military training. The availability of large land areas and relatively unencumbered air space positions Texas to provide these needs.

Low level air routes (for simulated bombing training), an amphibious exercise area, and an air-to-ground bombing range would all greatly enhance the training opportunities for the military in the state. Such training opportunities would also attract military units to Texas' training ranges from all over the country. Moreover, these ranges would enhance the value of the installations and activities already in the state.

RECOMMENDATIONS

REDUCING COSTS

1. The TSMPC recommends that the state of Texas encourage local communities to help their military installations and activities outsource and privatize functions and jobs that are currently done by military service members. The state and local communities should join together to market outsourcing and privatization opportunities to business.
2. The TSMPC recommends that the 76th Texas Legislature urge the Public Utility Commission to act positively on the petition of the Navy to be wholesale, versus retail, energy customers or to find other ways that the state's military installations and activities can reduce their utility costs.
3. The TSMPC will investigate the methods that state, local communities, and businesses can use to occupy excess facilities on military installations and activities.
4. The TSMPC will review the capabilities of local training and technical education facilities and the needs of military installations and activities to identify areas and skills that could be taught by civilian instructors. The Commission should also work to identify curricula that could be taught in part or in entirety at local educational facilities.

MILITARY VALUE

1. The TSMPC recommends that local communities review the need to enact ordinances that prohibit encroachment that would lessen the value of military installations and activities by reducing their ability to perform their missions.
2. The TSMPC recommends that state and local environmental agencies be mindful of the particular needs and concerns of military bases and the defense industry. The TSMPC will review the environmental concerns of the state's military installations and facilities and make recommendations to address problems in next year's Master Plan.
3. The Texas Department of Transportation and the TSMPC should review the status of roads and railroads that are designated as strategic highways for the purposes of national emergency and the overseas deployment of military forces. Their findings and recommendations should be reported to the Legislature.
4. The TSMPC recommends that communities with port areas that support the overseas deployment of military forces should, along with the military, periodically review deployment plans and requirements. The communities should assign high priority to those areas identified as problematic to the rapid deployment of combat and support forces.

QUALITY OF LIFE

1. The TSMPC recommends that all levels of government in the state of Texas continue to support federal legislation that would make military pay equivalent to that of the private sector.
2. The TSMPC recommends that the state and local communities actively seek to assist military bases in

their efforts to enter into public-private housing arrangements.

3. The TSMPC recommends that all levels of the government in the state of Texas support the continuation of Federal Impact Aid for local schools.
4. The TSMPC recommends that active duty military personnel, who meet the educational requirements of their respective services for college level courses, should be exempted from the state's requirement to take TASP test.
5. The TSMPC recommends that insurance companies be encouraged to grant discounts on automobile insurance for junior enlisted service members (E-1 through E-6). Similar provisions for "academic achievement" and "youth group membership" already exist Article 503-3 and 503-5, Texas Insurance Code).

ENHANCING TEXAS' MILITARY POSTURE

1. The TSMPC will develop recommendations on ways to enhance future military training opportunities in the state. These recommendations should address low level air routes, an amphibious exercise area, and an air-to-ground bombing area.



Copyright 1997 Texas Department of Economic Development

TABLE OF CONTENTS

CHAPTER THREE: DEFENSE-RELATED BUSINESS

Defense is big business in Texas. Texas received \$7.4 billion in U. S. defense contracts (contracts exceeding \$25,000) in FY 97. This placed Texas third in the nation behind California and Virginia. In FY 97, 7.6 percent of U.S. military expenditures were made in Texas. This is slightly higher than the state's 7.3 percent share of the U.S. population.

Not included in these figures are direct international sales of defense products that are a major factor in most large defense-related businesses, or domestic and international sales of commercial derivations of military products, i.e., aircraft, helicopters, satellite-related items, etc.

The effect of defense-related business is felt statewide. In FY 97, defense firms did business in 122 of the state's 254 counties (see Figure 6). Tarrant County led all Texas counties with U. S. military procurement awards valued at \$1.9 billion. Dallas and Bexar counties ranked second and third with military procurement awards of \$1 billion and \$662 million, respectively. Other Texas counties with procurement levels exceeding \$250 million in FY 97 include Austin, Bell, Collin, Denton, El Paso, and Harris counties.

Major military procurement involving Texas facilities in 1998 (includes research and development, procurement, or modifications) follow:

Lockheed Martin (Fort Worth, Grand Prairie, Lufkin, and El Paso)
F-16 Fighter, F-22 Fighter, Joint Strike Fighter (JSF), Patriot PAC-3 Missiles, Army Tactical Missile System (ATACMS), Multiple Launch Rocket Systems (MLRS), Line of Sight Anti-Tank (LOSAT) System

Northrop Grumman (Grand Prairie)
C-17 Cargo Airlifter, B-2 Stealth Bomber

Bell Helicopter Textron (Fort Worth)
V-22 Tiltrotor Aircraft, OH-58D Kiowa Warrior Helicopter, AH-1W Cobra Helicopter

Raytheon Systems Company (Dallas, Del Rio, El Paso, Fort Worth, Garland, Greenville, Houston, Richardson, San Antonio, and Waco)
P-3 Aircraft, RC-135 Aircraft, U-2 Aircraft, Javelin Anti-Tank Weapon System, Joint Standoff Weapon (JSOW)

Stewart and Stevenson Services (Sealy and Houston)
Family of Medium Tactical Vehicles (Army-FMTV)

Boeing (Houston, Corinth, El Paso, Irving, Richardson, San Antonio, Kingsville, Abilene)
AWACS Aircraft, F-22 Fighter, V-22 Tiltrotor Aircraft, CH-47 Helicopter, B-1B Bomber, C-17 Cargo Airlifter, KC-10 Tanker, T-45 Trainer

FINDINGS

Since the TSMPC and the statewide assessment concentrated their initial efforts on Texas' military installations and facilities, these findings on business matters are of a general nature. However, in the immediate future the TSMPC will devote more time to the issues affecting defense-related businesses in Texas.

Both in real terms and in relation to the state's gross state product (GSP), Texas' share of the national defense pie is shrinking. Defense contract awards to business in the state have diminished by \$1.6 billion from FY 95 to FY 97 (Figure 4). In FY 87, defense spending was equivalent to 10 percent of GSP, in FY 97, for only 6.4 percent of GSP.

During the period from 1985 to 1997, the U. S. defense budget has declined. The fall of the Berlin Wall and the disintegration of the Soviet Union allowed the United States to reallocate monies away from defense into other more pressing areas. However, the requirement for new military weapons systems and more modern equipment continues as the military services seek to replace their aging Cold War weapons. Several new systems and technologies, as well as continuing changes to military doctrine will continue to drive the research and development and procurement accounts of the defense budget. Defense-related business will continue to be big business and a major contributor to the state's GSP and employment.

In the last few years there have been several significant mergers and acquisitions in the

U. S. defense industry. The fallout of these actions will continue to impact the defense-related businesses located in Texas. The state's current defense-related industrial base needs to be maintained. At the same time, additional defense-related business can be encouraged to relocate in the state.

The military service and DOD will continue to spend around \$85 billion per year in the research and development and procurement accounts nationwide. There are several new programs in various stages of development that could mean jobs for the state, such as: Advanced Amphibious Assault Vehicle (AAAV), Airborne Laser (ABL), Crusader Artillery Weapon System, Next Generation Destroyer (DD-21) and Carrier (CVX), Information Technology Modernization, New Attack Submarine, Tactical Ballistic Missile Defense, and Unmanned Aerial Vehicles.

A careful study of these programs may indicate the emergence of new high-tech opportunities within the state. These opportunities might also lead to a review of the state's marketing strategy and posture toward defense-related business; to maintain defense-related business done by companies already in the state and to attract additional defense-related businesses to the state. Additionally, Texas' current business service programs, such as the Smart Jobs Fund, the Texas Manufacturing Assistance Center, and the Texas Capital Fund might be focused to offer benefits to defense-related businesses in the award process.

Military bases may close, today's ships, aircraft, and tanks may be retired, but research and development for future military systems and procurement of new ships, aircraft, weapons systems, and tanks will remain the most stable portion of the defense budget. This part of the defense budget will also produce high-quality jobs for the long term and could be an area of growth for the state's Defense Community.

Texas is an exceptional place for business. Texas provides an outstanding business climate, a large (2nd in the nation), highly skilled, and productive work force, tax and finance incentives, among the lowest fuel and energy costs in the nation, and a superior quality of life. Texas is home to three of the nation's largest cities. All these things are tools the state should continue to use to attract business.

As the missions of the military installations and activities in the state change, the state can take a proactive stance to encourage other defense-related businesses to locate in Texas. The digitization of a heavy armored division at Fort Hood (FORCE XXI); the Mine Warfare Center of Excellence at Ingleside and Corpus Christi; the Theater High Altitude Air Defense (THAAD) program at Fort Bliss; and the Airborne Laser (ABL) program at Dyess, could be defense-related business drawing cards for Texas. All these programs can become technology development centers for these specific military projects and for spin-off applications. These are opportunities that would help attract defense-related businesses to Texas if they become part of the state's marketing scheme

Additionally, it would benefit Texas if the Governor's Office, the Legislature, and the appropriate economic development agencies of the state promoted the Defense Community as a major economic attraction. Developing a database of all Texas' defense companies, both prime contractors and sub-contractors, would be an important step in recognizing the needs of defense-related businesses in the state. The state would be well served if the message of Texas' Defense Community were regularly taken directly to defense-related businesses and to national military and defense industrial conventions.

RECOMMENDATIONS

1. The TSMPC will focus some of its effort in 1999 on defense-related business in the state. The TSMPC should recommend ideas and programs that would:

- Encourage defense-related businesses to remain in the state,
- Support the efforts of the state's defense-related business to increase their domestic and international defense business, and
- Encourage new defense-related businesses to relocate in Texas

2. The TSMPC recommends that the Texas Department of Economic Development review its various business service programs to determine how they can be adjusted to provide more assistance to defense-related businesses.

3. The TSMPC recommends that the 76th Texas Legislature direct the Texas Department of Economic Development to: (1) develop a strategy that promotes the benefits of doing business in Texas to defense companies; and (2) develop a database of the state's defense contractors, prime contractors and sub contractors,

and their defense-related work force.



Copyright 1997 Texas Department of Economic Development

TABLE OF CONTENTS

APPENDIX 1: ASSESSMENT

The assessment done by a consulting firm was used as an input to this strategic plan. What follows is an executive version of that assessment of Texas' military installations and activities.

Army Installations

Changes to the status of Army installations normally occur over a prolonged period of time, unless a change is caused by an announced, major force structure change; a significant reduction in the installation's operating budget; or is implemented as part of a formal base realignment and closure (BRAC) action. The following Army installations in Texas are assessed with respect to the *missions they support, current capacity utilization, and outlook* for the years 2000 to 2020.

