

UNITED STATES OF AMERICA

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COMMISSION ON REVIEW OF
OVERSEAS MILITARY FACILITY STRUCTURE
OF THE UNITED STATES

+ + + + +

FIRST MEETING

+ + + + +

WEDNESDAY, JULY 14, 2004

The meeting came to order at 10:00 a.m. in Room 483 of the Ford House Office Building. Al Cornella, Chairman, presiding.

PRESENT:

AL CORNELLA	Chairman
LEWIS CURTIS, III	Commissioner
H.G. TAYLOR	Commissioner
PATRICIA WALKER	Executive Director & Designated Federal Officer

ALSO PRESENT:

J. Michael Gilmore, Ph.D.	CBO
Douglas Holtz-Eakin, Ph.D.	CBO
Frances M. Lussier, Ph.D.	CBO
Joanne Vines	CBO

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P-R-O-C-E-E-D-I-N-G-S

10:00 a.m.

(Whereupon, the meeting was opened and called to order by Patricia Walker, Designated Federal Officer.)

MS. WALKER: Well, good morning, everyone. Thank you for attending.

This is the opening of the first public meeting for the Commission on Overseas Basing and I appreciate your attendance.

The Chairman, Mr. Al Cornella, will give an opening statement.

CHAIRMAN CORNELLA: Thank you very much. Again, welcome to everyone.

The purpose of today's meeting is to receive a presentation from the Congressional Budget Office on its report What Are Our Options for Changing the Army's Overseas Basing?

This is not a hearing and we are not prepared to accept public testimony. We will accept any material or information in written form and you may present that to Mr. Wade Nelson who's standing in the back of the room.

Of course, the Commission was created through an act of Congress and has been charged with

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1 conducting a thorough study of matters relating to
2 overseas military facility structure of the United
3 States.

4 The areas of responsibility include, but
5 are not limited to: Numbers of forces, examining
6 current overseas facilities and ranges, assessing the
7 feasibility and advisability of the closure and
8 realignment of overseas military facilities, examining
9 the establishment of new military facilities, and
10 addressing any other issues that this Commission deems
11 relevant in regard to overseas military facilities of
12 the United States.

13 The Commission will provide Congress and
14 the President with an objective evaluation of the
15 various alternatives being considered by soliciting
16 information and opinion from a wide array of civilian
17 and military leaders, departments, and agencies. The
18 Commission is empowered to hold hearings, take
19 testimony, travel, and secure from any Federal
20 department or agency the information and evidence that
21 the commission deems necessary to carry out its
22 duties.

23 Before we recognize and introduce the CBO
24 leadership and staff, I would like to introduce the
25 Commissioners and Commission staff. To my right is

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1 Lieutenant General Retired United States Army Pete
2 Taylor; Major General Retired Lewis Curtis of the
3 United States Air Force; and joining us in a brief bit
4 will be Brigadier General Keith Martin, Retired,
5 Pennsylvania Army National Guard and Director of
6 Homeland Security for the state of Pennsylvania. Mr.
7 James Thomson, President and CEO of RAND Corporation
8 could not be here today.

9 I'd also like to introduce our Executive
10 Director, Ms. Pat Walker, who has been serving as a
11 Deputy Assistant Secretary of Defense for Reserve
12 Affairs.

13 Also, Mr. Clifton Aldrich, Mr. Jim Hanna,
14 and Ms. Christina Duffy will be acting as Senior
15 Analyst for the Commission along with other analysts
16 that we intend on acquiring.

17 I'd like to also introduce Wade Nelson,
18 our Director of Public Affairs mentioned previously;
19 Joan Sigler, Special Assistant to the Executive
20 Director, I saw you somewhere, Joan, okay; and Mike
21 Naylor who's acting as our Organizational Advisor.

22 Before we move on to the CBO, would any of
23 the Commissioners have any remarks they would like to
24 make? Okay.

25 So, at this point, I would like to

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1 introduce and thank the Director of the Congressional
2 Budget Office Dr. Doug Holtz-Eakin.

3 I'd also like to introduce Dr. Mike
4 Gilmore; the individual who will be presenting the
5 report and we'll introduce her again in the few
6 minutes, Dr. Fran Lussier; and Joanne Vines who's the
7 Unit Chief of the Defense Cost Unit.

8 With that, I'd ask for any remarks from
9 Dr. Holtz-Eakin.

10 DR. HOLTZ-EAKIN: Well, Mr. Chairman,
11 thank you for inviting the CBO to meet with you today.

12 We're really happy to brief you on our report and to
13 help the Commission in its important deliberations.

14 Before turning over the briefing to Fran,
15 I just wanted to set the context of our report so that
16 those who hear the briefing understanding that the CBO
17 by statute is a nonpartisan organization that does not
18 provide policy recommendations. Instead, we respond
19 to Congressional requests and in this instance, the
20 report was prepared at the request of Senator Don
21 Nichols, Chairman of the Senate Budget Committee and
22 its primary focus as a result is on Federal budget
23 costs not DOD policy.

24 However, it does contain alternatives
25 which are reflective of those which have been

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1 suggested by defense experts, by Congressional staff
2 and members, and also by public statements of the
3 Administration.

4 And we look forward to the deliberations
5 of the Commission and we're happy to contribute to its
6 efforts.

7 CHAIRMAN CORNELLA: Thank you, Dr. Holtz-
8 Eakin, and again, we're very pleased with your
9 accommodating us and your courtesy -- as a courtesy of
10 your staff as well.

11 So, Fran, do you want to take over?

12 DR. LUSSIER: Sure. I, too, want to thank
13 the Commission for the opportunity to come and present
14 the results of our efforts, our study of the options
15 for changing the Army's overseas basing and one thing
16 I do want to emphasize is that I am only going to talk
17 about -- we only did look at options for Army forces
18 overseas.

19 Even though all the services have forces
20 based overseas, the issues pertaining to alternatives
21 or ways to change that overseas basing vary markedly
22 among the services and given the resources and time we
23 had to complete the study, we felt that it was -- to
24 concentrate on just one service and reasons that I'll
25 go into in a few minutes, we decided to focus on the

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1 Army.

2 So, that being said, there are almost an
3 endless number of ways that the Army could change its
4 overseas basing structure. Indeed, our report
5 includes and we examined seven -- a total of seven
6 alternatives, two of which had -- I mean six of which
7 had two components and it would take more than the
8 time allotted to me today to go through each one of
9 those alternatives in detail. On top of which, I'd
10 probably put you all to sleep.

11 So, the thing to do today is just give a
12 very short background about the types of forces and
13 the number of forces that are based overseas, give --
14 try to highlight the major findings from our study,
15 and then give some details of the alternatives that we
16 looked at for each -- for forces based in Europe and
17 for Army forces based in Korea.

18 Just as a matter of background, I don't
19 know if people can see this slide in the back and I
20 don't know if it would be useful to turn off the
21 lights. No. Okay. All right.

