

Economic Impact of Niagara Falls Air Reserve Station and Niagara Frontier Transportation Authority at Niagara Falls International Airport



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Niagara Falls Air Reserve Station Synopsis

In response to the U.S. Department of Defense's recently announced forced restructuring, we want to emphasize the importance of the Niagara Falls Air Reserve Station (NFARS), including the 914th Airlift Wing and 107th Airlift Wing. While we recognize the need to cut costs, we believe restructuring decisions must be strategically designed to ensure our regional and national security, while also recognizing the economic impact military installations have on our local communities.

NFARS is as critical to Western New York's economy as it is to our nation's security. Located less than three miles from an international border, the Niagara Falls base plays a vital role in our nation's military readiness and response capability, and provides security along our northern border. The base employs over 2,600 individuals accounting for nearly 3,300 jobs and has a total economic impact of more than \$200 million annually. Making cuts at NFARS will jeopardize military readiness and homeland security as well as cause catastrophic economic impacts to Western New York.

The enclosed narrative emphasizes the vital importance of the NFARS and includes the following sections:

- Overview of the military units at the base and the core mission of each. Information and statistics on the overall military value of the base is provided.
- Overview of the adjacent Niagara Falls International Airport including the new terminal, landside and airside improvements, scheduled service, charter service, and air cargo operations.
- Joint Use Agreement between the Niagara Frontier Transportation Authority (NFTA) and NFARS for operation and maintenance of the Niagara Falls International Airport.
- Discussion on the role of the base in protecting and responding to threats against critical infrastructure assets including two international airports, four international highway crossings, two international rail crossings, and two major hydro-electric power generating plants.
- Role of NFARS in local, regional, and national disaster response efforts.
- Economic impact of military operations at the base including jobs, payroll, local procurement and service contracts, and economic spinoff at the base.
- Economic impact of civilian operations at the airport including the NFTA, the fixed-based operator, and the airlines.
- Overview of efforts to market sites at and around the airport for air cargo and aviation-related development.
- New proposals for NFARS including locating a C-130 flight simulator at the base, creating a research partnership between the Air Force and the University at Buffalo to develop new aviation technologies, and the construction of a new border patrol station.
- Summary highlighting the major points identified in the report.

Economic Impact of Niagara Falls Air Reserve Station and Niagara Frontier Transportation Authority Operations at Niagara Falls International Airport

Overview of Niagara Falls Air Reserve Station and International Airport

Military Operations, Assets, and Value

The Niagara Falls Air Reserve Station (NFARS) is Niagara County's largest employer with over 2,600 military and civilian employees. When coupled with on-base tenants, contractors, and dual service positions, the base accounts for nearly 3,300 jobs. The base houses tenants from the U.S. Air Force, U.S. Army, Department of Defense, and civilian units. NFARS is a regional asset with 74% of its total workforce coming from Niagara and Erie Counties and the remaining 26% living in surrounding counties. The 1,000 acre base is located on the north side of Niagara Falls International Airport (NFIA) in northwestern New York State.



NFARS is strategically located on the Canadian border between Lake Erie and Lake Ontario, just three miles northeast of the City of Niagara Falls, New York. This strategic location offers 15,000 square miles of Military Operations Area (MOA) / Low Altitude Training and Navigation Area (LATNA) within 30 nautical



miles (nm) of the base. There are two drop zones located on NFARS airfield; four drop zones within 40 nm; and seven within 150 nm. The Niagara Falls Air Reserve Station has the ability to accommodate eight additional aircraft with no new construction; ramp space for assignment of an additional twelve aircraft; up to 26 aircraft in surge capacity; and lodging and administrative operations support for additional space. Buildable acreage is also available at NFARS as well as to the east and west of the base to support any new or expanded mission requirements.

The 914th Airlift Wing of the U.S. Air Force Reserve operates 12 Lockheed C-130H2 Hercules tactical airlift aircraft jointly with the 107th Airlift Wing of the New York Air National Guard. The 914th has carried out many missions in support of military operations in Iraq and Afghanistan and is among the most experienced units in the U.S. Air Force.



