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# OFFICIAL TRANSCRIPT PROCEEDINGS BEFORE

DEFENSE SECRETARY'S COMMISSION

ON

BASE REALIGNMENT AND CLOSURE

BUSINESS MEETING

NATIONAL SECURITY INFORMATION
Unauthorized Disclosure
Subject to Criminal Sanctions

Washington, D. C.

November 14, 1988

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DEFENSE SECRETARY'S COMMISSION

ON

BASE REALIGNMENT AND CLOSURE

BUSINESS MEETING

9:00 a.m.

Monday, November 14, 1988

Room 310

1825 K Street, N.W.,

Washington, D.C.

MEMBERS PRESENT:

HON. JACK EDWARDS, Co-Chairman

HON. ABRAHAM A. RIBICOFF, Co-Chairman

HON. W. GRAHAM CLAYTOR, JR.

DONALD F. CRAIB, JR.

HON. THOMAS F. EAGLETON

HON. MARTIN R. HOFFMANN

GENERAL BRYCE POE, II, USAF (Ret.)

DR. JAMES SMITH

VICE ADMIRAL WILLIAM H. ROWDEN, USN (Ret.)

GENERAL DONN A. STARRY, USA (Ret.)

ALSO PRESENT:

HAYDEN G. BRYAN, Executive Director

DOUG B. HANSEN, Research Director

RUSSEL MILNES, Counsel

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P R O C E E D I N G S

CHAIRMAN RIBICOFF: The Commission will come to order.

Before we begin, I would like to welcome our two newest Commissioners: Senator Tom Eagleton and Vice Admiral Bill Rowden.

Welcome to our group.

We have a lot of work to do, gentlemen, which is ahead of us these next two days, and I know that staff has prepared extensive briefings for us.

Before you is a background book containing pertinent papers for discussion, or for your information.

Mr. Hansen will start the briefings by going through the contents of the book. We will then move straight into deliberations for each category of base, beginning with the Army, to be followed by the Navy, Marine Corps and Air Force.

There is a schedule for the next two days in the background book.

Chairman Edwards, would you like to add something

CHAIRMAN EDWARDS: Thank you, Mr. Chairman.

I have just a couple of maybe ground rules, if you will.

We are going to keep the vote open on final action until the absent Commissioners can have a chance

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to review, although I can say that Mr. Cabot has endorsed the process. He has been here many times in the last few weeks and has been going over material. We have a letter from him asking us to go forward and that he has no problem with the process that we are undertaking.

As you can see, we are making a transcript of these proceedings today. It will be at the level of classification of SECRET, and for more reasons than one, I suggest to you that, whatever goes on here, until it becomes official, you should not talk about it. The main reason, aside from the normal reasons, is you don't want your phones ringing off the wall.

What we do in here is extremely important. I don't need to tell you that. But it is also important that we keep this closely held until the proper time.

We have asked the staff to present some basic data on each of the categories and the bases, and we will try to keep the presentations to a minimum, so long as we all have the information we need.

What we would like to do is get through the whole process in the next two days, all of the categories, all of the candidates for closure, so that by tomorrow afternoon we will generally, we will basically know where it is that we are going. We will certainly then take any questions and discussions and look at consolidation of bases, at

inter-service marriages, and at one thing or another.

I want personally, on behalf of Senator Ribicoff and myself, to thank all of the staff people who are in this room and, through them, all of the staff people who are in other rooms of this complex. They have worked as hard as any staff I have ever been associated with. They have been working all weekend, getting down to the wire for today's meeting.

I would imagine that there are a bleary eyes in here and in the offices, and on behalf of all of you, I want to thank the staff for what you have been doing.

Finally, I think it's going to be very important over the next few weeks that all of us do what some of us have been doing, and that is conducting what I call "go and see" tours. To the extent that we can go out and look at these facilities, our report will be enhanced, and our work will be better supported.

And so, any of you who have a day or two that you can devote to go and see, to visit, I think, come next March or April, when we are sitting before the Senate, it will enhance the report that we have for the Senators.

Does anybody else have any comment before we get started?

(No response)

CHAIRMAN EDWARDS: I want to thank the Commissioner

before we start for the time and effort that they have all put in.

I welcome the new Commissioners. I know you have a mountain of work that has been sent to you. But we hope that all of that will now start to become clear as we start to look at these facilities.

Abe.

CHAIRMAN RIBICOFF: Does any other Commissioner want to make a comment?

(No response)

CHAIRMAN RIBICOFF: Thank you.

Mr. Hansen, you may proceed.



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THE PROCESS:

REVIEW COMMISSION PROCESS;

COMMISSION JUDGMENT;

REVIEW RESULTS OF ANALYSES (PROCESS);

-- PHASE I

-- PHASE II

BACKGROUND BOOK,

DOUG HANSEN AND RUSSEL MILNES

MR. HANSEN: Thank you.

I would like to refer you to the backup book that we have prepared for you and go quickly through it, if I could, before we start with the Army.

At Tab 1 is the schedule for the next two days, beginning with a brief, half-hour review of what we have done, what we have accomplished, where we stand today, followed up immediately, at 9:30, with a block of three and a half hours to go through the Army. We'll then break for lunch, and continue with a block of three hours to go through the Navy. At that time, having done two major Departments or Services, we should be able to discuss the press release, which is also in your book, because that will need to be finalized for release tomorrow.

That press release was sent to you last week.

We will recess, we hope, at 5:30.

Tomorrow [illegible] little early start -- we

will have a group photo, and beginning at 9:00, we have allowed a block of two and a half hours for the Air Force, an hour and a half for the Marine Corps -- which may not take that long; then there is another break for lunch, and then we will go into Task Force 6.