22 Well, what we have here is a picture -- a
23 depiction of where the major combat -- U.S. major
24 combat forces are based today and by major combat
25 forces, I mean Army divisions, Air Force tactical

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1 wings, Marine expeditionary forces, and Navy carrier
2 battle groups.

3 You can see that most of those forces are
4 still based -- are indeed based in the United States,
5 but there are a significant number of them based
6 primarily in Europe and then in the Asian theater.

7 All total about 200,000 active duty
8 military personnel from all the services are based
9 overseas primarily in the European and Asian theater
10 to support -- you know, associated with these major
11 forces or supporting these forces and of those 100,000
12 forces in Europe and the 80,000 forces approximately
13 in Asian, certainly the majority of the ones in Europe
14 are from the Army where there are 60,000 Army
15 personnel based in Germany and another 4,000 or so
16 based primarily in Italy.

17 In the Asian theater, all the services
18 have significant number of forces based, but again,
19 the Army has the most personnel with a total of about
20 30,000 Army personnel based there. Twenty-eight
21 thousand of which are in South Korea.

22 So, this is one of the reasons that we
23 decided to focus on Army persons based overseas and in
24 addition besides having the greatest number, the
25 basing of Army forces seems to have come under the

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1 most scrutiny from the Administration. Most of the
2 discussion has focused on the basing of forces -- Army
3 units in Germany and in South Korea.

4 And there are various sundry concerns and
5 issues that have been raised in the public about those
6 forces in Europe, that the Army has a large and
7 expensive infrastructure to support not only the
8 60,000 personnel there but their families because most
9 of the tours in Europe are three-year tours where the
10 soldier can bring his family and so, based on CBO's
11 estimates, the difference in cost between having those
12 forces based in Germany versus based in the United
13 States is about a billion dollars in annual cost.

14 In addition, there have been questions
15 raised about the usefulness of those forces as they
16 are based in Germany. Most people don't think we're
17 going to have a war in Germany in the near future and
18 so, the question is would these forces, these heavy
19 units be able to get to conflicts in the region in a
20 timely manner and we've seen the war in Iraq and other
21 places it takes sometimes several weeks to move a
22 division from Germany to someplace else in the
23 European theater and so, people raise questions as to
24 whether this is a good use of our forces.

25 In South Korea, the issues are slightly

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1 different. There the concerns are primarily about the
2 location and the condition of Army bases which are
3 primarily very close to the -- located north of Seoul
4 and close to the border with North Korea well within
5 artillery range -- North Korean artillery range and on
6 top of which a lot of those bases haven't undergone a
7 major renovation since the 1950s when they were built.

8 So, they're no in very good shape.

9 For that reason or partly for that reason,
10 most of the tours by the 28,000 Army personnel based
11 in South Korea are one-year tours where they're not
12 accompanied by their families. It means every year
13 28,000 have to be replaced by soldiers coming from
14 somewhere else in the Army and because the Army has a
15 policy of not assigning soldiers to back-to-back
16 outside of the Continental United States, which is
17 what CONUS means, Continental United States tours,
18 most of those replacements have to come from the
19 Continental United States.

20 This, in turn, causes increased personnel
21 turnover in units that are based in the United States
22 which some people feel contributes -- negates the
23 efficiency of those units that have a high personnel
24 turnover.

25 So, we looked at several alternatives that

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1 would try to address some of these concerns and by the
2 way, if any of the Commissioners have questions,
3 please feel free to interrupt me as I go along.

4 COMMISSIONER TAYLOR: Just what were some
5 of your assumptions? I'll assume that you were
6 looking in the stable end strength.

7 DR. LUSSIER: We were looking at the end
8 strength of the Army before significant changes were
9 made to -- for stop loss, before significant changes
10 were made for the Iraq war, before a lot of Reservists
11 were activated. So, the basing of the personnel end
12 strength for the Army, we looked at the end of Fiscal
13 Year '02. So, the end of September '02.
14 Four hundred and eight-five thousand end strength.

15 COMMISSIONER TAYLOR: Well, that's still
16 -- that's what the end strength still is. Some of
17 these other things are allowing it to -- to creep up.
18 But, not -- the end strength's still the same.

19 DR. LUSSIER: Right.

20 COMMISSIONER TAYLOR: What about in the
21 one billion marginal cost? Did you -- and I don't
22 recall seeing it in there. It might have been there.
23 Did you look at the -- or the cost of -- if you're
24 assuming a stable end strength, you brought these
25 divisions back from overseas, the cost of building

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1 places to bed them down in the United States?

2 DR. LUSSIER: Yes, as a matter of fact,
3 when I start talking about these things in detail, we
4 did look at the cost of how much -- first we tried to
5 see if there was any excess capacity in the United
6 States to house persons brought back from overseas.
7 From what we can tell, there is not a plethora of
8 excess barracks or excess housing in the United States
9 that is up to standards to receive large numbers of
10 units. There is some capability, but not a lot.

11 And, so, yes, we did cost out -- estimate
12 cost for building housing, family housing, places to
13 put the units, headquarters for the units, and
14 everything that we feel would be associated with
15 bringing units back from Europe or Korea to the United
16 States.

17 COMMISSIONER TAYLOR: And still there
18 wouldn't be any savings?

19 DR. LUSSIER: Yes.

20 DR. GILMORE: No, wait a minute.

21 DR. LUSSIER: That would be everybody.
22 That would be for everybody. If you brought everybody
23 back.

24 DR. GILMORE: The billion doesn't include
25 the cost to bring forces back -- them. That's just --

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1 DR. LUSSIER: That's just a one --

2 DR. GILMORE: -- that's just the marginal
3 cost of having forces in Europe versus --

4 DR. LUSSIER: Having them in the United
5 States.

6 DR. GILMORE: -- having them in the United
7 States. The cost to build the infrastructure to get
8 them back into the United States --

9 DR. LUSSIER: That would be a one --

10 DR. GILMORE: -- would be over and above
11 that and we look at that in the alternative, praying
12 we get to that.

13 DR. LUSSIER: That would be a one time --

14 DR. GILMORE: But, it is a marginal cost,
15 includes salaries and --

16 DR. LUSSIER: Base operations --

17 COMMISSIONER TAYLOR: Just to sustain them
18 over there?

19 DR. LUSSIER: It's more expensive to
20 operate bases in Europe --

21 COMMISSIONER TAYLOR: Right. Sure.

22 DR. LUSSIER: -- than it is here in
23 particular and we have to maintain schools over there
24 for --

25 COMMISSIONER TAYLOR: Sure.

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1 DR. LUSSIER: -- the children and PCS
2 costs are certainly higher.

3 Anyway, yes, we'll talk about that in
4 detail.

5 So, those are some of the types of schemes
6 and some alternatives to address some of these
7 concerns. One was to re-station the forces.
8 Particularly, in Europe, we looked at taking some of
9 the forces that are currently based in Germany and
10 moving them to Eastern Europe. Places like Bulgaria,
11 Romania, and Poland have been discussed in the press.

