

BILL ANALYSIS

Senate Research Center

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SECTION BY SECTION ANALYSIS

Over the past eight years, the State of Texas and the City of San Antonio have partnered in the redevelopment of Kelly Air Force Base into the Port of San Antonio to create a world-class aerospace center in support of the United States Air Force.

Several top-level defense prime contractors have made significant private investments in leased facilities at the Port of San Antonio to provide world-class aircraft maintenance, repair, and overhaul services for the United States Air Force, employing approximately 3,300 people. The maintenance, repair, and overhaul defense contractors have invested heavily in the development of the San Antonio workforce by providing training in state-of-the-art technical operations, productivity improvement, worker safety, and employee involvement to develop a highly skilled workforce that has demonstrated outstanding performance for military customers.

The defense contractors and employees located at the Port of San Antonio contribute to United States defense preparedness by providing critical aircraft systems maintenance, repair, overhaul, and support services to optimize United States Air Force fleet utilization. The world-class performance of the defense industry and its highly trained workforce provides best-value results measured in terms of lowest cost, highest quality, and on-time delivery to military customers and serves the best interest of the military forces serving in Iraq, Afghanistan, and other high-priority regions of the world.

Maintaining defense industry maintenance, repair, and overhaul operations at the Port of San Antonio, in association with government-owned military depots performing maintenance, repair, and overhaul operations throughout the United States, is critical to national security requirements to preserve national strategic capability by maintaining a high state of readiness during this time of high-threat conflict.

The United States Code, 10 U.S.C. Section 2466, requires that not more than 50 percent of designated core depot work be performed by private industry; however, the General Accounting Office has cited some inconsistencies with regard to the reporting of industry and depot maintenance, repair, and overhaul operations, which may not properly reflect work performed by depots through "public/private partnerships," so that inaccurate data is being reported to the United States Air Force with regard to the percentage of work being performed by private industry.

As the United States Air Force continues to consider moving work from the Port of San Antonio to out-of-state Air Force depots, due consideration should be given to maintaining our war fighting capability as well as to all reasonable business costs such as capital funding for construction and other costs, research and development, procurement, benefits and future pension expenses, and other costs; such factors may not be accurately reflected in the data that the Air Force uses in making decisions to move maintenance, repair, and overhaul work.

The significant investments made by industry, the Port of San Antonio, and the State of Texas to support the national maintenance, repair, and overhaul defense industrial base and workforce should be considered before the United States Air Force invests in duplicate capabilities. The maintenance, repair, and overhaul operations at the Port of San Antonio, which maintain a highly skilled workforce, are essential to the national interest; they require an adequate level of business in order to be in a position to support our armed forces, and this national asset will be lost to our nation forever if allowed to be degraded due to inadequate attention and utilization. The maintenance, repair, and overhaul operations and workforce competency and ability are driven by a spirit to compete for work that provides best value to our military customers.

RESOLVED

That the 80th Legislature of the State of Texas hereby congratulate maintenance, repair, and overhaul defense industry employees located at the Port of San Antonio and the State of Texas on their commitment to support our armed forces and the taxpayers.

That the United States Air Force should consider the impact on our armed forces in Iraq, Afghanistan, and elsewhere and on American taxpayers as it determines its national public and private industrial base policy with regard to relocating work from the Port of San Antonio to military depots.

That the United States Air Force should take into account all due business considerations such as workforce performance, capital and construction costs, benefits and future pension costs, and the existing national industrial base including the private sector as it considers work transfer.

That an official copy of this resolution be prepared for the Secretary of the United States Air Force as an expression of the high regard of the legislature for the defense contractors and their employees located at the Port of San Antonio.