- Fort Bliss
- Fort Hood
- Fort Sam Houston
- Corpus Christi Army Depot (CCAD)
- Red River Army Depot (RRAD)
- Lone Star Army Ammunition Plant (LSAAP)

The missions described for each installation are those that would require major action and coordination by the Army to change or consolidate at another location. Capacity utilization is the ability of the installation to accommodate assigned mission functions. In a macro sense, capacity utilization for Fort Bliss, Fort Hood, and Fort Sam Houston should be viewed as the ability to accommodate the assigned institutional and unit training missions and associated administrative functions. CCAD's and RRAD's capacity utilization is evaluated by the DOD and the Army in terms of the direct labor hours (DLH) available for maintenance mission work. LSAAP's ammunition production capacity is not required on a full-time basis. Therefore, its capacity is its capability to surge ammunition production.

A. Fort Bliss. Training installations provide a home for the institutional component of the Army's mission. The Army's various branches, such as the Air Defense Artillery, are stationed on these installations where the branch's doctrine is developed; functional training takes place; leader development is accomplished; branch force structure is designed; and branch modernization requirements are developed. Fort Bliss is currently considered and analyzed as an Army training installation for the Air Defense Artillery branch. 1). Mission The Fort Bliss cantonment area is located in west Texas within the city limits of El Paso. The remainder of its contiguous acreage is in the states of Texas and New Mexico, extending forty-five miles north to the White Sands Missile Range and seventy-five miles northeast to the Lincoln National Forest. Fort Bliss consists of 1.1 million acres, an area larger than the state of Rhode Island, and is the second largest Army installation. The current mission of Fort Bliss is to:

- train soldiers and units;
- serve as a power projection platform for mobilizing soldiers and units of the Army Reserve and National Guard;
- host and serve as the Army's Air Defense Artillery proponent;
- provide high-technology test and evaluation capability for joint and combined warfare exercises;
- provide installation support services to other mission elements, such as the William Beaumont Army Medical Center; and
- ensure and provide quality of life services for the diverse military community.

Fort Bliss hosts a variety of diverse, units, and mission functions. They include the:

- U.S. Army Air Defense Artillery Center and School;
- 32nd Army Air and Missile Defense Command that deploys to contingency operations to support theater missile defense operations;
- four active duty Air Defense Artillery Brigades assigned to various Army Corps at other locations;
- Joint Task Force Six that coordinates DOD Title 10 support to federal, state, and local law enforcement agencies;
- U.S. Army Sergeants Major Academy, the Army's Executive Agent for noncommissioned officer education;

- German Air Force Command for the U.S. and Canada that controls and coordinates German Air Force elements;
- German Air Force Air Defense School that trains surface-to-air missile personnel;
- William Beaumont Army Medical Center;
- Army's Test and Experimentation Command, Air Defense Artillery Test Directorate that tests and evaluates Air Defense prototypes prior to production; and
- Other various units and activities.

Fort Bliss' main focus is on the Air Defense Artillery training and force development mission. Fort Bliss' training ranges can accommodate every weapon system in the current and projected U.S. Army inventories. Excellent training ranges, a large training area, and the third longest runway in the United States, at Biggs Army Airfield, make Fort Bliss a premier facility for training, mobilizing, and deploying combat forces.

Fort Bliss' future vision is to become the DOD's premier large, multipurpose installation for the increasingly Joint-Service, National Security mission.

2). Capacity Utilization Prior to the BRAC round in 1995, the Army analyzed its various installations for excess capacity in physical building space for a number of different types of facilities. This analysis included the additional space for projects in the FY 92 to FY 96 military construction programs. The FY 97-99 construction programs for Fort Bliss contain projects (a medical life-safety upgrade project and a family housing replacement project for ninety-one units) with minimum to no impact on the Army's prior analysis. The Army's analysis considered the impact of two Air Defense Artillery brigades moving to Fort Bliss, and the 3rd Armored Cavalry Regiment moving from Fort Bliss to Fort Carson, CO.

The facility categories analyzed are the following:

- Operations buildings space, square feet (SF)
- Administrative space (SF)
- Aviation maintenance (SF)
- Organizational maintenance space (SF)
- Direct support/general support maintenance space (SF)
- Directorate of Logistics (DOL) maintenance space (SF)
- General instruction buildings space (SF)
- Applied instruction buildings space (SF)
- Supply/storage buildings space (SF)
- Unaccompanied enlisted personnel housing (UEPH), units
- Family housing, units

The Army analysis indicated there was excess space (SF), including permanent and temporary assets, in all categories from operations buildings through supply/storage buildings. There was excess, permanent space in all categories except for general instruction space and supply storage space. The small deficit (approximately 30,000 SF) in permanent space for general instruction is balanced by the excess (approximately 350,000 SF) in applied instruction space. The deficit of permanent, supply/storage space is approximately 500,000 SF with the deficit being compensated by an excess of temporary assets. The Army's program of temporary-facility reduction through demolition is aggressively pursued at Fort Bliss and should soon bring permanent and temporary assets into balance with requirements.

The analysis indicated there was an excess of permanent (approximately 7,000), plus temporary (approximately 3,400), UEPH units. Many of the permanent units are undergoing renovation to the relatively new two-man room standard that will better align the permanent assets to requirements. Demolition of temporary assets will reduce the excess.

The family housing analysis included consideration of government-provided units and ones on the local economy. Analysis indicated a shortage of approximately four hundred units. The current Fort Bliss plan for government-provided family housing from 1993 through 2014 indicates an overall reduction of approximately twelve hundred government units. The Army's public-private venture (PPV) program to provide adequate housing to Fort Bliss is currently scheduled to commence after 2000 and to be implemented by 2002. The PPV program is expected to provide the full requirement for housing units for Fort Bliss personnel, to include deficit reduction.

Potable water is acquired from both installation owned-wells and through contract with the city of El Paso. The total pumping capacity of the eighteen installation wells is 13.0 million gallons per day (MGD) and the average use is 3.56 MGD. Average

daily consumption of potable water from El Paso is 1.59 MGD. Approximately ninety-nine percent of the installation's wastewater is disposed of through contract with the city of El Paso. The air quality region is in non-attainment for ozone (serious), particulate (moderate), and carbon monoxide (moderate).

Maneuver space and adequate ranges are more than sufficient in the 1.1 million acres available. The prevailing climate is extremely favorable to training, and annually averages 340 flying days, 15 days with inhibiting rain, 10 days of high winds/dust storms, and 310 days with the temperature between thirty-two and one hundred degrees Fahrenheit. The Air Defense Artillery focus of the Fort Bliss mission does not require large maneuver space, but does require large acreage for missile firings. The commanding general's assessment of the ranges and maneuver space is that they are underutilized. In particular, the departure of the 3rd Armored Cavalry Regiment from Fort Bliss tremendously reduced maneuver usage. Fort Bliss' multipurpose range complex, automated for tanks and Bradley Fighting Vehicles (BFVs), is seldom used. The installation is offering range use to units from other installations, the Army Reserve and National Guard, and particularly maneuver/armored units from the Texas National Guard.

The *most significant capacity* issue for Fort Bliss is the land withdrawal renewal of the McGregor Range that comprises approximately sixty-two percent of Fort Bliss. The Fort Bliss/McGregor Range complex plays a vital training role for Air Defense Artillery units, and the realignment to Fort Bliss of all Army Air Defense Artillery brigades in the United States by its availability. McGregor Range is the Army's only training range where modern air defense systems, such as the Patriot, can be fired by operational units. Although the range is managed and heavily used by the Army, the Navy, Air Force, and Marines are also regular users, as well as air defense units of allied nations. The ability to maneuver over large acreage accommodates major, joint-Service and multinational training exercises.

As stipulated by the Military Lands Withdrawal Act of 1986 (Public Law 99-606), the McGregor Range withdrawal from public lands expires in November 2001. To renew the withdrawal of McGregor Range and continue its current use, the Army must provide notice of continued need for the land past the expiration date and file an application for extension of the withdrawal by November 6, 1998. Part of the renewal requirement includes completion of a Legislative Environmental Impact Statement that addresses the environmental consequences of renewing the withdrawal. The Congress is the decision-maker for the land withdrawal and will issue its decision via legislation.

Local controversy exists with surrounding landowners and cattlemen with grazing rights (managed by the Bureau of Land Management) over proposed, future uses of the withdrawn lands. It is vital to Fort Bliss' future that the withdrawal for Army use continues.

3). Outlook In its analysis for the BRAC round in 1995, the Army performed extensive analysis on the viability of its various installations in particular categories. Fort Bliss was analyzed in the category of Training Schools, along with thirteen other installations. Analysis of thirty installation attributes resulted in a cumulative score of 6.8 out of 8 possible points for Fort Bliss, giving it the highest ranking of the fourteen Training Schools analyzed. Based on its high ranking, Fort Bliss was not considered for closure or realignment analysis.

In its BRAC 95 reporting documents, the Army discussed its operational blueprint for stationing its maneuver force structure, at that time established by the Bottom-Up Review (BUR), and since revalidated by the Quadrennial Defense Review. The Army stated: "The current maneuver installation structure accommodates the size and composition of the force (as established by the BUR), includes sufficient land and facilities to support a trained and ready force, and provides adequate flexibility to meet the challenges of an uncertain future." The analysis concluded: "As the post Cold War international security environment continues to evolve, the Army must retain the stationing flexibility to respond to these changes. Major unit relocations could be prompted by such changes . . . Similarly, changes in the international security environment may reduce the need for forward presence . . . The Army must retain the capability to locate these units in the United States . . . Any further reduction in the Army's ability to station tactical forces in the United States creates excessive operational risk and carries with it the potential for future expenditures (facility construction and land acquisition) far in excess of savings achieved through base closure."

Fort Bliss was identified as an installation where large forces could be added without a large up-front investment. The installation was included in the list of Army installations having the capability to station part of the maneuver force structure. The Army rated Fort Bliss as having the capability to station one maneuver brigade without construction, and four with significant investment in new construction.

The expanding requirements of current or improved weapons systems make Fort Bliss even more valuable to DOD. In its FY 99 budget submission and future years defense program (FYDP), the Army continues to support acquisition of current (Avenger, Linebacker, Patriot) air defense systems to improve the capability of the active and Reserve Components, product improvement of current air defense systems, and continuing development of the Theater High Altitude Air Defense (THAAD) and Medium Extended Air Defense Systems (MEADS). The life expectancy of the current and future air defense systems, particularly the THAAD and MEADS if they are procured, extends well beyond 2020, as well as the requirement for ranges and training space.

4). Assessment. Based on the Army's need to retain maneuver space and installations for stationing its maneuver forces; the high rating of Fort Bliss as a training installation; and the Army's continuing improvement, development, and acquisition of air defense systems; Fort Bliss' future as an Army installation through the 2020 timeframe appears secure.

B. Fort Hood. Maneuver installations are primarily power projection platforms where the Army's major combat forces are stationed. They provide facilities and resources to sustain, maintain, train, and deploy these forces. Fort Hood is considered the Army's premier maneuver installation.