12 We also -- in South Korea, we looked at
13 what it would cost and the advantages of moving forces
14 further south from the DMZ. We also looked at
15 bringing forces -- different number of forces back to
16 the Continental United States and stationing them here
17 at the States.

18 And then we looked at the affects of
19 rotating units to maintain presence. Please have
20 talked about doing this primarily by bringing forces
21 back to the United States and rotating them from here
22 either to Europe or to South Korea, but we also looked
23 at the advantages of rotating units from Germany to
24 Eastern Europe on a periodic basis.

25 We used various method -- various measures

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1 to try and evaluate the effects of these different
2 alternative.

3 First and foremost because budget is our
4 middle name, we looked at the costs associated with
5 the different alternatives.

6 First, the one time cost that would be
7 involved with bringing forces back, re-stationing them
8 either from overseas to the United States or within
9 different locations overseas which involves primarily
10 building new facilities.

11 COMMISSIONER TAYLOR: And you're going to
12 talk about that?

13 DR. LUSSIER: We're going to talk about
14 that in detail and moving class and things like that.

15 And then we also tried to estimate if
16 there would be any annual costs or savings. This is
17 the marginal cost difference between having them
18 overseas or having them in the United States.

19 We also looked at the affect on average
20 persons in terms of time to get forces primarily from
21 Europe to places where there might be conflicts in
22 that theater, coming home from Germany if there's a
23 shortening of deployment time. The availability of
24 units for conflicts that take place -- that take part
25 in things like the occupation of Iraq and things like

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1 that, but truly, they are mostly personnel in units in
2 the Continental United States and then we also tried
3 to see what impacts some of these changes might have
4 on the overall quality of life for enlisted personnel
5 in terms of the time that they would spend over a ten-
6 year career on unaccompanied tours and the time they
7 would spend deployed. With the enlisted personnel
8 because they make up the bulk of the Army core
9 structure.

10 And so, we would now like to talk about or
11 summarize our major findings and first and foremost is
12 that any major shifting of forces would require
13 significant up-front spending. As you mentioned, we
14 have the -- we've already invested a large amount of
15 money in the big infrastructure in Germany, in
16 significant infrastructure in South Korea. If we move
17 forces from those places, we need -- we'll need to
18 replicate, reproduce or build another infrastructure
19 somewhere else. So, it's going to take a major
20 investment of money to move a large number of forces
21 from where they are now.

22 So, in some ways, some of the benefits
23 realized would be relatively small for that up-front
24 cost. The annual savings would be relatively small
25 unless we brought a large number of forces back from

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1 overseas to the Continental United States. In which
2 case, we'd need a large up-front investment, but
3 otherwise, the annual savings would be relatively
4 small and we've got a small improvement in the amount
5 of time it would take to move forces from other bases
6 particularly in Eastern Europe to places where there
7 might be conflicts. The times -- time lines based on
8 what we found would be shortened but not by very much and
9 rotating forces to maintain overseas presence yields
10 mixed results.

11 Indeed, if you bring the forces back to
12 the United States and rotate them overseas to sort of
13 -- what they call a bare bones basis, then we'd have a
14 greatly reduced need for infrastructure overseas.
15 There won't be families with them. Won't need to
16 worry about providing schools, family housing, or
17 elaborate bases and it would also reduce the turnover
18 in Army units because more forces would be based in
19 the United States. We wouldn't have soldiers leaving
20 to go on three-year tours in Europe or one-year tours
21 in Korea.

22 But, on the other hand, it also would
23 limit what forces could be available for other
24 operations. Because generally it takes more than one
25 unit to support one unit deployed forward. We usually

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1 have the unit deployed forward which is busy doing its
2 thing and then you have another unit that is just
3 recovering from either a six-month or a one-year
4 deployment and it's not in very good shape to -- to go
5 to a different kind of conflict.

6 And it would also increase family
7 separation when you're comparing the kinds of life
8 that people now have based on accompanied tours in
9 Europe. Now, when a soldier goes to Europe, his
10 family -- their family is with them for three years
11 and if you bring people back to the United States and
12 send units on six-month or one-year deployments to
13 Europe, they will -- those times -- and family will
14 stay behind. So, the soldier will experience a
15 separation during those kinds of deployments. So,
16 overall, this kind of a scheme would increase family
17 separation.

18 So, while I'd like to look some more
19 details, probably a little bit more detail of the
20 analysis and the alternatives we considered for each
21 theater, looking first at the theaters, the forces
22 based in Europe, we already looked at permanently
23 stationing your forces within Europe and then rotating
24 and still maintain presence and bringing forces back
25 to the states.

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1 For information on what has actually --
2 the Army has based in Europe, of the 60,000 soldiers
3 the Army has stationed in Europe, 56,000 of those are
4 in Germany. Approximately half are assigned to the
5 two divisions each of which has two brigades, accounts
6 for about 25,000 of the forces. Another 26,000 of the
7 soldiers are assigned to units that support those
8 divisions that are combat -- supporting combat service
9 support units and then another 5,000 or so soldiers
10 are administrative units. Things like hospitals,
11 contracting units. Those types of things.

12 In Germany, the Army has 255 separate
13 installations and the one with -- the 2003 Defense
14 Department Base Structure Report estimated the -- the
15 apportionment value for those installations about \$30
16 billion and as I mentioned before, most of those
17 56,000 soldiers are on three-year tours accompanied by
18 their families.

19 So, just to show where the major
20 installations are in Germany, we had a little problem
21 with the projection -- squished. We couldn't show all
22 255 installations. So, we just wanted to show where
23 the major -- the big units are stationed. In Germany,
24 they kind of spread out across Germany from east to
25 west. Although what's highlighted in blue there is

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1 Ramstein Air Force, major air hub. So, that none of
2 the units are terribly far from Ramstein. They can
3 get there and deploy other places relatively easily.

4 The port of Bremerhaven on the other hand
5 is up in the northern part of Germany. It would take
6 a while for the units to get up there and get loaded
7 on ships and to be deployed elsewhere.

8 CHAIRMAN CORNELLA: Ma'am, I've got a
9 question on the reality of the physical plant.

10 DR. LUSSIER: Yes.

11 CHAIRMAN CORNELLA: I noticed in some
12 other information that many facilities are leased
13 rather than owned. How did you take that into
14 consideration? I mean is that -- that's not part of
15 the -- none of that is part of the figure?

16 DR. LUSSIER: No, this is just --

17 CHAIRMAN CORNELLA: Okay.

18 DR. LUSSIER: -- facilities owned by the
19 United States in Germany and as a matter of fact, some
20 of those facilities may have been declared excess and
21 sort in the process of being returned to the host
22 nation, but this was the most consistent estimate of
23 the size of the physical plant that we could find
24 here. So, that's why we used it and not because of
25 anything in space.