The 107th Airlift Wing of the New York Air National Guard jointly operates the C-130H2 aircraft identified above. It too is one of the most experienced units in the U.S. Air Force having flown a variety of different aircraft including the F-51, F-86, F-100, F-101, F-16, KC-135, and the C-130. The core mission of both the 914th and 107th is to provide airlift and military personnel in support of federal and state contingencies while maintaining the highest state of readiness.



The 865th Army Combat Support Hospital of the U.S. Army Reserve provides resuscitation, initial wound surgery, and post-operative treatment to wounded soldiers; aids return-to-duty soldiers in the combat zone who fall within the corps evacuation policy; and stabilizes patients for further evacuation. The 865th is assigned to the 8th Medical Brigade. At full strength, the 865th can provide hospitalization for up to 296 patients.



The 1982nd Forward Surgical Team of the U.S. Army Reserve is part of the U.S. Army Medical Department. The 1982nd operates under the 8th Medical Brigade, providing advanced medical support in forward operating bases.



The 277th Quartermasters Corp of the U.S. Army Reserve provides petroleum delivery and support for the nation's military. The unit receives, stores, accounts for, cares for, dispenses, issues, and ships bulk or packaged petroleum, oil, and lubricant (POL) products.



The 2nd Squadron of the 101st Cavalry of the New York Army National Guard is a squadron of highly mobilized soldiers that provide combat and mission support for U.S. Army operations. The 2nd Squadron of the 101st Cavalry has been deployed to many U.S. combat zones.



The Buffalo Military Entrance Processing Station (MEPS) is one of 65 MEPS located nationwide as well as in Puerto Rico. The mission of U.S. MEPCOM and the Buffalo MEPS is to process individuals for enlistment or induction into the armed services, based on U.S. Department of Defense approved peacetime and mobilization standards. The Buffalo MEPS covers a geographical area that encompasses 11 counties in New York and 3 counties in Pennsylvania. MEPS is staffed with personnel from all branches of the military.



Following the Base Realignment and Closure Commission in 2005, NFARS became the first joint operation between Air Force Reserve and National Guard units. The 914th and 107th continue joint operations, which has attained significant cost savings. In addition to jointly maintaining and flying 12 C-130H2 aircraft, the units jointly participate in operational deployments, maintain joint use of facilities and equipment as well as conduct integrated training and resource sharing. The cooperation among these two units has become the benchmark and model for future associations of Air Force Reserve and National Guard units.

Approximately 74% of the members of the 914th and 107th live within 50 miles of the base, keeping travel costs for NFARS's staff at a minimum. If NFARS's reservists had to travel to the nearest alternative base, the additional travel costs would consume as much as one-third of their gross pay, which would deter most of the highly trained and experienced members from participating in the reserve program. This would permanently deny the Air Force Reserve its most combat-proven personnel team, the team from NFARS.

Civilian Operations, Assets, and Value

NFARS operates under a Joint Use Agreement with the Niagara Frontier Transportation Authority (NFITA), which owns and operates NFIA. The state-of-the-art \$31.5 million terminal at NFIA opened in December 2009. The new terminal was a major component of an overall \$42.5 million airport improvement project. The almost 70,000 square foot facility is three times the size of the former terminal, with a second



story that includes two large gates with passenger boarding bridges. The two gates on the ground level are designed for ground loading operations. NFIA, and the new airport terminal, have become a significant economic development driver in Niagara County. In the New York State Economic Impacts of Aviation - 2010 Technical Report released in May 2011 by the New York State Department of Transportation, NFIA is cited as having an important economic impact on the Western New York

Region providing \$158 million in economic output and having a total employment impact of 2,000 jobs annually. The report identifies the airport as one that is transitioning from general aviation and military use to one that also includes significant scheduled passenger service. Construction of the new terminal at NFIA has been a catalyst for attracting scheduled passenger flights.

In January 2011, Spirit Airlines commenced year round scheduled flight service from NFIA to Fort Lauderdale, and seasonal service to Myrtle Beach (spring to fall); Spirit's flight service at NFIA is currently ongoing. In December 2011, Allegiant Air commenced year round scheduled flight service from NFIA to Tampa/St. Petersburg. In February 2012, the airline added year round scheduled service to Orlando-Sanford; Allegiant's flight service at NFIA is currently ongoing. With the new terminal, the NFTA is in a better position to attract additional air service, both scheduled and charter.