1) Mission. Fort Hood is located in the "Hill and Lake" country of Central Texas. It is approximately 60 miles north of Austin, 60 miles south of Waco, and 130 miles south of Dallas; and comprises approximately 215,000 acres. Fort Hood is the home of:

- III Corps Headquarters;
- the 1st Cavalry Division and its three maneuver brigades;
- the 4th Infantry Division and two of its maneuver brigades;
- the Test and Experimentation Command (TEXCOM); and
- various III Corps units and tenant organizations.

Fort Hood's primary mission focus is training and mobilization support to its assigned units and is a mobilization site for Army Reserve and National Guard units. The installation provides support services to its tenant organizations and ensures quality of life support for the diverse military community.

2). Capacity Utilization Fort Hood has established a unique capability over many years. It has been designed and capitalized to support two heavy, division-size units (currently hosting five maneuver brigades) and has close proximity to large port facilities for mobilization and transport.

The Army's pre-BRAC 95 capacity analysis for Fort Hood demonstrated large shortages in operations buildings, aviation maintenance capacity, direct support/general support maintenance space, and supply and storage space. Temporary facilities of over 300,000 SF of operations, approximately 50,000 SF of aviation maintenance, approximately 135,000 SF of direct support/general support maintenance, and over 1 million SF of supply and storage space, combined with permanent assets and planned construction, did not meet the overall requirements for these types of facilities. The analysis considered the FY 92 to FY 96 construction programs and planned additions to the Fort Hood inventory. The FY 97 to FY 99 construction programs only contain approximately \$25 million in projects to overcome this deficit. However, the FY 97 to FY 99 programs also contain over \$125 million for projects such as barracks renewal, family housing replacement (424 units), and medical facilities.

Army analysis indicated a deficit of approximately 500 permanent UEPH units, but there were almost 1,300 temporary assets available for use. Also, the local economy had a significant excess of family housing units available. The Army recently announced and initiated a planning process for a PPV project to eventually turn over current, government-owned family housing to private sector management and/or ownership.

Potable water for Fort Hood is supplied by surface water from Lake Belton. Fort Hood has water rights to 12,000 acre-feet per year and contracts with the Bell County Water Control Improvement District Number 1 and the City of Gatesville for treatment and delivery. The water supply contracts are for 7.5 MGD and the installation has an average use of 6.5 MGD. Wastewater discharge is accomplished under contract with the Bell County Water Control Improvement District Number 1 for a 7.5 MGD discharge. Average use is 4.1 MGD. Fort Hood also operates two small wastewater treatment systems.

3). Outlook The Army's BRAC 95 analysis of 27 installation attributes gave Fort Hood a score of 7.7 of a possible 8 points, and the top ranking of eleven maneuver installations analyzed. Comments provided in the Fort Bliss Outlook on the Army's blueprint for stationing its maneuver forces applies equally to Fort Hood. Additionally, the Army recognized the unique capability of Fort Hood to station two, heavy-division size units. The Army's rated stationing capacity for Fort Hood was five maneuver brigades without construction and five maneuver brigades with construction. Thus, the Army considered Fort Hood to be at maximum capacity for maneuver units. Based on the top ranking among Army maneuver installations and its current, unique stationing capacity, the Army did not analyze Fort Hood for realignment or closure.

The testing of unit digitization concepts and **Force XXI** unit designs are taking place at Fort Hood. Comprehensive field evaluation of an initial design alternative known as the Conservative Heavy Division (CHD) has been completed. The development and design of a revised heavy division continues. After approval of the heavy division design, work will proceed to examine and recommend adjustments to the echelons above division (EAD) force structure. These adjustments will be made to optimize the available resources to support the new division. Equipment and operating concepts for the new heavy division will

change, and it is expected that the unit strengths of the new division will be reduced at Fort Hood.

Digitization testing and implementation at Fort Hood provide opportunity to attract numerous private sector businesses to the local community that help to operate, maintain, and upgrade these systems, as well as to test spin-offs for commercial applications.

4). Assessment. The 2000 to 2020 outlook for Fort Hood includes adjustments to the installation business operations as changes to current and projected DOD and Army programs are implemented, but the Army's commitment to capitalizing and maintaining two heavy division sized units appears strong. **Force XXI** and unit digitization testing at Fort Hood should maintain the five maneuver brigades in the short term. However, future changes in the maneuver unit, worldwide stationing—such as the three Army divisions stationed overseas—or reductions of Army force structure could possibly affect the number of maneuver brigades at Fort Hood. This possibility could include the moving of units from Fort Hood to lower environmental concerns on training/maneuver space and to better utilize training space at other maneuver installations. **Force XXI heavy division implementation can be expected to reduce the installation population at Fort Hood.**

C. Fort Sam Houston. Fort Sam Houston is home to the Army's Medical Command that trains soldiers in medical skills and provides institutional training for medical and Medical Service Corps personnel. The U.S. Army Medical Department Center and School, at Fort Sam Houston, is the Medical Command's branch school. Fort Sam Houston is considered and analyzed as an Army training installation.

1). Mission Fort Sam Houston's 3,150 acres are located in south central Texas in the heart of the city of San Antonio. Camp Bullis, a 28,000-acre sub-installation, is located seventeen miles northwest of Fort Sam Houston. Camp Bullis has been used throughout its history as a training area extension of Fort Sam Houston. Fort Sam Houston, including Camp Bullis, is a medical service training base for all DOD Services and is used extensively by the Air Force Training Center at Lackland Air Force Base, particularly the U.S. Air Force Base Ground Defense Course. Additionally, installation tenants include the Fifth U.S. Army; the Brooke Army Medical Center; six U.S. Army III Corps deployable medical units; and other various organizations. The installation also serves as a supporting/coordinating installation for over one hundred tenant and satellite activities in a multi-state area.

2). Capacity Utilization The Army's pre-BRAC 95 analysis showed that Fort Sam Houston had significant excess, permanent facilities in administrative space (740,000 SF), direct support/general support maintenance facilities (130,000 SF), applied instruction space (142,000 SF), and supply/storage space (1,039,000 SF). The analysis showed a shortage of over 2,700 UEPH spaces, but it was balanced by an excess of almost 3,800 trainee barracks spaces. Additionally, the analysis did not include \$37.8 million in the FY 98 and FY 99 construction programs for barracks renovation to convert the trainee barracks to UEPH space. The availability of family housing units, both on and off post, showed a deficit of only 62 units out of a total requirement of over 4,300. The only shortage of facilities existed in the Directorate of Logistics maintenance space (57,000 SF) and in general instruction buildings (414,000 SF). Most of the excess, permanent building space is in facilities that have a "historic designation." The historic designation makes renovation and maintenance expensive and demolition procedures complex and controversial from a historic preservation perspective.

Fort Sam Houston is responsible for one of the largest collections of historic resources within DOD. There are over 760 National Register of Historic Places (NHRP)-eligible properties at Fort Sam Houston and 76 at Camp Bullis. The "Old Post," pre-1930 historic core of the installation is designated as a National Historic Landmark District. Balancing the military mission with the protection of these historic properties requires judicious and careful planning.

The majority of excess, permanent space exists in the old Brooke Army Medical Center facilities. The new Brooke Army Medical Center occupies a 450-bed, 1.5 million SF state-of-the-art facility. The \$253 million project replaced most of the old Center's facilities that date back to 1938 and are in various locations around Fort Sam Houston. Fort Sam Houston aggressively markets this, and other adequate, excess permanent space, to potential government tenants.

The Deputy Assistant Secretary of the Army for Resource Analysis and Business Practices visited Fort Sam Houston and local San Antonio leadership on April 9, 1998, to explore the possibility of private sector renovation of approximately 750,000 SF of excess space to potentially house one or two Army functions/units from another location, and to make the rest available for commercial use.

The Army's capacity analysis indicated that Fort Sam Houston had a small amount of temporary building space remaining in areas where there is excess, permanent space, indicating the success of the facility demolition program to reduce excess, temporary space.

Fort Sam Houston draws potable water from five wells in the Edwards Aquifer with a total pumping capacity of 10.0 MGD with an average use of 3.11 MGD. The installation, as well as most of the city of San Antonio, is one hundred percent dependent on

the Edwards Aquifer for water use. The newly formed Edwards Aquifer Authority is proposing more stringent standards for water recharge of the Aquifer and the watershed where it occurs. This issue could have future implications on training area use and maintenance at Camp Bullis.

Fort Sam Houston has sufficient water capacity for current and projected use for new activities in the excess space, but future growth is limited by access to water. Wastewater disposal is accomplished via contract with the city of San Antonio, with an average discharge of 4.04 MGD.

Civilian community growth is increasing around Camp Bullis and land near the installation has increased significantly in value. Continued growth, if not carefully controlled, could encroach on Camp Bullis and possibly decrease its training utility to the Army and other Services.

The Army's BRAC 95 installation assessment rank for Fort Sam Houston was eleven of fourteen (4 points out of a possible 8). However, the Army noted that "Because of its high military value, it was not selected for further study." The high military value ranking is due to the unique medical expertise and training facilities at Brooke Army Medical Center and Camp Bullis. The lower relative ranking among its peer installations is due to the relative shortage of significant training acreage and ranges needed for other types of training missions, but that are not required for medical specialty training.

3). Outlook Utilization of excess, permanent space at Fort Sam Houston should be an ongoing installation and community priority to leverage available building assets with developed, supporting infrastructure. The Army's willingness to explore this option indicates satisfaction with the location and the area's suitability to accomplishing significant Army institutional medical training.

4). Assessment The Army's large investment in facility construction—including the Brooke Army Medical Center—to reduce selected facility shortfalls and obsolescence indicates that Fort Sam Houston continues to have a high military value for the Army and DOD through 2020. An issue that could potentially change this outlook is if Camp Bullis were sufficiently encroached and Fort Sam Houston could no longer provide readily available access to field training for medical specialties. The closest alternative for field training is Fort Hood, but it is over sixty miles away. Similar encroachment issues were a significant factor in the Army's decision in the 1980s to consolidate Engineer Branch training at Fort Belvoir, Virginia, to Fort Leonard Wood, Missouri. In that case, an alternative training site was located approximately thirty miles from Fort Belvoir—one-half the distance from Fort Sam Houston to Fort Hood.

D. Corpus Christi Army Depot. The Corpus Christi Army Depot is a tenant activity of the Corpus Christi Naval Air Station. The Army's installation assessments do not include the Corpus Christi Army Depot since the Depot performs its work in the real property of another Service.

1). Mission Corpus Christi Army Depot is the Army's only organic facility for the repair and overhaul of rotary wing (helicopter) aircraft. The Depot contributes to Army, Navy, Marine Corps, and Air Force readiness through repair, overhaul, and maintenance of a wide variety of helicopters and related engines and components. The Depot provides:

services to overhaul, repair, modify, retrofit, and modernize all Army and most DOD rotary wing aircraft;

training for active duty Army, Reserve, National Guard, and foreign military personnel;

other depot support that includes on-site maintenance teams, crash damage analysis, lubricating oil analysis, and chemical, metallurgical, and training support.

Approximately thirty percent of the Depot's workload is obtained from other DOD Services.

