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**and**

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**and Closure Commission**

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**Thank you Tim for your kind introduction.**

**I am honored to be here to address the Maryland Economic Development Association's Conference.**

**As some of you may know, I have strong personal ties to Maryland – as any Naval Academy graduate will be proud to admit. There is not an American sailor worth his or her salt who can deny the influence of the Chesapeake Bay on the history of our Nation ... and that influence must include everything that is Maryland.**

**And a major part of the that influence is connected to the presence of a strong military – Navy, Army, Marines, Air Force, and Coast Guard – that has defined Maryland's contribution to our National Security from the very beginning of our Republic. It is no exaggeration to say that generations of Marylanders have stood tall – and sacrificed – for the principles of liberty, justice, and freedom.**

**Over the years, Maryland has hosted America's armed forces with honor and great pride. And I know how much pride you all have for the incredible Bethesda Naval Medical Center and Walter Reed Army Medical Center and the miracles that take place in those hospitals every day.**

**At Bethesda and Walter Reed, our nation's heroic wounded warriors receive world-class care for the injuries they suffered in their service to humanities highest values.**

**These men and women have served in uniform to ensure our security ... and our way of life ... a way of life based on our free enterprise system and ... (pause) all too often at great personal sacrifice.**

**Just one trip to the Walter Reed Army Medical Center will stimulate your patriotic pride for these wounded warriors. The very first soldier I met during my many visits there was a double amputee. When I asked him what he hoped to do next, he responded, “to rejoin my unit in Iraq.” His response was not unique. It defines today’s all volunteer military personnel.**

**That young soldier’s determination to serve his country and to be with his comrades who were still in harm’s way, was a guide star for me in my capacity as Chairman of the 2005 Base Realignment and Closure Commission. It was a great honor to be asked to chair the Commission, to be entrusted with the future of our military’s infrastructure ... the foundation, if you will, of what our nation’s military is being built upon.**

**As you may be aware, that Commission, as well as four previous BRAC Commissions, was charged by law to assess whether the closure or realignment recommendations sent to the Commission by the Defense Department were consistent with eight criteria also established by law.**

**In short, we had the authority to overrule the Secretary of Defense. In addition, the BRAC law requires that Congress accept all of the Commissions recommendations or none. In the view of many, the BRAC law makes this Commission the most effective in our government. Nonetheless, it was to be a grueling process – a cross-country run, not an easy sprint, and there were many challenges.**

**We did not, unfortunately, get off the starting blocks with Olympic speed. The formation of the Commission was delayed because of one Senator's attempt to kill the BRAC process by blocking the Senate confirmation of all nine Commissioners.**

**By the time the Commission was in place, it was already the first week of April 2005, leaving us with less than five months to deliberate and deliver our recommendations to the President and the Congress.**

**For the first month, we had virtually no staff while the workload just poured in and state delegations were pounding on our door to make their case why their base should not close or be reduced.**

**And, this was before we even received the list of recommended closures and realignments from the Secretary of Defense!**

**On May 13th, we received 190 recommendations from the Secretary of Defense that would produce 837 "close" or "realign" actions. These 837 actions also involved an additional 160 installations such as those in Maryland that would gain installations.**

**All totaled, the 2005 BRAC recommendations exceeded the number considered by all four prior BRAC Commissions combined.**

**In addition to the unprecedented number, many DoD recommendations**

were extremely complex, proposing intertwining movements among numerous installations. I think the best way I can describe the task is to ask you to imagine a large box, filled with 190 pair of laced shoes ... all knotted together ... and your job is to reach into the box, untie the knots and organize all the shoes ... in the dark ... while the owners of the shoes are demanding you get to theirs first!

As if that wasn't enough pressure, unlike prior BRAC rounds, the Commission had to evaluate DoD's recommendations in the context of the ongoing conflict in Iraq and Afghanistan, and the projected redeployment of 70,000 service members and family members from Europe and Asia back to the United States.

In addition, the Commission had to take into account the major uncertainties in the military and strategic environment for the next twenty years!

Right now you are probably thinking: How can anyone project the nation's military needs 20 years down the pike when there is a suspicion that we cannot project ahead for 20 days? We had our work cut out for us.