Enplanements at NFIA nearly tripled in 2011 with 98,604, compared to 34,675 in 2010. Approximately 80% of the airport's passengers originate from Ontario, Canada. This influx of Canadian traffic has benefited local retail outlets, restaurants, hotels and motels. The development of NFIA has contributed significantly to the construction of new hotels/motels along Niagara Falls Boulevard. A Holiday Inn Select and Motel Six have opened for business recently and five more hotel/motel projects have been approved by the Niagara County Industrial Development Agency including a Ramada Inn, Microtel, and Comfort Inn. On nearby Military Road, a new Chili's restaurant as well as a Buffalo Wild Wings and Olive Garden have opened for business, and a Panera Bread Restaurant is currently under construction. The Niagara Falls Fashion Outlet mall has also reported significant increased business. In 2011, Fashion Outlets reported \$200 million in gross sales.

Recently, this activity led to the creation of a Niagara Falls International Airport Stakeholders Group; a group of local stakeholders whose focus is on growing the Niagara Falls International Airport. The Niagara County Center for Economic Development is coordinating the effort and so far has been successful in working with the Niagara Tourism and Convention Corporation, the Seneca Niagara Gaming Corporation and the Fashion Outlets. The mission statement for this newly formed group is clear: "To gather together stakeholders from business, government, hospitality, tourism and other interested parties to explore, devise and develop processes, procedures and resources that will help support the development of air services at NFIA."

NFIA, in a joint effort with the U.S. Air Force, is also undergoing major infrastructure improvements, helping it move into areas other than its traditional role in the past as an airport used primarily for general aviation. The improvements are a joint effort between the Air Force, the Federal Aviation Administration (FAA), the New York State Department of Transportation (NYSDOT), and NFTA. In the past decade, the length of the airport's main runway (28R/10L) was extended to more than 10,000 feet, which can accommodate any size military or commercial aircraft. In summer 2011, the airport's largest secondary runway (6/24) underwent significant improvements related to the runway's Safety Area. This summer (2012), the airport's main runway (28R/10L) received a new mill and overlay. NFIA now has a two-mile long runway with overruns and is stressed for heavy military operations.

NFIA is a critical component of the WNY Regional Economic Development Council's 5-year strategic plan, "A Strategy for Prosperity." The plan emphasizes how exports play an important part in our region's economy, with exports from the Buffalo-Niagara Falls Metropolitan Statistical Area totaling \$7.2 billion annually (11.6% of our Gross Metropolitan Product), and accounting for 48,000 jobs. NFIA is cited in the plan as a key transport logistics facility that will help the region build on our export base, creating further economic and employment opportunities for the region. NFIA has been used by local manufacturers to ship large products overseas using the Russian Antonov cargo plane, which has to use NFIA due to the length of runway needed for takeoff and landing.



NFIA also serves as a reliever airport for Buffalo Niagara International Airport and is used extensively for general aviation activity, with a general aviation itinerant apron, fixed based operator building/hangar, airport administration building, and service vehicle garage located to the west of the terminal building. The itinerant apron provides parking for transient and FBO aircraft. A second general aviation area contains hangars and tie downs for based aircraft and aviation organizations. Current plans include additional apron space for general aviation hangar construction. Presently, there are eight conventional hangers, 14 “nested” T-hangers, 55 tie downs, and 17 conventional hangar buildings of various sizes on site. All aircraft hangars in this area are privately owned and constructed over a paved apron area. With the recent expansion of this area, paved tie downs are now available for over 60 aircraft.

Joint Use Agreement between NFARS and NFTA

The Joint Use Agreement between the U.S. Government and the Niagara Frontier Transportation Authority outlines various responsibilities for operating and maintaining NFIA. In effect, the agreement states the airport is owned by the NFTA, and in exchange for access and uncompensated use by the U.S. Government, the military units of NFARS provide certain shared services and equipment.