2). Capacity Utilization The DOD and the Army describe capacity for depots in terms of direct labor hours (DLH) available to accomplish functional work effort. Therefore, excess DLHs that exist in a related maintenance function at another DOD depot—such as aircraft engines—can affect the viability of a function at Corpus Christi Army Depot.

In analyzing excess depot capacity for BRAC 95, DOD commissioned a Joint Cross Service Group for Depot Maintenance (JCSG-DM), consisting of DOD and Service representatives, to develop recommendations intended to consolidate like-workload across DOD maintenance depots with the intended goal of reducing the number of depots. The JCSG-DM recommended four workload transfers from Corpus Christi Army Depot to other depots. The recommendations were:

transfer 11,000 DLHs (landing gear) to the Air Force's Ogden Air Logistics Center, Utah;

transfer 7,000 DLHs (avionics/electronics) to the Navy Depot at North Island, California;

transfer 5,000 DLHs (auxiliary power units) to the Marine Corps Depot at Cherry Point, North Carolina; and

transfer 206,000 DLHs (air engines) to the Marine Corps Depot at Cherry Point.

The recommendations would have eliminated sixty-one civilian personnel positions and realigned eighty-two to other depots. This workload transfer would have represented approximately five percent of the Depot workforce.

The majority of the workload contained in the JCSG-DM recommendation was associated with rotary wing aircraft. The Army determined that the workload transfers were financially supportable (had a reasonable payback period); however, the Army is the largest user of helicopters, and Corpus Christi Army Depot is the Army's Center for Technical Excellence for helicopter repair. The Army concluded that concurrent repair of its helicopters is "essential to maintain weapons systems integrity," and retained the workload at the Depot.

Capacity utilization of the workforce at any particular time at Corpus Christi Army Depot, as at other maintenance depots, depends on fiscal budgets for repair operations and programs, the operations tempo of the weapon systems, and the ability to transport the system to the depot.

3). Outlook The Army's program to upgrade the Reserve Component rotary wing aircraft fleet, to purchase existing program replacement helicopters, and programs for new rotary-wing weapon systems—such as the Comanche and Apache Longbow—indicates a continuing, long-term need for the existing capacity at Corpus Christi Army Depot. Similar workload performed at other DOD depots, such as that identified by the JCSG-DM BRAC 95 recommendation for Corpus Christi Army Depot, provides DOD and the Army an ever-present ability to consolidate rotary wing aircraft workloads either at Corpus Christi or at other locations. The Army's insistence on weapon system integrity, combined with its ownership and operation of the majority of DOD helicopters, indicate a strong preference for maintaining the workload at Corpus Christi Army Depot as long as it is financially supportable.

E. Red River Army Depot. Red River Army Depot (RRAD) is a 19,000-acre industrial complex located in northeast Texas, eighteen miles west of the Texas-Arkansas state line. RRAD is considered and analyzed for installation assessments as a depot.

1.) Mission The RRAD Depot mission provides:

- storage, renovation, and demolition of approximately \$6.5 billion of conventional ammunition and missile systems and repair of missile systems in a 9,000 acre area;
- depot maintenance (rebuild and refurbishment) of the Bradley Fighting Vehicle (BFV) and the Multiple Launch Rocket System (MLRS);
- the Army's only capability for rebuild of roadwheels and track shoes for Army combat vehicles;
- an electronics repair capability to support the MLRS, BFV, and a variety of missile support and aircraft armament subsystems; and
- support for other tenant organizations that include a newly constructed Defense Logistics Agency Distribution Center that has approximately 1,000 employees and warehouses \$6 billion of materiel for worldwide distribution; a regional Defense Finance and Accounting Service (DFAS) finance center paying 28,000 civil servants and providing accounting services to 116 Army installations; and training for the Army's supply, maintenance, safety, and engineering interns at the U.S. Army Materiel Command's School of Engineering and Logistics.

1). Capacity Utilization The Army's BRAC 95 installation assessments of its depots included 22 attributes. RRAD's assessment gave it a cumulative score of five out of eight possible points, ranking it third out of four depots assessed by the Army. RRAD is one of the Army's five maintenance depots and one of three (there will only be two when Letter kenny Army Depot's ground maintenance function transfers) ground vehicle maintenance depots. The Army concluded, in its BRAC 95 analysis, "A review of long-range operational requirements supports a reduction of Army depots, specifically the consolidation of ground combat workload at a single depot." Therefore, the Army recommended the closure of RRAD by:

- transferring the ammunition storage mission, intern training center, and civilian education to LSAAP;
- transferring the light combat vehicle maintenance mission to Anniston Army Depot, Alabama; and
- transferring the Rubber Production Facility (roadwheel and track rebuild) to LSAAP.

The 1995 Base Closure Commission found that: "The Army's recommendations were an aggressive approach to minimize depot

infrastructure.... The Army's operational blueprint, however, assumed too great a risk in readiness in the attempt to reduce infrastructure costs.... Retention of both Anniston and Red River Army Depots keeps the Army's top-rated ground combat depots and preserves future readiness." Therefore, the Commission recommended realigning RRAD by moving all maintenance missions, except for the BFV series, to other depot activities, or into the private sector.

RRAD has completed the required transfer of its maintenance missions and has declared a portion of its 19,000 acres and facilities excess to Army requirements. A local redevelopment authority (LRA), defined by the Defense Base Closure Act of 1990, from Bowie County has completed reuse planning for the excess property and is in the process of drafting an application requesting property transfer from the Army to the LRA.

In BRAC 95, the Defense Logistics Agency (DLA) recommended the disestablishment of its distribution depot at RRAD and relocation of its materiel to other DLA depots. However, the recommendation to disestablish DLA's Red River Depot was driven by the Army recommendation to realign its RRAD maintenance missions elsewhere. Since the BRAC Commission recommended that the BFV series maintenance mission remain at RRAD, it also recommended that the DLA distribution depot remain at RRAD. Since BRAC 95, DLA has completed and is currently consolidating its distribution depot materiel into a new facility.

Potable water is supplied to RRAD from a surface source. The RRAD water treatment plant has a design capacity of 3.0 MGD and an average daily usage of 1.2 MGD. The RRAD wastewater treatment plant has a design capacity of 3.0 MGD and an average daily usage of 0.4 MGD. RRAD has an industrial wastewater treatment plant with a design capacity of 1.25 MGD and average daily usage of 0.4 MGD. The foregoing water usage is 1994 data and currently it could be less, based on the RRAD completion of its required BRAC 95 realignments.

RRAD's utility systems, including the water and wastewater systems, are proposed for transfer to the LRA as part of the excess property disposal process, and the proposal is based on the stated DOD goal of transferring utility systems to other providers by 2000.

C). Outlook The Army's aggressive recommendation in BRAC 95 to consolidate its ground combat depot maintenance missions was not completed. The Army found the recommendation financially supportable, but the BRAC Commission found the recommendation a risk to readiness. In a potential future BRAC round, if authorized, the Army may find the recommendation to consolidate ground combat vehicle maintenance remains financially supportable, and recommend its completion.

The action to dispose of excess RRAD property, facilities, and utility system operations will have the impact of lowering the RRAD operations costs for its remaining missions. Other aggressive actions, such as combining the utility system transfers at the Red River Depot using BRAC authority with the privatization of utility systems at the Lone Star Army Ammunition Plant, to further reduce operations costs could potentially reduce the financial supportability of moving the remaining maintenance missions to the point that the Army might not recommend consolidation in a future BRAC round. The success of such actions would have to include—and depend on—close cooperation between the Department of the Army and the local community.

F. Lone Star Army Ammunition Plant The LSAAP is a 15,546-acre industrial complex located in northeast Texas, 12 miles west of the Texas and Arkansas State line. LSAAP is contiguous and shares selected common services with the RRAD. LSAAP is considered and analyzed as an Ammunition Production installation.

1). Mission The LSAAP mission includes:

- designation as a Group Technology Center for production of Improved Conventional Munitions, Family of Scatterable Mines (FASCAM), the M67 hand grenade, detonators, and artillery primers;
- production of other DOD-related munitions for various other systems contractors, foreign military sales, and other customers;
- leasing unused facilities and land to commercial interests to reduce maintenance and overhead costs under the Army Retooling Manufacturing and Support Initiative (ARMS); and
- providing a wide range of support services to the RRAD.

2). Capacity Utilization Production lines at LSAAP are in a limited caretaker status; the lines are activated for production missions, when needed. LSAAP is operated and maintained by one full-time operating contractor, Day & Zimmerman, Inc. (Day & Zimmerman), that has run the facility since the outbreak of the Korean War.

Day & Zimmerman has initiated several contracts with commercial interests to use available facilities and land to reduce costs of operations and maintenance under the ARMS Initiative. The Army is working to convert, within the next several months, the

Day & Zimmerman contract from a cost plus award fee (CPAF) to a facility use contract. This should facilitate and provide incentives for additional contracting under ARMS.

Operation Enterprise, located in Annandale, Virginia, is the national marketing program for facilities and installations in the ARMS program. It is the best opportunity for commercial and industrial businesses that seek competitive advantages through affordable, strategic site locations. Through the national ARMS Initiative, Operation Enterprise markets diverse facilities that provide complete infrastructure—utilities, land, buildings, and equipment—at flexible and reasonable terms.

The Army's BRAC 95 installation assessments for active ammunition production facilities assessed twenty-two installation attributes. LSAAP rated a score of 5.9 out of a possible 8.0 and was ranked two out of eight installations assessed. Because of its high military value, LSAAP was not selected for closure or realignment study. LSAAP has the Army's only line for production of the M67 hand grenade, detonators, and self-destruct fuses.

The Army's Industrial Operations Command (IOC), the parent headquarters of ammunition production facilities, announced in November 1997 the results of a study to categorize a number of ammunition production plants as excess to Army and DOD requirements. IOC assessed that five inactive plants are no longer needed for current or future production. This determination brings the total number of plants categorized as excess to eight of the Army's fourteen inactive plants. LSAAP is still categorized as an active plant, even though it has seldom-used production lines.

Potable water is provided to LSAAP by contract with a capacity of 7.7 MGD and an average daily use of 0.472 MGD. LSAAP shares a wastewater treatment facility with RRAD. There are seven permitted, industrial wastewater treatment plants—one for lead, one for chrome, and five for "pink water"—on LSAAP. The installation is on the National Priority List (NPL).

3). Outlook and Assessment. Based on the unique nature of several of LSAAP's product lines and the Army's high (among its active ammunition plant peers) BRAC 95 assessment, the outlook for LSAAP for 2000 to 2020 appears secure.

Navy Activities

Navy bases, because of the water-related mission of the Service, are frequently located in or near large seaports and on extremely valuable property. As a result, the Navy tends to co-locate multiple missions and requirements at each base to take maximum advantage of these infrastructure investments and resources. Consequently, several naval complexes or "mega-ports" have evolved, with the resulting closure of isolated bases. The bases in the Corpus Christi region include four of the top seven employers of the region. The following Navy installations in Texas are assessed with respect to their *mission, current capacity utilization, and outlook* for the years 2000 to 2020.

