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BRAC Commission

FACSIMILE COVER LETTER

JUL 18 2005

Received

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PLEASE DELIVER THE FOLLOWING PAGE(S) TO:

Name: The Honorable Anthony Principi, Chairman

FAX Telephone No.: 703-699-2735

Company: 2005 Defense Base Closure and Realignment Commission

From: Rashid Hallaway, Vice President

Date: July 18, 2005

Comments: _____

Return To: Leah Halton, Administrative Assistant

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City of
Indianapolis
Bart Peterson, Mayor



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The Honorable Anthony Principi
Chairman
2005 Defense Base Closure and Realignment Commission
2521 South Clark St., Ste. 600
Arlington, VA 22202

Dear Mr. Chairman:

I am writing to express my strong support for the recommendations outlined in the Secretary of Defense's base closure and realignment report, particularly as they relate to the consolidation of the Defense Finance and Accounting Service (DFAS) functions in Indianapolis, Indiana. In addition, I feel it is important to address some of the recent remarks made about DFAS-Indianapolis by communities who could be adversely impacted by the Department of Defense's recommendations.

As Mayor, I take great pride in the 3,000 Hoosier men and women who provide responsive and professional accounting services for our nation's military, civilians and retirees. DFAS-Indianapolis was established in 1991 after the closure of Ft. Benjamin Harrison and has played an integral part in transforming the Department's accounting, military pay, travel pay and commercial pay support services. DFAS-Indianapolis currently has the largest number of employees of any DFAS facility in the country and has the greatest capacity for growth. It oversees 40% of the DFAS network including eight smaller DFAS facilities, disbursing more than \$39 billion annually and providing services to 1.9 million people. These functions are housed in one of the most sophisticated and secure facilities in the country, the MG Emmett J. Bean Federal Center. In November of 2003, this facility completed a \$123.7 million renovation, which is why there are minimal costs required to accommodate the influx of thousands of employees to the DFAS-Indianapolis operations center. The federal center has 1.6 million square feet, of which 1 million square feet is currently occupied by DFAS.

While there are numerous reasons to be proud of the federal center and DFAS-Indianapolis, I believe it also important to address some of the unfair attacks cast against the facility, which is the third largest building in the federal government's inventory. Some of the affected communities have sought to criticize the federal center for not having adequate capacity or not meeting the Pentagon's anti-terror standards. There have even been questions raised regarding the center's overall military value, cost savings and institutional competencies. These inaccurate remarks seek to preserve current operations by distracting from the Department's long term strategy for modernizing and improving the efficiency of its professional financial and accounting services.

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The Honorable Anthony Principi

July 18, 2005

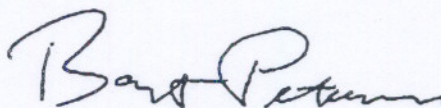
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I recently learned that the Commission may reconsider the Defense Department's recommendation to consolidate DFAS operations to three facilities and explore the option of keeping some DFAS centers open outside of Columbus, Denver and Indianapolis. Clearly, it is an important part of the job of the Commission to ensure that the Defense Department's recommendations are well conceived and supported by accurate data. I also think it is important to note that discussions of consolidating DFAS facilities date back to as early as May of 1994 and that this continues a trend that was initiated by previous BRAC rounds when DFAS facilities were cut from over 300 to the present 26. Since that time, there have also been several reports issued by the General Accounting Office (GAO) that support DFAS consolidation and question the need for numerous operating centers around the country. I want to assure you and other Members of the Commission that the MG Emmett J. Bean Federal Center and the City of Indianapolis provide the ideal location and environment for consolidating like business functions.

Indianapolis is a world class city offering all the opportunities and resources that will enable to the Department of Defense to make the proposed expansion of the DFAS Center a major success. We are eager to work with DFAS to help make the finance center in Indianapolis the premier accounting and finance facility in the country. Our City is convenient and accessible, our workers are dedicated, our community is marked by pride and a strong sense of voluntarism, and our educational institutions are world renowned. Hoosiers have a proud history of military service to our country and welcome the opportunity to provide further service to our men and women in uniform. On behalf of local government leaders in Central Indiana, I want to encourage you to support the recommendation of the Department of Defense to consolidate DFAS operations at the finance center in Indianapolis.

As you continue your important work over the next few months, please know how grateful the people of Indianapolis are for your vital contributions and service to our country. I hope you will feel free to contact me directly if you have any questions and would welcome the opportunity to meet with you and any other Members of the Commission in the next few weeks.

Sincerely,



Bart Peterson
Mayor, City of Indianapolis