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1 COMMISSIONER TAYLOR: And this was as of
2 when?

3 DR. LUSSIER: As of -- this was the fiscal
4 2004 report which was put out last June 2003.

5 COMMISSIONER TAYLOR: Yes, some of them
6 have been turned over for example.

7 DR. LUSSIER: I haven't checked the latest
8 one to see if the numbers have change appreciably.

9 COMMISSIONER TAYLOR: Not much has
10 changed, but have been some turns.

11 DR. LUSSIER: Some turns. This was just
12 to give an idea of the size of the --

13 COMMISSIONER TAYLOR: Where are you going?
14 I think you answered this up front when
15 you said you didn't look at the policy aspects at all.
16 You've had nothing in your findings about the impact
17 of overseas presence in terms of the global aspects
18 and international relations and these kinds of things
19 and you did not look at that at all?

20 DR. LUSSIER: No, we decided to focus on
21 our strengths. We decided that expertise on those
22 affairs resides elsewhere. We just wanted to look at
23 things we could quantify. Obviously that are serious
24 implications.

25 COMMISSIONER TAYLOR: Right. Right.

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1 Right.

2 DR. LUSSIER: So, we're talking about the
3 types of costs to be considered in terms of moving
4 forces from one place to another and talk about re-
5 stationing forces from Germany to the United States or
6 to other places in Eastern Europe, permanently basing
7 them.

8 The one cost of that included construction
9 costs for various types of facilities that we thought
10 would be needed when you move a unit. Headquarters
11 for operation facilities and infrastructure associated
12 with a unit like maintenance facilities, maintenance
13 units as well morale, welfare, and recreation
14 facilities for the soldiers and their families if
15 their families are going to be with them.

16 There are extra unaccompanied soldiers.
17 Schools for dependent children again if they're going
18 to be someplace where their tours are accompanied and
19 we also considered moving costs which are considerably
20 smaller, but it's still not zero.

21 On the other hand, we felt that there
22 might be some savings, one-time savings, realized if
23 you moved a significant number of persons from Germany
24 either back to the United States or somewhere else in
25 Europe. Because there would be facilities in Germany

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1 that we would no longer have to maintain or replace on
2 a relatively, you know, constant schedule. So, there
3 would be construction costs that we would have had to
4 absorb if we had been there that now we won't have to
5 because we'll be gone.

6 So, we tried to calculate -- estimate what
7 kind of savings we might realize over a ten-year
8 period in terms of replacement construction that we
9 would not have to pay out. Use a scheme based on the
10 DOD's goal of replacement every six to seven years to
11 calculate how much we might save. That would be a
12 one-time cut.

13 COMMISSIONER TAYLOR: Did you assume that
14 most of those facilities would be turned back over
15 especially the ones in Germany back over to the German
16 government with no reimbursement of the asset?

17 DR. LUSSIER: That's correct. Because
18 based on our research, the last time we had a big draw
19 down in Germany in the '90s, the mid- '90s, and we
20 turned over a lot facilities, we did not get any
21 substantial financial reimbursement.

22 So, based on using these criteria, these
23 were the type of costs we estimated for three
24 different schemes for re-stationing forces in Europe.

25 We looked at moving three brigade combat

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1 teams, brigades with some supporting people, about
2 4,000 soldiers each to different -- three locations in
3 Eastern Europe permanently basing them in Poland,
4 Bulgaria, and Romania on unaccompanied tours and you
5 can see that constructions are considerable. Two
6 billion dollars to build three bases each housing
7 about 4,000 soldiers.

8 But, we'd also have a small -- some
9 savings in terms of construction we wouldn't have to
10 carry out in Germany. So, it would that cost of 1.6
11 billion.

12 We also looked at, you know, different
13 levels of moving forces from Germany back to the
14 United States. If we about 50 percent, half of the
15 soldiers in Germany back, we estimated a net one-time
16 cost of about \$2 billion and if you move almost all of
17 them back to the United States, you're going to talk
18 about an up-front investment of about \$3? billion.
19 This is just -- that's assuming that we get offset in
20 savings of construction that we wouldn't have to do in
21 Germany.

22 So, that's what we meant by saying that
23 it's a considerable up-front investment with any kind
24 of movement of soldiers.

25 This chart compares -- I have on the same

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1 graph the one-time cost that we just discussed for
2 carrying out the re-stationing of these forces and the
3 types of annual savings, that should have a negative
4 sign in front of it, or cost that you would experience
5 on a yearly basis once the re-stationing was fully
6 implemented which might take several years.

7 So, what we found was if you just moved
8 soldiers from Germany to Eastern Europe and station
9 them permanently there, you're not going to realize
10 any kind of annual savings. That the cost of doing
11 business are about the same in Germany and Eastern
12 Europe.

13 Whereas, if you bring soldiers back to the
14 United States, if you bring a considerable amount of
15 them back, 29,000 back, then every year you might save
16 about \$600 million due to savings due to not a need
17 for overseas schools, reducing the need for overseas
18 schools, reduce PCS costs.

19 Joanne, refresh me if there's some other
20 big component. Do you remember?

21 There are no overseas --

22 MS. VINES: Special -- special pays,
23 special housing allowance.

24 DR. LUSSIER: Housing allowance for being
25 overseas. Right. Those are the big components.

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1 And so, if you make a big change and bring
2 almost everybody back from Germany, then you will
3 realize a significant savings of about a billion
4 dollars a year, but you have a big up-front cost, too.

5 What are -- some of the other things that
6 we're going to look at were time to deploy, the
7 conflicts in the area and this next chart which is
8 squished and rather complicated is an attempt to try
9 and show the affects of moving U.S. forces to
10 different places other than Germany.

11 First of all, let me point out that --
12 that this depicts areas of the world that would be
13 reached quickest from different points of debarkation.

14 In other words, if you are based in Germany, then
15 these parts of the world would be -- you'd be able to
16 get their faster than if you were based in Bulgaria
17 and Romania which are the areas that are shaded in
18 yellow. So, if you're based in Bulgaria or Romania,
19 you'd be able to get to areas around the Mediterranean
20 and Eastern Europe faster than if you were based in
21 Europe.

22 The areas in blue represent the areas
23 where we would be able to get our pre-positioned
24 equipment that's afloat off of Diego Garcia faster
25 than you'd be able to get it from anywhere else.

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1 So, in other words, if you wanted to
2 deploy forces to for instance, Nigeria, they would be
3 able to get there in the shortest time from the Diego
4 Garcia -- deploying the people -- equipment from Diego
5 Garcia and then they could meet up with the soldiers.

6 Then they would be able to get from any of these
7 other locations that we looked at.

8 Poland -- putting forces in Poland is good
9 for getting to places around the Baltic Sea in terms
10 of rapidity of deployment, but not very many other
11 places.

12 So, you can see that if we move forces to
13 Bulgaria and Romania, we gain an advantage in Eastern
14 Europe and the northern coast of Africa, but that's
15 about it.