- NAS Corpus Christi
- NAVSTA Ingleside
- NAS Kingsville
-
- NAS Fort Worth, JRB

The missions described for each installation are ones that would require significant action and coordination to relocate or to consolidate at another location. Capacity utilization is the ability of the installation to accommodate the assigned mission functions. Each of the installations has a significantly different mission even though three of the four bases are Naval Air Stations with a primary mission of training. In addition to its pilot training mission, NAS Corpus Christi is "home" to a number of multidimensional organizations that rely on the base to accomplish their missions. NAS Kingsville is one of only two bases currently training Navy strike pilots. NAS Fort Worth, JRB is dedicated to the mission of training and readiness of all of the Services and the Air National Guard. Each must be evaluated in its capacity to meet today's requirements as well as the surge requirements of a significant conflict.

A. Naval Air Station Corpus Christi. NAS Corpus Christi is conveniently located in the Corpus Christi metropolitan area, at the end of a peninsula that defines the southern entrance to the Corpus Christi Bay. It is surrounded on three sides by water and has a significant water buffer to any air operations. NAS Corpus Christi is the largest employer in the Corpus Christi region.

1). Mission Most of its various missions rely on its one 8,000-ft and three 5,000-ft runways. The current mission of NAS Corpus Christi is to serve as the Federal Complex host for nearly fifty tenants and to provide facilities, services, and programs which directly support:

- Navy Primary Pilot Training (two squadrons) and Joint Advanced Maritime Pilot Training (one squadron) for both the Navy and the Air Force.
- Headquarters for Chief of Naval Air Training Command that is responsible for the training and readiness of all Navy aviation training.
- Corpus Christi Army Depot (CCAD), the world's largest helicopter overhaul and repair facility. (This facility is discussed separately with the Army activities—see p. 1-11.)
- Headquarters for Commander Mine Warfare Command—responsible for training, tactics, and readiness of all mine warfare forces.
- U. S. Coast Guard Air Station that provides search and rescue support to the Central and Western Gulf of Mexico.
- U. S. Customs Drug Surveillance Support Center—coordinates the interdiction of airborne drug carriers into the U. S.

NAS Corpus Christi also hosts a number of other diverse organizations. These organizations include a Naval Reserve Center, a Marine Corps Reserve Training Center, a Naval hospital, one of two Mine Warfare Helicopter Squadrons, the Texas Hub for Joint Task Force SIX conducting Special Operations, and a Defense Distribution Depot, as well as the multiple base support organizations required to support its operations and tenants. NAS Corpus Christi also serves as the housing authority for the three bases in the region.

NAS Corpus Christi's primary focus is support of the various tenant organizations that rely on its airspace, runways, aprons, and associated facilities. Key tenants include Aviation Pilot Training, Coast Guard operations, Customs operations, and the CCAD.

2). Capacity Utilization To understand the capacity utilization of NAS Corpus Christi, it must be evaluated in a number of separate and unique categories—but with each category requiring use of common assets. These common assets, such as hangars, aprons, runways, airspace, and administrative space, are shared within the various mission categories to optimize the efficiency of the Federal Complex. Categories include:

Navy Pilot Training. This is the Navy's primary mission for the Air Station. Training Wing Four includes two Primary Training Squadrons of T-34s and one Advanced Maritime Squadron of T-44s and TC-12s. The Advanced Maritime Squadron supports not only Navy and Marine Corps training, but also all training for the Air Force, Coast Guard, and some foreign requirements. In support of the base's training mission are two nearby outlying landing fields owned by the Navy: Navy Landing Airfield (NALF) Waldron, which is 3.5 miles from the Air Station; and NALF Cabaniss, which is 8.0 miles from the Air Station. Additionally, the Navy has leased landing rights at the Aransas County Airport, 26.0 miles from the Air Station. These outlying fields reduce the need to use the runways on the Air Station to complete programmed training requirements; therefore, the additional fields allow a much greater Pilot Training Rate to be achieved.

Another element of the capacity analysis for training is the large volume of available air space. The air space supports not only the training originating at Corpus Christi but also some of that originating at NAS Kingsville.

There is adequate parking apron and hangar space to support the current and future Pilot Training Rates. Additionally, there is adequate training and administrative space to meet current and future requirements. The only factor limiting Maritime Training is the scarcity of training aircraft to support the mission, but additional aircraft are being recalled to support this mission and reduce the deficiency.

Support of the CCAD. This tenant organization occupies a large portion of the NAS, including a number of hangars, and uses an extensive area of the parking apron. Helicopters arrive and depart the Army Depot by barge (using the adjacent wharf) and C-5 aircraft. There is little competition for the wharf area; however, the C-5 aircraft deliveries must use the single, 8,000-foot runway. This means that the C-5 flights compete with other mission requirements for the long runway, but since there are relatively few cargo flights, this poses little impact to the training missions. The hangars and apron area used by the CCAD are somewhat removed from the airfield and do not compete with facilities needed by the training organizations. (As noted earlier, the CCAD is discussed in the Army Activities section beginning on p. 1-11.)

Support of other tenants with flying mission requirements. The primary units supported in this category are the U.S. Coast Guard, the U.S. Customs Service, and the MH-53 Mine Countermeasures Helicopter Squadron. Each of these tenants was deliberately located at NAS Corpus Christi to take advantage of the excellent flying weather and location. The Coast Guard benefits from easy access to the Gulf of Mexico, the Customs Service takes advantage of the installation's central U.S. location on the country's southern border, and the Helicopter Squadron derives significant value-added by being sited close to the Mine Warfare Center of Excellence at NS Ingleside. Each of these tenants requires hangar and apron space that is compatible with, and does not adversely affect, the training missions of the base. Similarly, they all share available runways, but with little or no conflict.

Non-flying tenants. The Chief of Naval Air Training and Commander, Mine Warfare Command are two important non-flying units that must be supported. The primary reason these organizations are located at NAS Corpus Christi is the geographic proximity to other related functions or units. Although their administrative space requirements could be met elsewhere, it could adversely affect the efficiency of the organizations' operations.

The facilities and airspace at NAS Corpus Christi are utilized at nearly full capacity for the normal activity levels of the organizations on the Federal Complex. However, there is still sufficient, available capacity to meet surge requirements in each of the missions.

3). Outlook The current primary-pilot training rate—and the rate for the foreseeable future—will make the continued use of facilities at NAS Corpus Christi necessary. The Joint Primary Aircraft Training System (JPATS) is expected to be introduced in Corpus Christi between 2009 and 2016. Similarly, Corpus Christi is taking responsibility for the advanced training pipeline for multi-engine propeller pilots for all services. Although meeting the demand is currently limited by the number of training aircraft, this shortage is being resolved—Advanced Maritime Pilot Training will continue to be a primary mission of Corpus Christi. The demand for both Primary and Advanced Maritime Pilot Training is driven by the number of Navy and Marine aircraft squadrons, the number of maritime aircraft squadrons of all Services—and the Coast Guard—and the loss of military pilots to the civilian sector. A significant reduction to produce replacement pilots for any of the foregoing could adversely impact the training loads supported at the installation, but such a reduced demand is not anticipated.

All Services are initiating studies to evaluate ways to outsource or privatize functions and services that need not be done by military personnel or government civilians. These studies could result in fewer direct-federal jobs, but with a corresponding increase in private sector jobs. These initiatives are part of DOD's attempt to adopt better business practices and all the Services are focused on reducing the operating costs of military bases by commercially procuring support services. Although these types of actions should not change any of the missions' needs, they may change how they are accomplished.

1). Assessment As long as NAS Corpus Christi is operational in support of aviation training, it is extremely unlikely that any of the primary tenants—those that depend upon the airfield—would have any reason to relocate. Also, the location and weather are ideal for nearly all of their mission requirements. There are currently no proposals to move any of these units. The primary tenant, CCAD, is expected to continue to be the largest helicopter depot for the U.S. military.

B. Naval Air Station Kingsville. NAS Kingsville is located 30 miles southwest of Corpus Christi. It is surrounded primarily by ranch land, much of which is the King Ranch. Its unencumbered air space is supported by four 8,000-ft runways at the Air Station, two 8,000-ft runways at Naval Air Landing Field Orange Grove, and the McMullen Target Complex.

1). Mission The primary mission of NAS Kingsville is to train tactical jet pilots for the Navy and the Marine Corps. Supporting this mission is Training Air Wing Two and the two Advanced Jet Training Squadrons VT-21 and VT-22. These squadrons were the first to receive the new T-45 Advanced Strike Training System, the Goshawk. Using the T-45, training can be compressed by combining both intermediate and advanced training onto a single platform. Also, the lower operational costs of the aircraft have significantly reduced the overall training program costs. The combination of compressing the training timelines and reducing program costs has permitted NAS Kingsville to satisfy about seventy-five percent of the Advanced Jet Training for the Navy and Marine Corps while the aircraft are being procured and delivered to a sister base. Co-located on the air station are facilities and personnel to perform all levels of maintenance on the airframe and the training system. Therefore, the aircraft do not need to leave the base for non-mission needs.

NAS Kingsville also hosts several other organizations including the Mobile Mine Assembly Group, the U.S. Border Patrol, and several base support organizations required to support its operations and those of its tenants.

1). Capacity Utilization Capacity utilization of NAS Kingsville must be measured against the needs of its primary mission—Advanced Jet Pilot Training. This mission requires aircraft, hangars, aprons, runways, airspace, maintenance capacity, and administrative space to be properly sized and balanced to optimize military value.

- **Aircraft:** The seventy-five currently assigned T-45 aircraft are meeting about seventy-five percent of the Navy and Marine Corps Pilot Training requirements. To accomplish this goal, a higher-than-planned number of flight hours has been required on each plane. Additional aircraft would be required to increase training capacity.
- **Hangars:** Hangars dedicated to the training mission have sufficient capacity to meet current and projected future requirements. A new environmentally safe corrosion control facility was built to provide for all the T-45 life-cycle maintenance requirements; it has surplus capacity to support other requirements, if needed. Other hangars are being used to conduct modifications to the T-45 by a contractor support team.
- **Apron.** There is surplus apron space that would be available for new or expanded missions.

- **Runways:** The runways are currently fully utilized for training missions; however, by using outlying landing fields or by more intensively managing the runways, higher training rates would be possible and additional training requirements could be met.
- **Airspace:** The extensive airspace, like the runways, is now being fully utilized. However, with more intensive management and the use of "part-time" airspace, higher training rates could be achieved.
- **Maintenance Capacity:** NAS Kingsville has sufficient capacity to maintain the entire procurement of T-45 aircraft.
- **Administrative Space:** Currently, most of the administrative space is being filled. However, a number of older buildings that have been, or are being, refurbished to meet an increased demand. For example, the U.S. Border Patrol recently refurbished a three-floor Bachelor Quarters building and now uses the ground floor; the FBI or Customs Service may use the other floors.

Overall, the facilities and airspace at NAS Kingsville are being used at near full capacity to support the current requirements of assigned organizations; but surge capacity remains.

