

PRESENTATION BEFORE THE LEGISLATIVE FINANCE COMMITTEE
Hanson Scott, Director, Office of Military Base Planning and Support
November 19, 2014

--Overview

- National Security Environment**
- New Mexico's Military Installations**
- Current Office and Commission Actions/Issues (Commission roster at attachment one)**
- Base Realignment and Closure (Proposed Criteria at attachment two)**
- FY 2016 Budget Request**
- Closing and Summary**

--National Security Environment

- DOD's challenge—striking the right balance between national security objectives and resources available
- Strategy: shift in operational focus to the Asia-Pacific—North Korea, China
- But, contingencies elsewhere: NATO/Ukraine; Iraq/Syria; West Africa (Ebola)
- Reductions in force structure and troop strength in every military service; 20% reduction in higher headquarters (Air Force taking more, sooner)
- Forces no longer sized for “prolonged sustainability operations”
- Special Operations Forces grow from 66,000 to 69,700
- Sequestration still on the books for 2016—no definition yet by Services and their Headquarters regarding New Mexico's Installations
- Air Force announced Pentagon reorganization effective October 1 and also activated the “Installation and Mission Support Center,” reporting to Air Force Materiel Command—six different field operating agencies—responsible for allocating support resources to all Air Force commands and installations

--New Mexico's Military Installations

--Cannon AFB (Air Force Special Operations Command): 27th Special Operations Wing (SOW)/Cannon is building to eventually over 6,000 personnel; 11 squadrons—8 flying units. Cannon activated a Special Tactics Unit in the past year: combat controllers, pararescue, and combat weather personnel—this unit will continue to contribute significantly to Cannon's overall capability. Cannon has had the largest military construction program in the Air Force--\$1.3 Billion, more than the largest Command in the Air Force. Housing Privatization Program kicked off last year—677 new homes, 361 renovated homes; 401 destroyed—a \$164 Million program--about 40% complete. Cannon is finalizing their plans to use the 10,000 acres, Melrose Air Force Range Expansion (State of New Mexico Gift). Further, the 27th SOW is engaged in increased collaboration with special operations forces from other services. Cannon's annual economic impact is \$688 million per year.

--Cannon issues: continued growth; renewable energy impacts on training areas and on Cannon's local capability; weapon system transitions

--Holloman AFB (Air Combat Command—with several key tenants). Number one issue in the State is supporting the transition of two squadrons (over 50 aircraft) of F-16s from Luke AFB, Arizona to Holloman. In April, Holloman activated the 54th Fighter Group, which is a tenant of the 56th Fighter Wing at Luke. Second squadron of F-16s now scheduled to begin arriving next June. The Holloman Wing Commander and the WSMR Commanding General (both arrived this past summer) are working very closely together on this transition—scheduling interface has gone well. Initial fighter qualification training commenced this month—the Transition has been somewhat impacted due to “structural problems” of the two-seat F-16s. Holloman's Economic Impact is \$609 million per year.

--Holloman Issues: beddown of two squadrons of F-16s; renewable energy initiatives impact on training; expansion of Military Operating Areas

--Kirtland AFB (Air Force Materiel Command). 58th SOW (Air Education and Training Command) is continuing to address local infrastructure training needs with State support, BLM support. HQ USAF is supporting an extensive review of encroachment issues impacting Kirtland AFB with an "Installation Compatible Encroachment Management Action Plan." I met with the Project Director last week. DOD Economic Impact of Kirtland is approximately \$4.8 Billion annually.

--Kirtland issues: some space-related outfits under budget pressure by the Air Force; 58th SOW training infrastructure

--White Sands Missile Range (Army Test and Evaluation Command): New Commanding General is continuing their outstanding support of New Mexico's other installations—they host two Network Integration Evaluation Events annually. These events take place on both Ft. Bliss and WSMR, using approximately 3,800 soldiers of the 2nd Heavy Brigade Combat Team at Ft. Bliss. The Economic Impact of WSMR is approximately \$755 million per year.

--WSMR issues: Dealing with "customer" budget uncertainty

--Office and Commission Actions and Issues

--Holloman Transition: Our primary focus is supporting the Holloman Transition, which is going very well. WSMR continues to provide outstanding support to the Air Force.

--Cannon Land Acquisition: We closed yesterday on the acquisition of approximately 600 acres of land adjacent to Cannon with a simultaneous gift to the Air Force—the Quitclaim Deed will be recorded today. Of two other "primary" landowners with land under consideration, one eventually said he did not want to sell at any price, and the other family said they would sell at 6 times our appraisal value—we discontinued discussions with both. The purpose of this land gift was to support the Air Force regarding "force protection," (security), and flight safety.

--Renewable Energy Impacts/SunZia: Most are aware that the Secretary of Defense approved the Bureau of Land Management (BLM) proposed route for the SunZia line (which is planned through the Northern Extension Area of WSMR), with the provision that the line be buried for five miles, three increments. BLM is conducting an Environmental Assessment of the burial increments, though they have not completed the Environmental Impact Statement for the overall project. Further, they have yet to respond to the Governor's Consistency Review paper of August, 2013. Addressing "Renewable Energy Impacts" continues to be an issue of major concern—Cannon and Holloman included.