16 COMMISSIONER TAYLOR: You only considered
17 current pre-positioned equipment. You didn't make any
18 assumptions about the future reposition.

19 DR. LUSSIER: That's correct.

20 COMMISSIONER TAYLOR: Okay.

21 DR. LUSSIER: That's correct. That would
22 also be true if you pre-positioned equipment in
23 Bulgaria or Romania.

24 So, to try to qualify the benefits of
25 moving to Bulgaria or Romania or stationing forces in

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1 Bulgaria or Romania, we looked at the time it would
2 take to deploy a heavy unit by sea to four different
3 locations.

4 Two of the mentioned locations that we
5 might want to intervene sometime in the next few years
6 or could possibly intervene in the next few years, two
7 of them are mentioned in the press as places where we
8 might want to protect oil sources. Those are Nigeria
9 and Baku Azerbaijan. Nigeria being down here. Baku
10 Azerbaijan being over here.

11 The other two places that people talked
12 about potentially needing access to are places in
13 Central Africa where we might need to go in and quell
14 conflicts and so, we looked at deploying forces to
15 Uganda and Djibouti as sort of stepping off points.

16 So, the next chart is a tabulated
17 representation of the days that would be needed to
18 deploy one heavy brigade combat team to these four
19 locations, Nigeria and Baku on the left two columns,
20 Uganda and Djibouti the right two columns. So, this
21 includes time to get the units and their equipment to
22 the port, load them on ships, sail to wherever you're
23 going, and to unload them and in some cases road march
24 them to -- to the location.

25 Today, to get to any of those four

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1 locations, the quickest way to get there is using the
2 pre-po material from Diego Garcia.

3 If we had people or equipment based in
4 Bulgaria, Poland or Romania, we'd be able to shorten
5 our time to get to Baku Azerbaijan and the shortest
6 times are highlighted in red and we would save about
7 six days to any of those destinations to get to Baku
8 Azerbaijan if we had forces based in Eastern Europe.

9 Those are the type analysis we could put
10 the -- the type of benefit we see in moving heavy
11 brigades -- getting heavy brigades deployed to the
12 fringe parts of the world by having them based in
13 Eastern Europe.

14 COMMISSIONER TAYLOR: An assumption was
15 only the current organization not the heavy brigades.

16 You didn't -- did you have Stryker in this at all?

17 DR. LUSSIER: We didn't look at Stryker.
18 RAND has done a good analysis of mobility, at least
19 the time needs to deploy Stryker Brigades by air and
20 if you like to move things by air, like a Stryker
21 Brigade, it would seem the big constraints are
22 availability of air space to unload and load
23 airplanes.

24 And then -- or C-17 is how far it can go
25 without refueling. C-17 I believe can make it from

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1 Germany to Uganda without refueling. So, therefore,
2 it could probably make it from Germany to Baku
3 Azerbaijan without refueling and, therefore, having a
4 Stryker Brigade in Romania and Bulgaria wouldn't get
5 you much in terms of deployment time.

6 On top of it, you then have to deal with
7 the issue of -- in Germany, you have Ramstein Air Base
8 which is a wonderful facility for moving equipment,
9 loading equipment, and having planes coming out. In
10 Bulgaria and Romania, I'm sure there isn't a
11 comparable -- today there isn't a comparable facility
12 in. So, you would have to deal with the issues of the
13 infrastructure in Eastern Europe.

14 But, that's -- that is as far as we went
15 in terms of analyzing the different types of
16 deployment issues.

17 So, the last aspect of re-stationing and
18 the affect on the Army that we looked at, it talked
19 about moving 12,000 people from Germany on accompanied
20 tours today, basing them in Eastern Europe on
21 unaccompanied tours. What you would be doing is
22 essentially increasing the number of unaccompanied
23 tours in the Army by about 50 percent.

24 Today, there are only about 28,000/30,000
25 of those soldiers based in Korea and you add another

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1 12,000, you're significantly increasing the number of
2 unaccompanied tours.

3 As a result, you'll increase the time
4 spent in unaccompanied tours by your soldiers from
5 today about .6 years over ten years slightly to about
6 .8 years and on top of which you'll increase the
7 personnel turnover in CONUS units for the same reason.

8 So, the last thing we'd like to -- no, we
9 did that already.

10 I'm going to talk about rotating units in
11 Germany. This is obviously a mistake.

12 There are rotating units either from CONUS
13 to Europe to maintain a presence or rotating units
14 from Germany to Eastern Europe.

15 There are obviously advantages and
16 disadvantages with rotating units rather than
17 permanently stationing units in place. One advantage
18 in theory is that if you're just going to have
19 soldiers in a place for six months and they're not
20 going to be there with their families, you can have
21 them based in a much more austere condition. So, you
22 don't need to build such a big infrastructure. You
23 don't need to provide schools, family housing and
24 people have talked about using Camp Bondsteel as a
25 model for the type of forward operating base where you

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1 might have set up these deployments.

2 Which costs, we estimate on the order of
3 \$250 million to build per brigade for a brigade-size
4 base of about 4,000 soldiers versus a permanent base
5 which costs -- would cost about three times as much to
6 build for the same size force.

7 In addition, if you're going to rotate
8 forces from the United States to Europe rather than
9 move them there, then end up having reduced annual
10 costs for a permanent change of station.

11 The disadvantages as I mentioned of the
12 rotating units rather than permanently basing them
13 overseas is that you'll need -- you'll require more
14 than one unit to sustain a rotation. So, you'll have
15 a reduced number of units available to do other things
16 and in addition, if you don't want to be moving,
17 particularly for heavy units, the equipment for the
18 unit back and forth across the ocean every time, then
19 you need to have extra sets of equipment pre-
20 positioned wherever it is you're -- you're rotating
21 your units.

22 Now, this is probably not a problem if
23 we're talking about rotating heavy units because the
24 Army probably has enough surplus equipment to
25 establish three or four brigade sets of equipment

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1 either in Eastern Europe or other places, but if you
2 want to include the Stryker Brigades in your overall
3 rotation pool, right now, we don't have any extra sets
4 of equipment for Stryker Brigades and if you're
5 talking about including the Stryker Brigades in the
6 rotation, they you need to buy a whole new set of
7 equipment to preposition somewhere else.

8 CHAIRMAN CORNELLA: The costs of that
9 equipment are not -- this is all infrastructure. None
10 of that is figured in -- into these figures?

11 DR. LUSSIER: Well, we did figure them in.
12 We do have a couple of minutes here and a couple of
13 slides. Just go down.

14 CHAIRMAN CORNELLA: I wasn't making a
15 statement. I guess I was asking a question.

16 DR. LUSSIER: A question. Right. Here we
17 have -- this is the cost of all the -- the
18 alternatives we looked at in Europe. This is the cost
19 of moving half the forces in Germany back to the
20 United States and rotating four brigade combat teams
21 each with about 4,000 people to Germany to maintain a
22 constant present of four BCTs in Germany and in this
23 case, we did include the cost of one -- the equipment
24 for one Stryker Brigade combat team which we based in
25 Germany and you can see the difference.