Over the space of the next four months, the Commissioners and our staff conducted 182 base visits -- from Alaska to northern Maine and seemingly everywhere in between. The Maryland base visits included:

the National Geospatial Intelligence Agency;

the Aberdeen Proving Ground and Ft Monmouth, NJ;

Martin State Airport Air Guard Station;

Andrews AFB;

the Naval Surface Warfare Center in Indian Head; and

**Walter Reed and Bethesda Medical Centers.**

**In that same time frame, we held 40 public hearings including a major regional hearing at Goucher College for Maryland, New Jersey and Delaware. We also evaluated well over 200,000 written and electronic communications from the public. For us, the term “You’ve Got Mail!” took on new meaning.**

**Not surprisingly, there was a great deal of political pressure on us from Senators, Congressmen, Governors, Mayors, and a host of other public officials. All were in favor of the BRAC process but not for closures and realignments in their state and districts. States such as Maryland offered no objection to changes that would bring a potential 60,000 new jobs to the state.**

**Maryland’s only concern at the time was the recommended realignment of the National Geospatial Intelligence Agency - NGA - from Bethesda to Ft Belvoir. I recall Senator Mikulski arguing - in her usual impassioned manner – that this was a bad idea and that realignment to Ft. Meade represented a better option by allowing NGA to coordinate more fully with NSA.**

**Of the 190 recommendations submitted to the Commission by the Secretary of Defense in 2005, the Commission approved 119 with no change, and accepted another 45 with Amendments.**

**We also rejected 13 recommendations in their entirety, and significantly modified another 13.**

**With eight lawsuits pending against us, we submitted our report to the President and the Congress on the day required by law - September 8, 2005. As you are aware, both the President and the Congress approved all of our recommendations.**

**I am most proud of the fact that the Commission held itself to a high standard of openness and transparency in all its activities and deliberations as we assessed the recommendations. Indeed, we encouraged congressional, state, county and civic leaders to meet with us and to offer their views and recommendations. In the final analysis, we based our decisions on what we believed would enhance the country's military capability.**

**The 2005 BRAC Commission estimated that over the next 20 years the Department of Defense would save \$35.6 billion rather than the \$47.8 billion that DoD proposed. Further, both the Commission and the Government Accountability Office – the GAO - believe that if the Defense Department persisted in its claims of certain cost avoidances, the actual savings to taxpayers would be only \$15 billion of over 20 years.**

**We also estimated that to implement the recommendations would require one-time up-front costs of \$21 billion. However, in the 2 ½ years since we issued our report, the GAO believes that these upfront costs will now exceed \$31 billion and not including the costs to states and counties.**

**At this point, I would like to say a few words about how you as Maryland's business, economic and civic leaders can directly assist military veterans in the BRAC process.**

**As a former steward of the Department of Veterans Affairs, I want to encourage you to make it your goal that veteran-owned small businesses ...**

especially those owned by service-disabled veterans ... are at the top of the list when it comes to competing for BRAC and other contracts. I believe that it is our collective duty ... our individual responsibility ... to do all we can to further veterans' opportunities in the great American business arena.

The Revolutionary patriot, John Hancock, understood the power and potential of business enterprise when he said:

*'The more people who own little businesses of their own, the safer our country will be, and the better off its cities and towns ... for the people who have a stake in their country and their community are its best citizens.'* I strongly believe that this is doubly true of veteran owned small business owners. *(with emphasis) They have demonstrated their stake and we need to recognize that by assisting their societal and economic reintegration.*

And this takes me to the second point I wish to address today – my observation of the role of Maryland, particularly you, its political, civic, and business leaders are playing in the BRAC implementation.

Once the euphoria of the announcement in 2005 that Maryland would be a major gainer of jobs, families, contractors, and major military construction, the reality set in. This was not simply a challenge, but a colossal challenge. There was the realization that there was a need for more energy, more water, more sewers, more schools, more housing, more office buildings, more transportation, more roads, more roads and... more roads. By comparison, Boston's Big Dig was a sand box, and the Wilson Bridge project just a log over a creek.

**The contrast is that while most of the Big Dig was federally funded, most of these requirements are not. It has been a time for leadership and planning. From my perspective, the state, counties and economic developers under the direction of Lt. Governor Anthony Brown are serving as a model for the country for planning and coordinating BRAC implementation. I congratulate you – you are the gold standard.**

**While the federal government, in particular the Defense Department's Office of Economic Assistance has provided some funding support, it is miniscule in comparison to your vast funding needs. In the interim since passage of the BRAC recommendations in 2005 and now, construction costs have skyrocketed while the economy has faltered. But, failure to meet the challenge of funding shortfalls cannot be an option.**

**I urge you to identify innovative and interim solutions such as those proposed by Anne Arundel County to establish share riding, shuttle riding, and more public transportation to reduce cars on the roads. No pun intended when I note that the rising price of gasoline will be a driver.**

**Consider also the Montgomery County approach of successfully persuading the Navy that DoD funding is needed for some of roads surrounding the new National Military Medical Center at Bethesda.**

**This is not a unique request. There is a federal program called the Defense Access Road (DAR) Program that provides a means for the Defense Department to pay its fair share of the cost of road accesses leading to military installations. To the best of my knowledge, it has not been invoked in the state of Maryland. With construction of the new medical center at**

**Bethesda scheduled to commence this month and be completed by 2010, the transportation challenge is daunting, but with good planning and cooperation between the County and the Defense Department, it is doable.**