C. Outlook The current Advanced Strike Pilot Training Rate—and the rate for the foreseeable future—will make the continued use of facilities NAS Kingsville necessary. The demand for Advanced Jet Pilot Training is driven by the number of Navy and Marine aircraft squadrons and the loss of military pilots to the civilian sector. A significant reduction to produce replacement pilots for any of the foregoing could adversely impact the training loads supported at the installation, but such a reduced demand is not anticipated. The existing seventy-five analog T-45 aircraft will be replaced by ninety-two new, modified aircraft between FY 2002 and FY 2007, but this should not change the training mission of the base.

All Services are initiating studies to evaluate ways to privatize functions and services that need not be done by military personnel or government civilians. These studies could result in fewer direct-federal jobs, but a corresponding increase in private sector jobs. These initiatives are part of DOD's attempt to adopt better business practices, and all the Services are focused on reducing the operating costs of military bases by commercially procuring support services. Although these types of actions should not change any of the missions' needs, they may change how they are accomplished.

3). Assessment. Because of the large volume of airspace, the availability of landing fields, the ability to provide life-cycle maintenance of the T-45 Training System, and its excellent weather, NAS Kingsville should continue its current aviation training operations. Currently, the Department of the Navy is considering the need to duplicate the maintenance facilities at NAS Kingsville on its sister base. If taken, this action may create excess capacity at NAS Kingsville by reducing the number of T-45 aircraft maintained, thereby increasing the operating costs of the installation.

C. Naval Station Ingleside. NS Ingleside is located on the northern shore of the Corpus Christi Bay about 9 miles from Corpus Christi. It is adjacent to the Corpus Christi ship channel that links the deep-water port of Corpus Christi to the Gulf of Mexico. NS Ingleside is a new base. It was built in the late 1980s as part of the Department of the Navy's Strategic Homeporting Plan.

1). Mission The primary mission of NS Ingleside is to serve as the Navy's Mine Warfare Center of Excellence. To accomplish this mission, it provides training, operations, and maintenance support to the area's Mine Warfare Forces. Although the smaller Navy of the 1990s resulted in most of the new strategic homeports never being built, NS Ingleside survived. Instead of being cancelled, it was chosen to be the home of the Mine Warfare Community rather than homeport for several Navy major combatants. As the result of the previous BRAC actions, nearly all of the Navy's mine warfare assets have been located at or near NS Ingleside. Since the Gulf of Mexico is nearby and it provides conditions similar to littoral waters in many parts of the world, the base provides an excellent training location.

Collocated as part of the Mine Warfare Center of Excellence are the Mine Warfare Command (at NAS Corpus Christi); USS Inchon (MCS-12), the mine warfare command and control ship; twelve Avenger Class Mine Countermeasure Ships; ten Osprey Class Coastal Minehunters; the Mine Warfare Training Center; a Magnetic Silencing Facility; and HM-15, a squadron of MH-53 helicopters (at NAS Corpus Christi). In addition to the operating and training facilities, the private sector has established ship repair capability to perform all ship life-cycle maintenance for the Mine Counter Measures (MCM) and Mine Hunter (MiHC) ships. The Navy has also established a Ships Intermediate Maintenance Activity on base to meet routine maintenance requirements.

Because NS Ingleside is a new base, many of the base functions—the types now being eliminated to reduce operating expenses at other bases—were never established. Instead, the Navy looked to the community to provide much of the support needed and did not duplicate the functions. In many cases the communities expanded it's functions to support the added needs of the sailors.

2). Capacity Utilization Capacity utilization of NS Ingleside must be measured against the needs of its primary mission—support

of the Mine Warfare Community. This mission requires a mooring space, training facilities, maintenance capacity, and administrative space to be properly sized and balanced to optimize military value.

- Piers and Wharf: The NS has a 1,100-ft pier, a 1,800-ft wharf, and a small craft pier is being constructed. When completed, the new pier will provide all the mooring facilities necessary. Little additional mooring capacity is available.
- Training Facilities: The construction of the Fire Fighting Training Facility and the Mine Warfare Training Center provide necessary facilities for the mine warfare community. Little additional training space is available.
- Maintenance Capacity: With the Ship Intermediate Maintenance Activity providing intermediate-level maintenance, and the four private sector companies providing intermediate and depot levels of maintenance to the ships, there is significant excess capacity for additional ship maintenance. The Navy has leased a dry-dock to a local company to give the company the capacity to conduct dry-docking of the ships.
- Administrative Space: Currently, all of the administrative space is being fully used and a number of temporary trailers have been added to meet requirements.
- Land for Expansion: The Port's land on either side of the NS that could be used to expand the base, if needed. Most of the existing land of the base is being used or is planned for development.

Overall, the facilities at NS Ingleside are being used at nearly full capacity to support the activity levels of its current operations. Except in the area of maintenance, there is little capacity to meet surge requirements.

3). Outlook As long as the Navy could be involved in conflicts where the threat of mine warfare exists, the mine warfare mission is essential to military operations. The Mine Warfare Center of Excellence is a unique mission and the needed facilities, capabilities, and capacities are not duplicated elsewhere in the Navy. Moreover, the weather and available training areas in the Gulf of Mexico make NS Ingleside an ideal location.

All Services are initiating studies to evaluate ways to privatize functions and services that need not be done by military personnel or government civilians. These studies could result in fewer direct-federal jobs, with a corresponding increase in private sector jobs. These initiatives are part of DOD's attempt to adopt better business practices, and all the Services are focused on reducing the operating costs of military bases by commercially procuring support services. Although these types of actions should not change any of the missions' needs, they may change how they are accomplished.

4). Assessment. NS Ingleside should continue its support of the Mine Warfare Community into the foreseeable future, as long as there are sufficient funds in the Department of the Navy's budget to support the mine warfare mission.

D. Naval Air Station Fort Worth, Joint Reserve Base. NAS Fort Worth, JRB is the former Carswell Air Force Base located in Fort Worth. It was created as part of the 1993 BRAC process by consolidating many of the reserve units displaced from closing and realigning bases. It was begun as an experiment and has evolved to be the only "truly joint-services" reserve air station today.

Fort Worth, JRB is a Strategic Air Command installation the Air Force closed in an early BRAC round. As a result of BRAC 93, the Navy will invest over \$100 million dollars to modernize the base and to prepare for its new tenants, many that came from the closure of NAS Dallas. Having the Navy take over an Air Force base has allowed the new host and the tenants to work together without the paradigms usually associated with adding a tenant to an established base. The result is a base organization and operation that has been developed cooperatively and created a real success story. The Services and tenants form a mutually supporting team.

1). Mission The primary mission of NAS Fort Worth is to support joint-service reserve training and operations. Included among the tenants using the airfield are:

- Navy F-14 Squadron (VF-201);
- Navy C-9 Squadron (VR-59);
- Navy C-12 Squadron (VR-5070);
- Air Force F-16 Fighter Wing (301 FW);
- Marine F/A-18 Squadron (VMFA-112);
- Marine KC-130 Squadron (VMGR-234); and
- Texas Air National Guard C-130 Air Wing (136 TAW)

Additionally, the base has a number of non-flying tenants that are also part of the all-Services team. These include the following:

- 14th Marines;
- 10th Air Force;
- TANG 4175/4160; and
- Navy-Marine Corps Reserve Center

1). **Capacity Utilization** Capacity utilization of the base must be measured against the needs of its primary mission—support of the Joint-Services reserve training and operations. This mission requires hangars, aprons, runways, airspace, and administrative space to be properly sized and balanced to optimize military value

- **Hangars:** Hangars are sufficient to meet current and projected future requirements. There is some excess space made available as various squadrons transition between aircraft
- **Aprons:** There is ample apron space for over 186 aircraft, depending on size. This provides capacity for a number of additional units.
- **Runways:** The runways can support additional operations.
- **Airspace:** The airspace is adjacent to the Dallas-Fort Worth Airport; however, there have been no significant limitations identified.
- **Administrative Space:** Currently most of the administrative space is being fully used. However, a number of older buildings have been, or are being, refurbished to meet an increased demand. There is land available to build new administrative buildings, if the space is required.

Overall, the facilities at NAS Fort Worth are being utilized at full capacity to support the activity levels of its current tenants. However, there is still sufficient capacity to meet surge requirements or expand facilities.

3). **Outlook** The success of the "experiment" in jointness at NAS Fort Worth should continue to focus attention on the base. Reserve forces have been, and will continue to be, a critical part of the armed forces. As pressures to further reduce base infrastructure costs are felt, additional units may seek to relocate to the JRB. Being close to the Dallas-Fort Worth Airport provides easy access for a number of reservists. However, limiting the ability to increase the number of organizations will be the demographics of the reserve units and need for an available source of personnel to support them.

All Services are initiating studies to evaluate ways to outsource or privatize functions and services that need not be done by military personnel or government civilians. These studies could result in fewer direct-federal jobs, with a corresponding increase in private sector jobs. These initiatives are part of DOD's attempt to adopt better business practices, and as the Services are focused on reducing the operating costs of military bases by commercially procuring support services. Although these types of actions should not change any of the missions' needs, they may change how they are accomplished.

4). **Assessment.** NAS Fort Worth should see units, organizations, and the aircraft flown by many squadrons; however, as jointness concepts become reality at Fort Worth, it will become an even more vital part of the armed forces.

Air Force Activities

Bases considered of special value to the Air Force are typically associated with one or more flying missions, with the few exceptions usually limited to laboratories and training functions.

- *Air Force installations in Texas are on the cutting edge of changes in DOD business practices. Some installations are taking the role of change agent, leading the Service toward a new paradigm of base operating support (BOS). As a result, the near-term could see significant challenges in leadership for the state that could influence future force structure and installation management practices for all of DOD.*

Actual shifts in installation missions and populations take a considerable length of time to accomplish, and do not necessarily directly influence facility/real estate management policy. For the most part, the Air Force bases in Texas have stable missions, provide generally cost-effective service, and possess modern facilities. Previous BRAC actions continue to change the roles of several installations, primarily by increasing their populations through the addition of new missions. The fundamental challenge facing installations in Texas is sufficient funding to maintain state-of-the-art facilities.

The following Air Force installations in Texas are assessed with respect to their *mission, current capacity utilization, and*

outlook for the years 2000 to 2020.

- Brooks Air Force Base (AFB)
- Dyess AFB
- Goodfellow AFB
- Lackland AFB (including mission/real estate realignments from Kelly AFB)
- Laughlin AFB
- Randolph AFB
- Sheppard AFB

A. Brooks AFB. Brooks AFB is a 1,310-acre research and development facility located in the southeast quadrant of San Antonio. A component of the Air Force Materiel Command, Brooks is the leading aerospace research center.

1). Mission The Human Systems Center is the host command for the base, and includes the USAF School of Aerospace Medicine, a post-graduate/residency program for all flight surgeons in the Air Force. Major tenants include the Air Force Medical Support Agency and the Air Force Center for Environmental Excellence (AFCEE).

The mission at Brooks AFB includes research and development into all areas of aerospace medicine and human performance. The Human Systems Center executes over 140 technology, acquisition, and sustainment programs relative to aircrew performance, combat effectiveness, human health and safety risks, and peacetime operational efficiency. In addition to the above, divisions of the Human Systems Center provide environmental safety and health technology development and services, and training in five aerospace medicine specialties to over seven thousand students per year.