According to the agreement, the NFTA is responsible for furnishing all utilities necessary to operate the airport, removing disabled civilian aircraft in a timely manner, and ensuring the Airport Manager or his designee is present or on-call at all times. The NFTA is also responsible for the following maintenance:

- The surface of the runway including all airfield markings
- Runway, taxiway, and approach lighting including all regulators and controls
- Beacons, obstruction lights, wind indicators, and other navigational aids
- Drainage, grass cutting and grounds care, and dust/erosion control
- Sweeping the runways and taxiways
- Insect, pest, and animal control
- Removing, snow, ice and other hazards from runways and taxiways except those designated as the responsibility of the U.S. Government

The agreement indicates the U.S. Government is responsible for the following:

- Removing disabled government aircraft in a timely manner
- Removing snow and ice from runway 28R-10L and taxiways A, A1, A2, and A3
- Providing and maintaining tactical aid to navigation (TAC)
- Loaning and maintaining grass cutting equipment for use by the NFTA
- Providing aircraft fire-fighting and crash rescue services for the airport
- Wildlife services maintaining the safety of the airfield

The value of services and equipment provided by the NFTA to the benefit of the U.S. Government has not been calculated. However, the services and equipment provided by the U.S. Government to the NFTA is valued as follows:

Fire-fighting and crash rescue services

- \$12 million for fire trucks and fire stationing
- \$4 million in operating expenses

Snow and ice removal

- \$2.25 million for snow removal equipment
- \$75,000 in annual operating expenses

TAC

- \$1.2 million in annual maintenance costs

Weather services

- \$325,000 in annual operating expenses

Maintain runway costs (1/3 U.S. Government)

- \$7 million for mill and overlay work of main runway (28R/10L)

The total value of services provided to the NFTA by the U.S. Government is \$21.25 million for capital equipment/facilities and another \$5.5 million in annual operations/maintenance expenses.

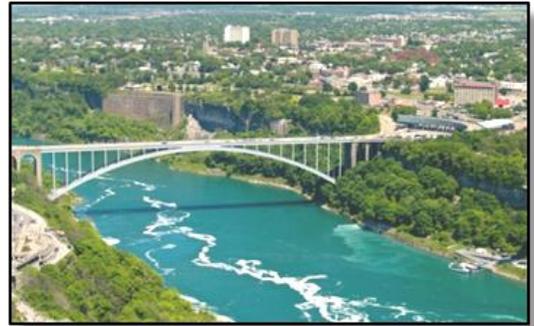
Homeland Security

Critical Infrastructure

The Niagara Falls Air Reserve Station is located less than three miles from the United States/Canada border and is the only military installation in Western New York. NFARS is strategically placed in close proximity to the international border and plays a critical role in homeland security. NFARS' tactical position in the Western Hemisphere cannot be denied.

NFARS is located near the heart of the "Golden Horseshoe" which stretches from Toronto to Rochester and is home to more than 10 million people, the third largest population area in North America. The base is located within 500 miles of 41% of the continental United States population and 59% of the Canadian population. NFARS plays a vital role in the protection of this population.

In close proximity to NFARS there are two international airports, four international highway crossings, two international rail crossings, and two major hydro-electric power generating plants. The international crossings facilitate \$82 billion in annual trade between the United States and Canada. As a border city airbase, NFARS is close to the Robert Moses Power Plant in the United States and the Sir Adam Beck Power Plant in Ontario, Canada. These combined hydroelectric power plants supply a significant amount of power to Canada and the eastern United States, including to the economic banking capitols of New York City and Toronto.



Disaster Response

In recent years, the units at NFARS have provided critical air ambulance and other life-saving services in response to Hurricane Irene, Tropical Storm Lee, and the devastating earthquake in Haiti in 2010. The base also continues to serve vital day-to-day roles in supporting Air Force requirements, missions and other operations overseas. The availability of cargo planes at NFARS is essential for homeland defense and disaster-response missions. Since NFARS has both the 917th and 107th airlift wings servicing planes, resources can be dispatched quickly and emergency response times are reduced. NFARS is a central part of New York State's emergency response team and has demonstrated an ability to integrate and operate with other military forces and civilian agencies responding to man-made and natural disasters. Governor Cuomo has utilized the National Guard to assist with natural disasters that have devastated parts of NYS in the last few years.