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1 This is about the same number of soldiers.
2 We removed about 25,000/26,000 soldiers to CONUS.

3 COMMISSIONER TAYLOR: And one of those is
4 a Stryker Brigade in your --

5 DR. LUSSIER: This one --

6 COMMISSIONER TAYLOR: -- assumption?

7 DR. LUSSIER: -- in this one we assumed
8 that we would buy a -- one Stryker Brigade's worth of
9 equipment and put it in Germany. A cost of about \$1.6
10 billion.

11 And if you go back -- back a slide, I
12 don't know if that's -- this is useful. We looked at
13 these two schemes. We looked at keeping the same
14 force structure in Germany and rotating two brigades
15 at a time to bases -- austere bases in Poland,
16 Bulgaria or Romania. So, there would always be a
17 brigade in Poland and then Bulgaria and Romania would
18 take turns. So, you'd be rotating two at a time just
19 from the four that were based in Germany.

20 And we also looked at a scheme where we'd
21 take half of the forces in Germany, bring them back to
22 the United States, and rotate four brigades at a time.

23 If you're going to be supporting that, we figured you
24 would want to call on the whole pool of Army brigades
25 which today is only 33 brigades. In the future, it

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1 may be more, but if you exclude the six Stryker
2 Brigades, we've considerably shrunk your pool that you
3 can call from and so, we preposition one Stryker
4 Brigade combat team equipment in Germany and would be
5 able to have the Stryker Brigades take part in
6 repetition. So, that's why we included the cost of
7 one set of equipment for a Stryker Brigade in this.

8 You can see starting from the top, if you
9 just rotate forces from Germany to East Europe, you
10 have to pay the one time cost of building those three
11 austere bases and then you have to pay the annual cost
12 of rotating units back and forth and maintaining those
13 three smallish bases.

14 So, you end up with an annual cost not a
15 savings and if you bring forces back to the United
16 States and rotate them back and forth across the
17 Atlantic Ocean, you still save money on an annual
18 basis, but not anywhere nearly as much and you have a
19 bigger up-front investment because you have to pay for
20 equipment.

21 And rotating units as I said has other
22 effects which are on this side. One effect you'll get
23 is if -- it'll increase the amount the time soldier's
24 spend away from their families on deployment. If you
25 just rotate two brigade combat teams, it will increase

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1 by -- by .3 years out of a total of 1.7 years someone
2 would spend deployed over -- over ten years.

3 Not a big increase, but if you try to
4 maintain four brigade combat teams say by rotations
5 from CONUS, that's a big increase as compared to the
6 soldiers spending time with their families while
7 they're based there.

8 COMMISSIONER TAYLOR: And that station and
9 rotation plan did not consider current events?

10 DR. LUSSIER: No.

11 COMMISSIONER TAYLOR: That was --

12 DR. LUSSIER: That was -- right. We --
13 no, because --

14 COMMISSIONER TAYLOR: I'm asking the same
15 thing.

16 DR. LUSSIER: That's true. Would you like
17 to do this before --

18 DR. GILMORE: We're looking for long
19 term --

20 COMMISSIONER TAYLOR: Yes. Sure. I got
21 you.

22 DR. GILMORE: So.

23 DR. LUSSIER: Before --

24 DR. GILMORE: But, we do highlight how it
25 would reduce --

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1 DR. LUSSIER: Right. We did do that.

2 DR. GILMORE: -- forces --

3 DR. LUSSIER: Right. We did do that.

4 DR. GILMORE: -- that would otherwise be
5 available for Iraq for however long it goes on.

6 DR. LUSSIER: Be available. That's the
7 first column. Thanks, Mike.

8 Where we -- today, based on current basing
9 and excluding operations in Iraq, we estimated that
10 the force -- Army -- active duty Army forces that
11 would be available for other contingencies would be
12 approximately 64,000. This is assuming that two
13 brigades are out of commission because they're in
14 transition, but is assuming no other operations that
15 the active duty is supporting in terms of maintaining
16 rotation with regard -- as Kosovo and Bosnia and Sinai
17 and we're not needing more in Afghanistan and Iraq for
18 that estimate.

19 If you were to rotate units which would
20 make them unavailable, the ones deployed available for
21 other contingencies and some would be recuperating and
22 it would reduce the number of forces -- active duty
23 forces available for other contingencies by 8,000
24 troops in the case of just rotating two BCTs or 25,000
25 troops in the case of rotating four from CONUS.

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1 DR. GILMORE: And 64,000 assuming the
2 three-in-one.

3 DR. LUSSIER: The three-in-one ratio.

4 DR. GILMORE: For every unit out, there
5 are two. One that's recovering and one that's
6 training up.

7 Now, I think that the Army would probably
8 claim that that's not sufficient. In fact, they might
9 do four or five for one.

10 DR. LUSSIER: Right.

11 DR. GILMORE: But, we generally go down to
12 three-to-one assuming that you could operate like that
13 if you absolutely had to for an extended period. That
14 was sort of the -- you know, the maximum that we
15 thought you could get, but if you really believe, four
16 to -- four or five-to-one is more sustainable, I refer
17 you to a report we did last year and, you know, the
18 64,000 had come down quite considerably.

19 DR. LUSSIER: Yes, the four-to-one ratio
20 numbers are in the -- are in the report, too.

21 In this case, we assumed the two-to-one
22 ratio. We assumed that those four brigades in Germany
23 could sustain that rotation, two BCT rotation, all by
24 themselves. But, that was the only time we assumed
25 that.

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1 So, I think -- we go on to issues related
2 to Korea which are slightly different in some aspects.

3 Again, we looked at permanent re-stationing of
4 persons in Korea and rotating units to maintain
5 presence.

6 In Korea, the same type of diagram. The
7 region is about the same. There are about 28,000
8 troops in Korea. So, less than half are assigned to
9 the division and it's two brigades. About 13,000 are
10 assigned to 8th Army and there are about 2,000 troops
11 in admin positions in South Korea.

12 Even though there are about half as many
13 troops in South Korea as there are in Germany, the
14 value of the physical plant is much less than half.
15 In Germany, there was about \$30 billion worth of
16 physical plant. In Korea, it's about \$8 billion
17 worth. The bases there are older, smaller. The
18 people are there on unaccompanied tours. So, there's
19 not the need for so much family support. So, it's
20 less extensive infrastructure and it's older.

21 What else was I going to say about that?
22 Maybe that's it.

23 These bases, I know it's hard for people
24 in the back to see this, but if you can see this,
25 little box sometimes represent multiple Army bases,

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1 but those are -- there are about 43 major Army
2 installations where there are troops based. Most of
3 them are -- many of them are north of Seoul which is
4 that yellow star, less than 30 miles from the DMZ,
5 well within North Korean artillery range causing
6 concern and they're old and they're not in very good
7 shape.