The Air Force Medical Support Agency and its sister unit, the Air Force Medical Operations Agency work directly for, and support, mission management for the Air Force Surgeon General.

AFCEE provides full-spectrum environmental management, engineering, and remediation services to the Air Force, and has primary responsibility for all environmental actions at closed/closing Air Force installations. In FY 96, AFCEE managed total contracts valued in excess of \$2.9 billion.

2). Capacity Utilization Due to the nature of the mission, the population of the base is balanced between civilian and military personnel. The fact that many civilian scientists and military medical doctors work on the base gives the relatively small base population an inordinately large economic impact on the local community—an annual payroll in excess of \$164.9 million.

The majority of the research and development (R&D) conducted at Brooks AFB is considered non-essential to the mission of the Air Force, making Brooks vulnerable to budgetary and mission reductions. During FY 98, 110 civilian positions will be eliminated. An additional 182 military jobs will be reduced through attrition into the early months of FY 99. Brooks AFB officials expect large portions of their environmental technology and human resources missions to be discontinued, reduced, or realigned during FY 98. This will result in a total loss of approximately 430 people in base operating support functions.

The largest mission growth in recent years has been in the field of Directed Energy research. In April 1998, a new facility was opened to provide laboratory and administrative facilities for an ongoing, classified program studying the effects of directed energy on human performance. Air Force, Navy, and other DOD personnel will share the facility, pursuing research specific to their particular Service.

Base infrastructure and facilities are in generally good-to-excellent condition. Notable exceptions to this are some of the temporary facilities and the few World War II-era structures remaining on the installation. No major construction is funded in FY 98 or the FY 99 budget request, though significant construction is possible through private investment. (This will be discussed later.) The major tenant on the base, AFCEE, occupies a state-of-the-art administrative facility, as does the USAF School of Aerospace Medicine. Through previous realignments and force reductions, Brooks currently possesses in excess of 100,000 SF of unused administrative space; however, the overall BOS costs of operations and maintenance of the facility have remained essentially level. Level funding does not necessarily mean the installation has become more efficient; it can indicate that certain maintenance and repair items have been intentionally postponed.

Adequate water supply to support ongoing activities is a significant issue facing all San Antonio installations. Pumping limits imposed by the Edwards Aquifer Authority, recurring drought, explosive growth in the surrounding communities, and endangered species protection rules all bring into question the ability of bases in the city to support mission growth. Brooks AFB annually implements plans to reduce pumping in the summer months and to conserve resources, and has never experienced an actual water shortage. The San Antonio Water System is currently constructing a water reuse pipeline to provide non-potable

water to military installations and industry for use in grounds maintenance and other functions. Brooks AFB has signed a letter of intent to use that water. The Guadalupe-Blanco River Authority and the Bexar Metropolitan Water District are both actively discussing sales of surface water to area military installations. The effect of these efforts on future water availability remains to be seen.

3). Outlook Brooks AFB possesses significant, excess building space and has inordinately high costs to support a tenuous mission. This makes Brooks AFB an attractive installation for future BRAC analysis. The continuing question of water availability could influence attitudes of military planners toward future base retention. To meet these challenges, Brooks AFB leaders are pursuing a redevelopment plan called "The Brooks Model" which is based upon five "pillars:"

Construct a new hotel adjacent to its golf course. This 150- to 200-room facility will house students attending training at Brooks AFB, with excess capacity rented as a commercial hotel to civilian guests. Release of a Request for Proposal (RFP) is expected in late summer of 1998 for construction of the facility. Revenue from commercial use will partially offset operations and maintenance costs.

Make 600-plus acres of undeveloped land available for speculative development late in FY 98. The hope is that a single developer can accept a long-term lease on the property and develop a research park adjacent to Brooks AFB's research facilities, achieving synergies with the primary mission of the base. The base leadership has expressed interest in having state of Texas facilities occupy some or all of this acreage.

Through its parent Air Force command, the base leadership is engaged in talks to privatize the electric utility system and to explore outsourcing and privatization of other infrastructure and services to reduce BOS costs.

As there are further reductions in missions and personnel, commercialize the vacated—or currently vacant—facilities to reduce BOS costs.

Privatize military family housing operations.

Some of these initiatives could be implemented as early as the current fiscal year, while others will take considerably more time to implement. The success or failure of The Brooks Model depends on how quickly it can significantly reduce ownership costs.

4) Assessment Brooks AFB possesses few functions that cannot be performed elsewhere. However, it also possesses a wealth of capabilities, both physical and intellectual, that could produce income for the Service and be used to offset the costs of operating the installation. Capitalization of the facilities to relocate Brooks AFB's mission functions would be very expensive and may provide the incentive for the Air Force to retain the installation or, at a minimum, the mission facilities and their operations in San Antonio.

The Brooks Model represents a step towards public/private partnerships among the military, local communities, and business. The degree of support this plan receives within the Air Staff and in Congress remains to be seen. As the Air Force continues to consolidate missions and refines its role in support of our National Defense strategy, the base will doubtless see significant changes in the out-years through FY 2020.

B. Dyess AFB. Dyess AFB is immediately adjacent to Abilene.

1). Mission The base hosts the 7th Bomb Wing (Air Combat Command) which operates 41 B-1B bombers. The Wing's mission is to train combat crews and support personnel for the Air Force and other Service Combat Commanders worldwide. Dyess AFB is also the home of all initial B-1B Combat Crew training.

Dyess AFB's primary tenant organization is the 317th Airlift Group (Air Mobility Command) that operates twenty-nine C-130H aircraft in support of airlift requirements worldwide.

There are numerous other associated units in both direct and indirect support of these missions.

2). Capacity Utilization The base is favorably situated on the west side of Abilene on 6,432 acres. The airfield can easily accommodate 132 aircraft (well in excess of those assigned) and provides over 6 million gallons of above-ground fuel storage through a Consolidated Aircraft Service System (CASS) that provides underground cooling air, tool air, cooling fluids, electrical power, and fuel to twenty-one parking locations for the B-1B aircraft. There are seventeen hangar spaces for aircraft in maintenance, modification/retrofit, wash/corrosion control, and refurbishment. The main runway is 13,500 feet long and 300 feet wide. An assault landing strip, 3500 feet long and 60 feet wide, just to the west of the main runway, is an integral part of the C-130 aircraft training program.

Dyess AFB was selected as the central location for intermediate engine maintenance for all B-1B aircraft and, even with the current construction of a facility to support this mission, there remains ample land for further installation development. Additionally, the surrounding community has been generous in providing facilities and land in support of the base. There are presently ongoing negotiations for construction of an off-base, private-venture housing area. However, the community indicates that the Air Force has failed to establish ground rules for such a project, i.e., who would occupy the housing and if payment for utilities would be included with each occupant's Basic Allowance for Housing (BAH).

During BRAC 95, the Air Force capacity analysis determined that up to five additional B-1B bombers and up to five administrative units of twenty-five persons each could be assigned to Dyess AFB without additional mission-facility construction. However, approximately \$15 million in additional military family housing would be needed. That same analysis determined that an additional B-1B squadron of 16 aircraft could be added, but this would require \$19.6 million in mission-facility construction and \$50 million in military family housing construction. Since the aircraft and unit assignments have not changed since completion of the BRAC 95 analysis, this assessment of beddown requirements remains accurate.

In summary, Dyess AFB has not approached its capacity limitations for B-1B aircraft, although new construction would be required for additional missions.

3). Outlook Previously, the Air Force has not seriously considered closure or realignment of Dyess AFB for several reasons. First, in the absence of a drastic decision that would eliminate the B-1B aircraft as a weapon system, the base has the largest complement of all B-1B aircraft and facilities, and is home to the Air Force's only B-1B combat crew training squadron. Relocating these activities would involve an investment of hundreds of millions of dollars to replicate facilities and would have to be justified either by overriding operational necessity and/or evidence of net savings for a proposed scenario within a reasonable time frame. Second, basing exercises in previous rounds of BRAC and during the 1992 Air Force Major Air Command organizational realignment identified neither operational reasons nor savings. In BRAC 95, Air Force analyses of several possible B-1B basing alternatives all retained Dyess AFB as a major B-1B aircraft installation.

Dyess AFB possesses other characteristics that make it attractive for the Air Force to continue its operation. Surrounding land use zoning has essentially prevented a runway or airspace encroachment problem that so many bases have experienced. There is extensive, available land, both on and off the installation that can be developed at minimum cost. Over the past ten years, numerous unit/activity relocation studies concluded that Dyess AFB has the capability to accommodate other missions. There are no airspace limitations for flight operations. The base enjoys a healthy construction environment, with comparatively low construction costs; nearly year-round building weather and an available, skilled work force.

Although the C-130H group could be moved, there are currently no sufficient, compelling operational or economic reasons to relocate the aircraft, or assign more of them to the base. Potential relocation sites, including Little Rock AFB, Arkansas, and Pope AFB, North Carolina, are either currently using all available facilities or do not have excess parking space to accommodate these aircraft. However, it is conceivable that with the Air Force decision to abandon the concept of ground support composite wings, future force structure decisions may create situations that would alter this equation.

C. Goodfellow AFB. Goodfellow AFB is located immediately adjacent and east of San Angelo.

1). Mission The 17th Training Wing trains students in intelligence and intelligence-related career fields, fire protection and related career fields, and special instrument operations. The base also supports one of the nine Non-Commissioned Officer (NCO) Academies assigned to the Air University. The base supports or conducts the following programs:

- Intelligence (multi-Service) training;
- Fire Protection training;
- Specialty Instruments training; and
- Support for Eldorado Air Force Station (a Paws site)

2). Capacity Utilization The base consists of 1,132 acres. The Joint Service Fire Training school was constructed with BRAC funding from the closure of Chanute AFB, Illinois, and is now fully functional. There are ninety-nine on-base housing units in addition to 200 leased units off base (801 program). According to the BRAC 95 capacity analysis, there is excess student training capacity. With no construction, the base has capacity for up to one twenty-five person administrative unit.

3). Outlook The base is a small, highly efficient operation. It does not have an active runway, and therefore cannot support flying operations. Although there is available space (284 acres) for limited mission expansion, the area is fairly small, with a part (150 acres) of the acreage presently encumbered by an explosive safety zone. Also, additional infrastructure (loop electrical, information management upgrade, water tower) modifications would have to be added to support expansion. Nonetheless, there is no economic or military reason to relocate the specialized training from Goodfellow AFB. The community is prepared to

propose privatized housing alternatives when the Air Force is ready.

D. Lackland AFB. Lackland AFB is a sprawling installation in the southwest quadrant of San Antonio. The base includes Medina Annex, a large tract of land used for technical training; firing ranges; and weapons storage located immediately west of the main base across Interstate Highway 35. In July 2001 Lackland AFB will absorb several hundred acres from the closure of Kelly AFB and realignment of its functions, including the largest runway in South Texas and twenty-two Air Force and DOD activities.