Economic Impact of NFARS and NFTA Operations

Economic Impact of Military Operations

The 914th Airlift Wing of the U.S. Air Force Reserve employs 1,281 military and civilian personnel and has an annual economic impact of \$110.2 million, while the 107th Airlift Wing of the New York Air National Guard employs 824 military and civilian personnel and has an annual economic impact of \$54.9 million. The U.S. Army units at NFARS employ another 531 military and civilian personnel and have an annual economic impact of \$32.1 million. In addition, the Buffalo Military Entrance Processing Facility employs approximately 30 individuals and has a \$3.8 million annual economic impact. [Annual economic impact includes direct spending on payroll and benefits, local service and procurement contracts, capital projects, and other spending as well as payroll for indirect jobs created.] **Data for all units combined indicates that the Niagara Falls Air Reserve Station employs over 2,600 individuals and has a total annual economic impact of more than \$200 million.**

The Niagara County Industrial Development Agency conducted an IMPLAN analysis to evaluate the potential economic fallout that could result from full removal of the 914th and 107th Airlift Wings from the Niagara Falls Air Reserve Station. [IMPLAN software is widely recognized as the industry standard for economic impact analysis.] The IMPLAN analysis revealed elimination of these units from NFARS would result in the loss of 2,928 direct jobs with payroll of \$81.9 million as well as loss of another 1,288 indirect jobs with payroll of \$55.7 million. It would also result in the loss of \$42.6 million in annual sales tax, property tax, and other tax revenue. **Removing the 914th and 107th Airlift Wings from NFARS would result in the loss of over 4,200 direct and indirect jobs with annual payroll of \$137.6 million. The total direct and indirect economic loss would be nearly \$190 million annually when loss of local tax revenue and local business contracts are factored in. In addition, loss of the 914th and 107th Airlift Wings would raise the unemployment rate in Niagara County from 6.1% to 7.0%.**

Economic Impact of Civilian Operations

There are 17 companies and government agencies operating or supporting operations at Niagara Falls International Airport. In addition to the Niagara Frontier Transportation Authority (NFTA), they include the U.S. Transportation Security Administration (TSA), U.S. Customs and Border Protection (CBP), Niagara Falls Aviation, Winner Aviation, Command Security, Contract Tower, Weather Service, YWCA Catering Crew, Enterprise Rent-A-Car, Rainbow Tour, Blue-Star Taxi, Standard Parking, BRP Aviation Flight School, 656 Corp., NGL Holdings, and Calspan.

A brief survey was conducted to gather data for an economic impact analysis with 13 of the 17 companies/government agencies responding (NFTA, TSA, CBP, Niagara Falls Aviation, Winner Aviation, Command Security, YWCA Catering Crew, Blue-Star Taxi, BRP Aviation Flight School, Rainbow Tour, 656 Corp., NGL Holdings, and Calspan). Upon receiving the survey results, the Niagara County Industrial Development Agency conducted an IMPLAN analysis to evaluate the economic impact of these operations.

The results of the IMPLAN analysis indicate there are at least 179 direct jobs at NFIA with a total annual payroll of \$13 million. These direct jobs support an additional 62 indirect jobs in Niagara County with \$2.8 million in annual payroll. The analysis also indicated these operations contribute \$2.2 million in annual sales tax, property tax, and other tax revenue. **Combined, civilian operations at Niagara Falls International Airport create at least 241 direct and indirect jobs and contribute \$18 million annually to the local economy.**

Total Economic Impact

All totaled, military and civilian operations at Niagara Falls International Airport directly employ over 2,800 individuals and contribute nearly \$220 million annually to the local economy.

Ancillary Economic Development

Niagara Falls Army Reserve Center

The U.S. Department of Defense is scheduled to convey this complex to the Town of Niagara Local Redevelopment Authority in 2012 for the purpose of economic development. An assessment has been conducted for the 22-acre site and accompanying buildings, located adjacent to NFIA. There is nearly



150,000 square feet of leasable space, including a 65,000 square foot hangar. A reuse plan has been prepared for the site recommending a mix of light industrial uses for the property with an emphasis on aviation and aerospace related activities, including air cargo operations. There have been a number of companies that have shown interest in the site as the LRA awaits final conveyance. Reuse of the site will create new jobs and investment in the community and its redevelopment is identified as an important project in the Western New York Regional Economic Development Council's 5-year strategic plan.