8 So, for those reasons, the Administration
9 and the government of South Korea have talked about
10 re-stationing those people at those bases to just two
11 bases south of Seoul on Osan Air Base and Camp
12 Humphreys and concentrating almost all U.S. Forces at
13 those two locations, getting them out of the range of
14 North Korean artillery. Potentially, enabling the
15 number of accompanied tours to increase from about 10
16 percent now to 25 percent and so, we looked at this
17 alternative and estimated how much it would cost.

18 We also looked at alternatives of
19 returning 50 percent of the forces to the United
20 States and re-stationing the remaining forces south of
21 Seoul and returning almost everybody to the United
22 States.

23 And again, we got the same kind of need
24 for up-front investment, construction costs primarily.

25 There's a bit of a wrinkle here when we're looking at

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1 costs of construction in Korea because Korea in some
2 cases has agreed to shoulder a significant share of
3 the cost burden for re-stationing forces in country.
4 For one thing, we have a lot of troops, about 8,000
5 personnel stationed in downtown Seoul and I think that
6 South Korea would just -- be just as happy if they got
7 out of downtown Seoul.

8 And so, we assume that a range of costs
9 where the top number for the construction costs
10 assumes that we pay the full burden and the lower
11 number assumes that South Korea picks up 65 percent of
12 the costs.

13 So, if we were to re-station all of South
14 Korean troops south of Seoul, we estimate it could
15 cost between \$1 to \$4 billion just for new
16 construction and again, we have an estimate of
17 savings, one-time savings, you might realize because
18 we won't have to maintain and rebuild the old bases.
19 So, we got a net cost of about 1 to 3 billion -- 3.3
20 billion to re-station everybody in South Korea just to
21 -- moving people from South Korea to CONUS again
22 requires considerable investment on our part. So,
23 that in general, any kind of movements of the
24 remaining of the forces back to CONUS, all -- most of
25 them to CONUS, you end up spending on -- on the order

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1 of \$2 to \$3 billion.

2 COMMISSIONER TAYLOR: And that first
3 column or second column is including the construction
4 costs back here in the States.

5 DR. LUSSIER: This one, yes.

6 COMMISSIONER TAYLOR: Okay.

7 DR. LUSSIER: Yes.

8 CHAIRMAN CORNELLA: Fran, in regard to
9 those, you indicated earlier that they were primarily
10 for housing that was inadequate. Did you take into
11 consideration the local economy's ability to provide
12 off-base housing or is that not a factor?

13 DR. LUSSIER: In South Korea, most of the
14 soldiers are unaccompanied tours and typically
15 unaccompanied soldiers are housed in barracks.

16 CHAIRMAN CORNELLA: Well, then, relate
17 that question back Europe then.

18 DR. LUSSIER: In Europe, when we move
19 forces from -- you mean what is the situation in
20 Europe?

21 CHAIRMAN CORNELLA: Well, I'm asking did
22 you take that into consideration having considered
23 Europe?

24 DR. LUSSIER: Yes.

25 CHAIRMAN CORNELLA: That its local

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1 economies would be able --

2 DR. LUSSIER: To absorb. Well, when we
3 moved soldiers from Germany to Eastern Europe, again
4 they -- we assumed they would be unaccompanied
5 soldiers.

6 CHAIRMAN CORNELLA: Right. I'm talking
7 about Continental U.S.

8 DR. LUSSIER: Oh, the Continental United
9 States. We assumed that we would not need to build
10 significant new family housing in the Continental
11 United States, but unaccompanied soldiers that we
12 would need to either renovate existing -- significant
13 renovation of existing barracks or build new barracks.

14 COMMISSIONER TAYLOR: But, you earlier
15 indicated that was the most significant factor in
16 military construction. Didn't you or did I
17 misunderstand?

18 DR. LUSSIER: Housing for -- housing for
19 -- well, it's one of the major. Housing for
20 unaccompanied soldiers' barracks, yes, that's one of
21 them, but I think a bigger -- at least as big a
22 component is new facilities for the units,
23 headquarters -- for the headquarters of the units, for
24 the maintenance facilities, for the vehicles.

25 COMMISSIONER TAYLOR: But, then the

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1 housing, you assume that the local economy --

2 DR. LUSSIER: The economy.

3 COMMISSIONER TAYLOR: -- would absorb it.

4 DR. LUSSIER: Yes, in the -- in CONUS.

5 COMMISSIONER TAYLOR: Okay.

6 DR. LUSSIER: In the United States and I
7 think that's correct.

8 MS. VINES: Right. Either -- either the
9 economy has the housing available or through the
10 Military Housing Privatization Initiative contractors
11 would invest to provide -- provide that housing and
12 that those -- those families would then draw the --
13 the housing allowance and we -- and we included the
14 cost for the drawing the housing allowance.

15 COMMISSIONER TAYLOR: But, not in major
16 construction?

17 MS. VINES: No.

18 COMMISSIONER TAYLOR: Not MCA. It would
19 be --

20 MS. VINES: No.

21 COMMISSIONER TAYLOR: I got ya. Either --
22 either on the economy or under RCI and I know how that
23 works. Yes, I got ya. The only cost is the -- is the
24 housing allowance.

25 DR. LUSSIER: Right. The difference

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1 between the housing allowance in Germany and the
2 housing allowance --

3 COMMISSIONER TAYLOR: Right.

4 DR. LUSSIER: -- here in the states.

5 Again, in South Korea, the annual savings,
6 we had the one-time cost on the left-hand column. The
7 right-hand column the annual savings. Because the
8 cost of supporting soldiers in South Korea is small
9 compared to Europe because there are no families, we
10 would realize very small annual savings if you brought
11 soldiers back from Korea to the United States, 13,000
12 soldiers. Bring half of them back. You maybe get an
13 annual savings of \$100 million.

14 And if you -- if you station -- simply, if
15 you station our soldiers in South Korea moving them
16 away from the DMZ and allow the number of accompanied
17 tours to go up, then you're going to have an annual
18 cost because you're going to have more families to
19 support. So, the cost is going to go up.

20 These are the same types of concerns we
21 talked about before in terms of affect on the
22 soldiers, in terms of the obvious number, time spent
23 on unaccompanied tours, and the turnover in
24 Continental United States units.

25 Obviously, if you bring soldiers back from

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1 unaccompanied tours in Korea and based in CONUS, you
2 then decrease the amount of time that took those
3 soldiers then separated from his family and again,
4 this is where you get a bit of significant decrease in
5 the personnel turnover in the Continental United
6 States units.

7 But, you can see you don't reduce it to
8 zero and that's because there are other things that
9 contribute to the personnel turnover in Army units,
10 attrition from the Army being the big contributor, and
11 the other one being transfer between what are called
12 TOE units and the administrative TDA units, the
13 administrative part of the Army.