1). Mission The base has a diverse set of missions, including the basic training of all enlisted recruits for the Air Force (in excess of 35,000 per year), a variety of technical training for all of the military Services and allied nations, and the provision of healthcare and medical readiness at the largest hospital in the Air Force. When the base receives the missions from the Kelly AFB closure, the nature and scope of the current missions will change dramatically.

The most significant changes to Lackland AFB's mission will include:

Addition of a large USAF Reserve unit flying the C-5 Galaxy and a Texas National Guard Unit flying the F-16 Falcon. These will provide the bulk of the base's flying activity after FY 01.

Transfer of the Air Intelligence Agency and Crypto Systems Support Group. These units will contribute approximately forty-five percent of the 11,000 personnel realigning to the base. Their classified missions match well with the mission of the Air Force Security Forces Center and 820th Security Forces Group.

2). Capacity Utilization. Lackland AFB is a sprawling complex of buildings and land. An aggressive "Fix Lackland" program over the past six years resulted in the demolition of numerous World War II-era buildings, renovation of a number of 1960s structures, and construction of new facilities for various technical training purposes. As a result, the base's capacity is used at a nearly ninety-five percent rate. However, there is ample land for future mission growth and construction.

Recent growth has been the result of past BRAC actions at other installations and an increased emphasis in the Air Force on protection of forces in deployed locations. The Inter-American Air Forces Academy (IAAFA) moved to Lackland AFB in FY 94, and has grown from 200 students annually to over 1,200 this year. The Air Force Security Forces Center and 820th Security Forces Group provide policy, training, force protection, and other resources for deployed Air Force units. Major construction to support these units is either planned or underway at both Lackland AFB and Camp Bullis, an Army sub-installation of Fort Sam Houston northwest of San Antonio.

3). Outlook Lackland AFB will receive 11,000-plus personnel from the closure of Kelly AFB over the next three fiscal years. This huge shift in responsibility brings management and infrastructure challenges. Currently, Kelly AFB has a homogenous system of electric, water, and wastewater utilities. By FY 01 these must be separated into the portion the Air Force will retain for Lackland AFB and the portion conveyed to the Greater Kelly Development Corporation (GKDC), the LRA for Kelly AFB. Also, currently under discussion is the exact number and designation of buildings the Air Force will lease back from GKDC to house a significant percentage of the 11,000 personnel. These discussions are complicated by the fact that some DOD units may no longer exist and need space in FY 01. Lackland AFB's leadership, in concert with the Air Education and Training Command Plans and Programs office, must resolve these issues in the near future.

The base's BOS personnel contingent will also grow by 1,284 positions with the realignment of functions and facilities from Kelly AFB. This reflects the additional personnel required to operate and maintain the "Kelly Annex" and presents Lackland AFB with a number of funding challenges. With DOD-wide reductions in BOS budgets continuing, building and infrastructure maintenance will continue to decline. Base commanders will have to make hard choices between people and infrastructure costs.

Other Lackland AFB concerns include continued modernization of facilities—most urgently, dormitories and furnishings—and the ongoing debate about gender separation in basic military training. The Lackland AFB leadership is also concerned about water supply and quality issues that affect all military installations in San Antonio. The San Antonio Water System reuse pipeline dissects Lackland AFB, and the base will likely be the first beneficiary of that water.

4). Assessment. Lackland AFB faces a very different set of challenges than those of Brooks AFB, though only six miles separate the two. Lackland AFB's mission and population have grown significantly through the BRAC process and will expand exponentially in the near future. With ample land available and the addition of a major flying capability, Lackland AFB will see continued growth through 2020.

E. Laughlin AFB. Laughlin AFB is located six miles east of Del Rio.

1). Mission The base is home of the 47th Flying Training Wing (FTW) whose mission is to provide undergraduate pilot training to Air Force pilots. The wing is equipped with 70 T-1, 104 T-37, and 85 T-38 aircraft. (This is the largest number of aircraft on any U.S. Air Force Base in the world and results in the unit claiming to be "the fifth largest air force in the world.") Student pilots begin training in the T-37. Upon completion of this phase of training, approximately two-thirds of the student pilots complete training in the T-1, the airlift-tanker training aircraft. The remaining one-third completes training in the T-38 aircraft enroute to bomber or fighter assignments.

2). Capacity Utilization The installation comprises approximately 5,226 acres, of which only 2,657 acres are developed. The base also has two small auxiliary airfields of 99 acres and 552 acres. The airfield has three active runways that are 8,858 feet, 8,310 feet, and 6,246 feet long; all are 150 feet wide. The installation has sufficient parking space for its aircraft, and some excess parking space.

3). Outlook The installation has remained intact through all previous rounds of BRAC and—with current and projected student pilot requirements—no significant decrease in mission is likely to occur. In the Air Force public announcement in February 1998, the creation of an Air Force Reserve associate training squadron at Laughlin AFB was identified. This will raise training production, establish a reserve Undergraduate Pilot Training (UPT) training presence and increase the base population by 55 military, 88 drill, and 105 civilian manpower authorizations. This important development is evidence of Air Force efforts to correct its pilot shortfall, and its intent and need to expand its pilot training capacity.

The pilot shortage is one of the Air Force's most significant, current problems and is not expected to abate in the foreseeable future. Continued demand for high quality pilots and limited training capacity throughout the Air Force and Navy requires the retention of Laughlin AFB and its pilot training mission.

Laughlin AFB is on the leading edge of transforming the way business is performed at Air Force installations. Aircraft maintenance at Laughlin is performed by civilian government personnel, rather than by Air Force military personnel. Similarly, all base logistics, most civil engineering, and a number of smaller support functions are performed by contract rather than by government civilian or military personnel. Additional changes are likely as the Air Force pursues the DOD vision of transforming installation business practices. Experience to date makes Laughlin AFB a potential candidate for other new concepts in base operations support, including housing privatization and a competitive sourcing effort for aircraft maintenance and other functions currently performed by government personnel.

Long-range planning activities in the Air Force have considered the possibility of outsourcing the entire mission and all functions required to perform the UPT mission. A change this radical is not likely to occur in the near future, but is not beyond the realm of possibility. If that occurs, the mission would remain, but be performed under different circumstances and structure.

The Air Force does not appear to have any intention of reducing its pilot training effort at Laughlin AFB. Current daily flying of more than two hundred sorties are projected to climb to over four hundred sorties in the not-too-distant future. The base's flying weather, airspace, and size enable the Wing to consistently produce more pilot graduates than other Air Force pilot-training bases. The addition of the Reserve training squadron and plans to conduct training for Navy students is further evidence of continued emphasis on pilot production and the importance of the mission at Laughlin AFB.

F. Randolph AFB. Randolph AFB is located northeast of San Antonio, and is the most active flight training installation in the Air Force.

1). Mission Home of the 12th FTW, Randolph AFB provides instructor pilot training, navigator training, and conducts initial flight screening. The base also hosts a number of major tenant units, including:

Headquarters Air Education and Training Command (AETC), the parent command for all training in the Air Force, having responsibility for 13 major training installations and a large number of smaller activities.

Headquarters Air Force Personnel Center (AFPC), the human resources directorate for the Air Force.

Headquarters 19th Air Force (19 AF), which provides command and control services for the AETC bases in Texas, and it is also responsible for training and management policy at those bases.

In addition to these major missions, Randolph AFB also serves as the home of the Air Force Recruiting Service, the Air Force Center for Quality and Management Innovation, Headquarters Air Force Services Agency, and many other DOD and Air Force units.

The numbers, types, and variety of missions supported at Randolph AFB make it one of the key installations in the Air Force.

Because of its high visibility, the base is better maintained than most Air Force installations, and it has enjoyed tremendous growth during previous BRAC rounds. However, even Randolph AFB, nicknamed "The Showplace of the Air Force," is feeling the bite of a level operating budget and rising BOS costs.

2). Capacity Utilization Randolph AFB is located in what is known as the "I-35 Corridor." Interstate Highway 35 is the primary surface trade route between the United States and Mexico, and is roughly parallel to the tracks of the Union Pacific railroad. The base location along the eastern edge of the corridor, and just six miles north of Interstate Highway 10, provides excellent infrastructure support.

As previously noted, Randolph AFB's mission and population have grown significantly in the past ten years. A major addition was the transfer of navigator training from Mather AFB, California, in 1992. This movement of Boeing T-43 aircraft (the military equivalent of the Boeing 737 passenger aircraft), along with the addition of instructor pilot training for airlift aircraft in the T-1A, brought the airfield to near total capacity utilization. Over 160 aircraft are stationed at Randolph AFB, and the 12th FTW has responsibility for over 100 more aircraft in units at the United States Air Force Academy in Colorado, and Hondo Municipal Airport, Texas. The base's two parallel runways are only 8,300 feet long, and much of the aircraft parking ramps and taxiways are not stressed (constructed) for heavy aircraft. These two factors—combined with weather factors—limit Randolph AFB's usage by most of the Air Force's heavy aircraft inventory.

The installation has over 300 buildings listed on the National Register of Historic Places, yet most facilities are in excellent condition, with some being state-of-the-art facilities. Historic preservation concerns add cost to infrastructure maintenance and impact construction decisions. Land available for new construction is limited by Air Installation Compatible Use Zone (AICUZ) and/or other land use issues. Total base population is in excess of eighteen thousand people.

Like the other bases in the San Antonio region, Randolph AFB is facing potential impacts on its missions from air quality attainment rules and water availability/quality issues. Actual, future mission impacts are unknown, but are expected to be minor, at worst.

3). Outlook The capacity for Randolph AFB to absorb new missions is limited by the factors discussed in the Capacity Utilization section. No major mission changes, or movement of major units, is planned or anticipated at this time. Although there are programmed reductions of the T-37 training aircraft, it will be replaced by the Joint Primary Aircraft Training System (JPATS) T-6A aircraft. The most significant issues facing the base in the future are environmental concerns and the continued impact of a limited budget on the installation's considerable infrastructure.

Other major issues include utility privatization and the commercialization of assets being considered by all levels of command in DOD. The Randolph AFB leadership does not see these as threatening issues, as long as the stakeholders approach the various challenges as a team. AETC leaders are very engaged in various aspects of meeting these challenges and perceive the need to foster more direct discussion of the topics with local and state government.

4). Assessment Randolph AFB is expected to remain "The Showplace of the Air Force" and a key Air Force base in Texas through 2020. Mission consolidations and unforeseen force structure changes, such as the impact of future technology on the navigator career field, will surely change the operations of the base, but its central training mission is secure.

G. Sheppard AFB. Sheppard AFB is located immediately north of Wichita Falls.

1). Mission The 82d Training Wing is the host unit, conducting operational and medical training for the US Armed Forces and several allied nations. Sheppard is the largest of four operational training wings in the Air Force's AETC, and is the most diversified in scope of training, conducting the following types of training:

- Aircraft Maintenance;
- Aerospace Propulsion;
- Fuels;
- Nuclear Weapons;
- Armament;
- Aerospace Ground Equipment;
- Euro-NATO Joint Jet Pilot Training (ENJJPT); and
- Pilot Instructor Training