Niagara Airport Commercial Park – A New York State Certified Shovel-Ready Site

The Niagara Airport Commercial Park is in the final stages of review by New York State for “Shovel-Ready” certification through the State’s “Build Now New York” program. Certification means the State Environmental Quality Review process has been completed for the site, allowing it to be fast-tracked for development. The 216-acre site located on the southwest side of Niagara Falls International Airport is proposed for high technology manufacturing facilities, especially those that might benefit from access to air cargo operations. The conceptual site plan outlines a total build-out of 850,000 square feet over two phases. Development of the site will create new jobs and investment.

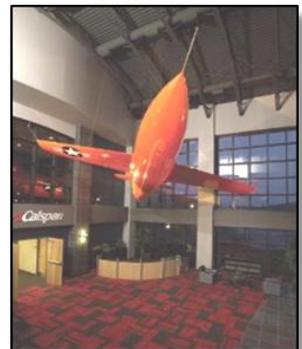
Niagara Falls International Airport Adjacent Property Inventory

As mentioned earlier in this report, the new passenger terminal at NFIA has been and continues to be a catalyst for economic development in a number of industry sectors. In order to capitalize on this momentum, the Niagara County Center for Economic Development (NCCED) created a website to highlight available buildings and sites for new development opportunities. There is a significant amount of vacant land within a three-mile radius of NFIA, which the NCCED continues to promote for high tech manufacturing, air cargo, warehousing and distribution/logistics, aircraft maintenance, and other activities. The property inventory website can be accessed online at www.niagaraairportproperties.com.

NFIA has direct and easy access to major highways with no encroachment issues. Additionally, the surrounding land area is consistent with airport layout plans as required by the FAA and military. Zoning in the surrounding areas considers both civilian and military airport operations and provides for compatible land uses to maintain and support these operations.

Calspan Research

Calspan Corporation’s Flight Research Center, located at NFIA, provides aeronautical research and technology development services for a variety of fighter and transportation aircraft. Calspan specializes in the design, development and manufacture of in-flight simulators. The Flight Research Group provides critical flight control, pilot training and flying quality analysis services. It offers flight dynamics courses for test pilots and flight test engineers for the U.S. Air Force and the U.S. Navy, as well as international test pilots. Additionally, the Flight Research Group coordinates an advanced maneuver and upset recovery training program. Founded in 1940, Calspan Corporation is one of the world’s leading aeronautical technology companies. Calspan's in-flight simulator is a one-of-a-kind airplane,



equipped with a programmable flight control system that teaches pilots how to recover from airborne upsets. Over the past decade, the in-flight training, based in Niagara Falls, has been used for research, and to teach test pilots and corporate pilots potentially life saving techniques. Its location at NFIA with direct access to an airfield is an obvious advantage to Calspan, which is critical for the company's continue operation in Niagara Falls and Niagara County.

New Proposals for NFARS

C-130 Flight Simulator

The National Defense Authorization Act for Fiscal Year 2013 passed by the U.S. House of Representatives on May 18, 2012 (H.R. 4310) includes \$6.1 million in funding for acquisition, architectural and engineering services, and construction of facilities for a full-motion C-130 flight simulator to be built at the Niagara Falls Air Reserve Station. This would be the only C-130 flight simulator in the Northeast, serving six C-130 Airlift Wings across the Northeastern U.S. The bill has been referred to the U.S. Senate. The simulator would bolster NFARS as a critical C-130 flight training center.

UB Research Partnership

On June 21, 2012, U.S. Senator Charles Schumer (NY) announced a proposal to establish a strategic partnership between the University at Buffalo and the U.S. Air Force that would lead to development of a research hub at the NFARS. The research partnership would focus on improving Medivac technology, developing cutting-edge intelligence and surveillance methods, and bolstering border management. The proposal is to create a Center for Military Medical Evacuation, Normalization, and Triage that leverages ground-breaking life and health sciences research taking place at UB and the Buffalo-Niagara Medical Campus. The research hub would also leverage the cutting-edge computer vision and information fusion research being conducted at UB, which would assist the Air Force in synthesizing an ever-increasing array of complex data streams (such as aerial and thermal imagery, high definition video streams, and audio data) into actionable intelligence. In addition, the research partnership would develop and evaluate cutting-edge border security technologies to potentially include biometrics, vehicle classification, and situational awareness technologies. This would complement plans to locate a U.S. Customs and Border Protection station at NFARS, which is described below.