14 So, those kinds of changes and turnover
15 will be going on whether we have forces in Korea or
16 not and so, you're never going to totally eliminate
17 the turnover from the Army units just by bringing all
18 the forces back from overseas.

19 Again, we considered two ways of rotating
20 units to maintain a presence in Korea.

21 Actually, I think just one.

22 We looked at taking half of the forces in
23 Korea, bringing them back to the United States and
24 rotating two brigade combat teams back and forth from
25 the U.S. to South Korea. It's highlighted by this

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1 yellow band. Again, the costs are higher because we
2 included the costs of pre-positioning one set of
3 Stryker Brigade combat team equipment in Korea and the
4 annual costs go up because you need to support the
5 rotation of two years per year.

6 And in terms of affects on family life and
7 availability of forces for contingencies, what happens
8 is soldiers will spend less time on unaccompanied
9 tours, but they'll spend just as much time, more time
10 on deployed -- being deployed on these rotations and
11 so, the effects will wash each other out.

12 Since today soldiers in Korea are
13 unaccompanied, this will, you know, have a -- a net
14 zero affect on unaccompanied, but again, will have no
15 affect on turnover in CONUS units. But, it will have
16 a negative affect on the forces available for
17 contingencies.

18 But, we assume that the forces in Korea --
19 up until recently, forces in Korea were never -- were
20 not sent out of country for other conflicts. It's
21 only just recently that a combat unit from Korea has
22 been deployed from Korea to somewhere else, to Iraq,
23 will be deployed to Iraq in the near future.

24 CHAIRMAN CORNELLA: Will be.

25 DR. LUSSIER: Right. Will be. And we

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1 assume that if you took units out of Korea and you
2 brought them back to the United States, this would
3 then make those brigades available for other
4 contingencies. That's why those two numbers for
5 moving 50 percent of the forces to CONUS and moving 95
6 percent of the forces to CONUS have an increase in the
7 forces available for contingencies because now you've
8 got these brigades in the United States that you can
9 use. Well, you couldn't use them when they were in
10 Korea.

11 But, if you bring them back to the United
12 States, then you have to support two BCT rotations for
13 two brigades to Korea constantly. You're going to
14 lose forces. You're going to use up those units and
15 they'll become unavailable.

16 So, that as I said it's a mixed blessing
17 and actually, that is the last affect that I wanted to
18 talk about.

19 There are, of course, as you mentioned all
20 kinds of other affects that we didn't investigate that
21 we let other people worry about, but those are the
22 alternatives we looked at and the facts we considered.

23 I'd be happy to answer any other questions
24 you might have and obviously, there are copies of the
25 report.

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1 CHAIRMAN CORNELLA: Who has asked for your
2 briefing on this -- who have you given the report to?

3 DR. LUSSIER: Well, we -- actually the
4 Commission staff and that's about it.

5 CHAIRMAN CORNELLA: Has anyone --

6 DR. GILMORE: But, we also -- before we
7 publish, we also went over and briefed various members
8 of the Office of the Secretary of Defense and General
9 Staff.

10 DR. LUSSIER: But, since it's been
11 released, nobody's -- nobody's asked for it. You're
12 the first. You're the first.

13 CHAIRMAN CORNELLA: Outstanding report. I
14 asked my questions as we went through.

15 MS. WALKER: Excuse me, Fran. Are there
16 any other similar types of studies that you would
17 recommend to our attention that you know of in your --
18 in your business area?

19 DR. LUSSIER: RAND. When we first started
20 working on this, I think about a year ago, RAND
21 released a study that they did looking at basing
22 options for forces, Army forces in Europe and Germany.
23 I looked at similar types of things. It was written
24 by Mike Hix. So, it has more detailed analysis of the
25 same types of issues.

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1 COMMISSIONER TAYLOR: When was that?

2 DR. LUSSIER: That was released last May I
3 believe. Maybe last November -- November of '03. I
4 can get you the cite. It's in here somewhere.

5 Otherwise, I don't know of too many
6 studies of this -- this topic. No comprehensive
7 studies.

8 Within the Army, I think that the Office
9 of Economic and Management Analysis from West Point
10 did an internal study of variability of basing. There
11 is a sundry basis to accept people from overseas, but
12 I don't think there are very many published.

13 COMMISSIONER TAYLOR: But, have you been
14 asked to do this for any of the other services or any
15 -- or doing it in totally a joint context?

16 DR. LUSSIER: No, we haven't. Not yet.
17 We work at the request of committees.

18 COMMISSIONER TAYLOR: Right.

19 DR. LUSSIER: So, so far we haven't had
20 any committee requests to look at, you know, other
21 services or to look more extensively at this topic.

22 COMMISSIONER TAYLOR: And the -- the
23 committee request that generated this was specifically
24 for -- told you to focus on the Army?

25 DR. LUSSIER: Yes, I think there -- did

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1 the -- ever say the Army?

2 DR. GILMORE: Well, there's -- there's
3 always a give and take that occurs when -- when
4 there's an interest on the Hill and one of their other
5 interests was getting a report out in a -- in a
6 certain period of time and so, part of the reason we
7 didn't write the other services I think Fran stated in
8 the beginning which was we wanted to get the report
9 out this year and if we were going to take a
10 comprehensive look at all the services, it would have
11 taken longer to do that.

12 COMMISSIONER TAYLOR: Do you know if
13 anybody else is looking at all the services? That's
14 -- our task is to look at all of them.

15 DR. GILMORE: The only people I know of
16 who are doing it and this is just what I hear are
17 people obviously inside the Office of the Secretary
18 Defense with a policy apparatus.

19 COMMISSIONER TAYLOR: I'm talking right --
20 I'm sorry. Go ahead.

21 DR. GILMORE: But, outside OSD, I'm not
22 aware of people who are going to publish anything, you
23 know.

24 COMMISSIONER CURTIS: Thank you, Fran.

25 CHAIRMAN CORNELLA: And thank you again.

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1 Joanne, thank you as well.

2 I know that a few people joined us after
3 we were in progress. So, I do want to just reiterate
4 what the purpose of today's meeting was -- now that
5 it's almost complete and the purpose was to receive
6 this briefing and again, this is not a -- not a
7 hearing.

8 We're not going to receive public
9 testimony today, but if you have anything in written
10 form, you can submit it to Mr. Wade Nelson, our
11 Director of Public Communications.

12 So, with that, I'd like to -- to close my
13 part of the meeting by saying that this completes the
14 first in a series of public meetings and hearings.
15 Advance notice of future events will be published in
16 the Federal Register and thank all of you for your
17 interest in this very important issue.

18 Ms. Walker.

19 MS. WALKER: That concludes our first
20 meeting and thank you for attending.

21 (Whereupon, the meeting was closed and
22 adjourned by Patricia Walker, Designated Federal
23 Officer.)
24
25

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