--Southern New Mexico/El Paso Joint Land Use Study: This remains the largest Joint Land Use Study supported by the Department of Defense—five New Mexico Counties; El Paso County; the three cities—Las Cruces, Alamogordo, and El Paso; the three military installations—Ft. Bliss, Holloman AFB, and White Sands Missile Range. We are wrapping up the Final Report, which includes a Regional Economic Impact section. The Consultant and the Technical Committee presented the Final Report to the Policy Committee in Las Cruces yesterday and it was accepted unanimously. Some of the counties and cities might opt to present the Report to their County/City Commissions and City Councils. In the meantime, we formed an "Implementation Committee" which will address appropriate recommendations of the Final Report. We have received particularly strong support from the New Mexico Counties and El Paso County—kudos to Doña Ana County for their role as "fiscal agent" and for volunteering to act in the same capacity for the Implementation Phase of the project. This JLUS is an

outstanding means of addressing potential encroachment issues impacting the three military installations.

--New Mexico Commanders' Summit: Very successful meeting hosted by the 49th Wing at Holloman in April—next meeting of the commanders has not been scheduled.

--Western Regional Partnership: State and Federal Agencies—California, Nevada, Utah, Arizona, and New Mexico, sponsored by OSD. Sequestration caused a setback with the Partnership—we had a strategic planning session in March, a Steering Committee meeting, Albuquerque, in May, Principal's meeting in June—New Mexico will continue to support given resources and other priorities.

--Military Value Case Statement (Special Appropriation, 2013 Session): “In Defense of the Nation,” complete this spring, copies to all Legislators this past summer. Copies will be mailed to incoming State Representatives.

--Base Realignment and Closure: DOD/the Services continuing to push for a Base Closure round—Secretary of Defense has stated they will continue their request in the FY 2016 Budget—they are now focused on 2017, but they might be looking at a year or so later. Purpose: excess infrastructure as compared to forces. Congress pushing back, citing cost of 2005 BRAC round. DOD's response—purpose of 2005 BRAC round was to realign forces and address “transformation.” Status of Congressional support for a BRAC round might change given changes in leadership. Our focus—Military Value actions of whatever definition in support of our bases.

--Office of Military Base Planning and Support FY 2016 Budget Request (\$000)

--Personnel services: \$112.4

--Other: \$13.7, Supports Commission meetings, travel, communications, memberships

--Contractual Services: \$74.4

--Audit: \$8.5

--Military Value: \$25.0; Develop and implement Military Value Initiatives in support of New Mexico's Military Installations (Kirtland AFB, Holloman AFB, Cannon AFB, and White Sands Missile Range): airspace; training areas; test and evaluation areas; low-level routes

--New Missions, Renewable Energy Impacts: \$40.9: Identify opportunities to add aircraft, missions and capabilities to Cannon AFB, Holloman AFB, White Sands Missile Range, and Kirtland AFB

--Address potential “poaching” of WSMR missions from other Army installations; identify opportunities for increasing the revenue generation of the Range.

--Assist the State of New Mexico in working with the Army and the Air Force to minimize the impact of renewable energy initiatives on operational as well as research and development/test and evaluation missions in New Mexico

--Final Comment: New Mexico has received outstanding support from the Department of Defense, Office of Economic Adjustment (OEA) over the last several years—approximately \$19 Million in grants—Regional Growth Management Plan; Kirtland Joint Land Use Study; Southern NM/EI Paso Joint Land Use Study; Grant to Albuquerque Public Schools (Wherry Elementary); another \$1.0 Million or so pending to the Economic Development Department for Defense Industry “mapping.”

--Closing and Summary

- Continue to support the Holloman Transition, number one issue in the State
- Continue to address appropriate “military value” issues pertinent to all New Mexico Installations—this includes avoiding encroachment and identifying renewable energy initiative impacts on military missions
- Participate in the Southern NM/EI Paso JLUS Implementation Committee

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BRAC CRITERIA (Proposed by OSD)

--**Military Value:** Primary consideration given to “Military Value” regarding recommendations for closure or realignment.

--The **current and future mission capabilities** and the impact on operational readiness of the total force of the Department of Defense, including the **impact on joint warfighting, training, and readiness**

--The **availability and condition of land, facilities, and associated airspace** (including training areas suitable for maneuver by ground, naval, or air forces throughout a diversity of climate and terrain areas and staging areas for the use of the Armed Forces in homeland defense missions) at both existing and potential receiving locations

--The **ability to accommodate contingency, mobilization, surge, and future total force requirements** at both existing and potential receiving locations to support operations and training

--The **cost of operations** and the manpower implications

--Other Criteria:

--The **extent and timing of potential costs and savings**, including the **number of years**, beginning with the date of completion of the closure or realignment, for **the savings to exceed the costs**

--The **economic impact** on existing communities in the vicinity military installation

--The **ability of the infrastructure** of both the existing and potential receiving communities to support forces, missions, and personnel

--The **environmental impact**, including the impact of costs related to potential environmental restoration, waste management, and environmental compliance activities