U.S. Customs and Border Protection Station

The Department of Homeland Security (DHS) and U.S. Customs and Border Protection (CBP) are planning to construct a new Border Patrol Station at NFARS. The new station will accommodate up to 75 agents and provide additional space for training, administration, vehicle maintenance, and other activities that are essential to protecting our nation's northern border. The CBP's new border patrol station at NFARS will also help strengthen the NFARS' role as an active and central player in U.S. national defense.

Summary

The Niagara Falls Air Reserve Station (NFARS), which includes tenants from the Air Force, Army, Department of Defense, and civilian units, is strategically located on the Canadian border between Lake Erie and Lake Ontario, just four miles northeast of the City of Niagara Falls, New York. The close proximity to the international border including two international airports, four international highway crossings, two international rail crossings, and two major hydro-electric generating power plants, emphasizes the critical role that NFARS plays in national defense and homeland security.

In response to the U.S. Department of Defense's recently announced forced restructuring, we want to emphasize the importance of NFARS, including the 914th and 107th Airlift Wings. While we recognize the need to cut costs, we believe restructuring decisions must be strategically designed to ensure our regional and national security, while also recognizing the economic impact military installations have on our local communities. Making cuts at NFARS will jeopardize national defense, military readiness, and homeland security as well as cause catastrophic economic impacts to Western New York.

In light of the continuing War on Terror and efforts to improve homeland security, it is shortsighted to downsize a base that is strategically located to protect our international border crossings and major power suppliers. The base serves as a first line of defense for threats against this critical infrastructure. How will the Department of Defense defend this region, or the National Guard respond to man-made or natural disasters, if massive cuts are made to NFARS?

NFARS is Niagara County's largest employer with over 2,600 employees. When coupled with on-base tenants, contractors, and dual service positions, the base accounts for nearly 3,300 jobs and a total annual economic impact of more than \$200 million. Civilian operations at Niagara Falls International Airport create at least 241 direct and indirect jobs and have an \$18 million annual economic impact. Combined, the military and civilian operations directly employ over 2,800 individuals and contribute nearly \$220 million annually to the local economy.

Removing the 914th and 107th Airlift Wings from the NFARS would result in the loss of over 4,200 direct and indirect jobs with annual payroll of \$137.6 million. The total direct and indirect economic loss would be nearly \$190 million annually when loss of local tax revenue and business contracts is factored in. Loss of the 914th and 107th would also raise the unemployment rate in Niagara County from 6.1% to 7.0%, an increase of nearly 1 full percentage point.

Past attempts to reduce the NFARS footprint in Western New York have failed because it is not cost effective. In 2005, after an exhaustive examination of the facts, the BRAC commission concluded it would take over a quarter of a century before the Department of Defense would see any cost savings from closing NFARS. In fact, the BRAC examination demonstrated the alleged savings that would be achieved by closing Niagara was not accurate, and the federal government would actually save money by keeping the local air base open. Since 2005, significant investment has been made at NFARS, making the site even more valuable to the nation's and the military's mission than before. These new additions include a new training center, buildings to house the Buffalo Military Entrance Processing Facility, more sophisticated coordination between base operations, and a state-of-the-art firing range. New proposals are also being considered for NFARS including constructing the only C-130 flight simulator in the Northeast; establishing a strategic partnership between the University at Buffalo and the U.S. Air Force that would lead to development of a military research hub at NFARS; and constructing a new Border Patrol Station.

At a time when our nation must work to reduce the national deficit, it is important that we identify the most efficient and timely ways to do so. As retired Air Force Chief of Staff General Fogleman stated in a recent article, the Air Force should leverage its Reserve and Guard Components more, rather than less, to achieve increased cost efficiencies. NFARS should be left intact and additional missions should be added to further enhance one of the crown jewels of the U.S. Air Force.