**Very recently, the United States Army received the Urban Land Institute's Award for Excellence for one of the top land use developments in North America. As you may be aware, the award is widely recognized as the land use industry's most prestigious recognition program and was given to the U.S. Army for its Residential Communities Initiative that is providing world class family housing for the men and women of our Armed Forces.**

**The criteria for the award includes leadership and public/private partnership. I commend the Department of Army for its leadership. And, I commend those of you here today who have contributed funding and construction in partnership with the Department of the Army that has made this housing a major element of military retention and morale. Today, more than 89,000 homes – 98 percent of the Army's family housing inventory in the U.S - are the result of this public/private partnership. 77,000 family homes at 36 installations have already been privatized, while 8 more installations - especially BRAC generated installations - with 11,000 homes are in solicitation or under development. You can be justly proud of your contribution to national security. In my view, you share in this award.**

**Finally, I offer my advice on the need for preparedness. I have no information to indicate there will be another BRAC or if there is to be one, when it will occur. I do know, as you do, that the cost of defense has greatly increased. In addition to the high cost of the wars in Iraq and Afghanistan,**

capital expenditures for such items as aircraft carriers, nuclear powered submarines and aircraft are in the billions.

The competition within the Pentagon between those urging greater expenditure for conventional forces and those urging greater spending to support the global war on terrorism are on-going. Advances in technology are allowing less need for supporting infrastructure such as bases or parts of bases. Even so, according to the 2005 Federal Real Property Report, the Defense Department is still the country's biggest landlord of buildings with over 2.2 billion square feet of space.

The 2005 BRAC was unique because it placed equal attention to transformation, consolidation and jointness as it did to savings. But, many bases and facilities considered for closure or realignment by the Pentagon in 2005 never made it to the BRAC Commission for a number of reasons. Therefore, I strongly suspect that there will pressure from within the Defense Department again to have another BRAC round. Do not assume that you will always be a gaining state.

Over the past twenty years, Maryland has suffered its share of closures of such facilities as Ft Holabird, Ft Ritchie, the Naval Electronic Systems Engineering Center, and White Oak plus the realignment of many others.

To reduce the possibility that Maryland bases and facilities are not closed or realigned in another BRAC round, I would suggest that you start preparing now.

First, you need to be mindful that the final selection criteria for base

**closures and realignments are established in public law - P.L. 108-375.**

**There are two criteria categories – one with priority considerations and the second listed as “other considerations.” “Other considerations” is a diplomatic way of saying the criteria is secondary. This includes the economic impact a closure or realignment would have on communities in the vicinity of the military installations.**

**Priority consideration is given to criteria called “military value.” And this, I would suggest, is where you must focus. It includes the availability and condition of land, facilities and associated airspace not only for training but also for the staging for homeland defense missions.**

**In short, it raises a fundamental question: has community development so encroached upon a military base such that it cannot train or stage properly?**

**An excellent case study is the Oceana Naval Air Station in Virginia Beach.**

**During the BRAC commission deliberations in 2005, we found that encroachment around the base by developers had progressed to such a constricting degree that Navy pilots could not train there properly for carrier landings. Had an alternative air base not reneged on its intent to accommodate Oceana, Oceana may have closed with a loss of 10,000 military personnel and their families. Working with the Defense Department’s Office of Economic Assistance, Maryland state and local officials should now be developing Joint Land Use Studies to assess conditions surrounding Maryland’s military installations.**

**A second area - that on which Maryland should focus - is its energy policies**

**and programs that support Defense Department installations. Energy costs are skyrocketing and are having an adverse impact on the Defense Department. As a result, DoD has established a goal that by the year 2025, 25% of its energy must come from renewable energy sources. However, a January 2008 Defense Science Board Task Force co-chaired by former Secretary of Defense James Schlesinger found that the Defense Department faces a primary energy challenge.**

**Allow me to quote from that report: “[m]ilitary installations are almost completely dependent on a fragile and vulnerable commercial power grid, placing critical military and homeland defense missions at unacceptable risk of extended outage. 99% of the electricity DoD installations consume is from the commercial grid.”**

**The Task Force has recommended that the Defense Department develop a legislative proposal to make grid reliability a factor in future Base Realignment and Closure (BRAC) decisions. In the interim, it also recommends that critical installations become energy self-sufficient and not rely on the commercial power.**

**Please don’t take offense if I ask is Maryland aware of and looking at this issue? It is a question you need to be ready to answer ... and the answer must be ‘yes’.**

**Finally, I am concerned about the growing costs of implementing the BRAC recommendations. As I noted, the Commission calculated that the cost to implement was \$21 billion. That calculation was based upon a Defense Department cost model that that is less than satisfactory. Further, future**

**cost estimates should include the transportation impacts of decisions and the share of the burden the federal government will bear.**

**It is unfair to the state and communities to try to navigate the maze of federal bureaucracy while the clock ticks on implementing the BRAC by September 2011.**

**Ladies and gentlemen, thank you for your time and attention and I wish you a most successful conference.**

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