So, all of the deliberations that I spoke to you of before, Army, Navy, Marine Corps and Air Force, are only the major installations, not the Task Force 6 installations.

Then we will close out Tuesday with Defense Agencies, will go over a few decision papers that we need to finalize, and will then open the discussion for what we call "New Business," or what I would refer to as more staff work in areas in which the Commission is interested.

At Tab 2, if you would turn to that, I would like briefly to take you through what we have accomplished, and I will do this briefly because most of this you have been able to see before.

(A series of slides was shown)

MR. HANSEN: The Charter, our Charter, requires that the Commission develop a process. So, at the last five business meetings that we held, we have been working on that process almost exclusively, describing, at least my testimony, describing the various elements of it. Basically, it boils down to a way to winnow the total number of installations down to manageable size, which we accomplished

in two phases. In the first phase, we analyzed all installations in six Task Forces, and the prime evaluation factors for analyzing all installations were their military value and whether or not there was any excess capacity, either at a base or in a category of bases. Cost was not one of the factors.

In Phase II, again, winnowing the total down, we identified potential candidates for closure and we then analyzed options, developed options, for the relocation of the activities at those candidate bases. Then we will run all of those options through our payback, environmental and socioeconomic screens.

Russ, do you have anything to add?

MR. MILNES: I just want to comment briefly on the environmental.

You will see, as we go through the slides later this morning, that there will be an environmental analysis. I want you to understand that it was based on the Commission's direction and Mr. Train's involvement. We developed a procedure, essentially of attributes, that was then applied by the Departments, the military Departments. It was a result of that analysis that has been added back into this summary that you will be reviewing. That is where it comes from and Mr. Train has endorsed it.

MR. HANSEN: The socioeconomic impact was based on a

decision paper we discussed at one of our business meetings, and the statistics have been collected as per your directions.

So, what we are here to do today is to go over the results of that process.

Now, any process is, by its nature, somewhat mechanical. What we need to do, then, is make decisions about that process.

I would like to just say a few things about that.

The first thing I would like to say is that this process is unique. Without a doubt, we have collected massive amounts of information, and when the Service representatives come in to help me go through each Service, you will see, literally, piles of books. Many of you have come in and gone through them.

In all cases, we have driven the train. The Commission has driven the train. Many times this has been to the consternation of one or more Service.

It's clear that this process has never been used before. We have never found any example of a comprehensive base analysis, except for Secretary McNamara's timeframe, when cost was the main criterion.

We have worked very hard to take as much political bias out of it as possible. I cannot sit here today and tell you that there is no chance for it; but there is little chance for it. We have collected objective information,


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for the most part.

The focus of our process is --

CHAIRMAN EDWARDS: Let me interject that there is no political bias on this Commission

MR. HANSEN: Right. It's from the Service side.

CHAIRMAN EDWARDS: Correct.

MR. HANSEN: Yes, or chance for it.

The focus of the process was military value. However, while we are saving money, and that is clearly what we are here for, we are improving readiness in many ways. They may be subtle and we certainly may have a hard time measuring them. But I think we can clearly say that our process improves military posture, readiness, the Department's overall ability to perform its mission.

The process required expert advice from the Services in such things as what is important for military value, what constitutes excess capacity, what is meaningful excess capacity, and also in developing options for relocating activities.

We have also built into the process checks and balances. We have obtained outside validation of Service inputs. If you recall, the legislation from Congress directed that we find ways to use outside validators, as we call them, someone who is not beholden to the Secretary of Defense and the staff for their next job and

we have brought a team of people on board for that purpose.

They have gone over all the inputs for reasonableness, completeness and consistency, providing a kind of dual-stage role: looking at it both from an auditor's perspective, but also from a reasonable man approach, just would a reasonable man accept this, a man on the street.

We are also checking the raw data. We have developed a system of checks which is based on doing both a Headquarters level check, a Washington level check of information, and then selected field visits to check that. So we learn two things. We learn not only whether the data was accurate from the field to the Headquarters, but we learn whether our way of checking things in Headquarters works.

This may help us if the Commission decides not to visit closure candidates. Now, that is still to be discussed, but that may help us.

MR. CRAIB: Have you discovered any erroneous data?

MR. HANSEN: We have discovered small differences in data, but I don't think they would be significant.

General Poe has done one of these visits himself and, sir, maybe you would like to comment.

GENERAL POE: Well, what I think I found was that the Headquarters of at least one of the Services, had determined things generically, rather than talking



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the stations themselves. This is very dangerous, and I believe that, in this particular case, I don't know it made that much difference, except on the ability of that very large station to acquire, to make room for other places.

SENATOR EAGLETON: Did they up-play it or down-play it? Did they say they had a lot of excess space, or not enough?

GENERAL POE: It went both ways. It just was an indication as to maybe a decision made at the Headquarters that all they needed was battalion level exercises, which required less than half as many acres as the people there who were already conducting brigade level exercises.

So, I guess the point that I came to was, when you get to close calls, you need a tiger team or something from here to go take a look. It doesn't mean that people are lying or that people are doing anything like that. It's just that you need to go down there and take a look at that particular station.

CHAIRMAN RIBICOFF: Just out of curiosity with the point raised by General Poe, do you find that there was a question this, then, that he raises?

MR. HANSEN: A question?

I believe the main example that General Poe



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brought up was --

CHAIRMAN RIBICOFF: The close calls, how you figure that out?

MR. HANSEN: I'm sorry?

CHAIRMAN RIBICOFF: The close calls that he talks about.

MR. HANSEN: Yes? Are you asking -- I'm sorry, but I just didn't understand the question.

CHAIRMAN RIBICOFF: Were there many of them that you looked at personally, that the staff looked at personally?

MR. HANSEN: Oh. The staff visits are starting today.

CHAIRMAN RIBICOFF: I see.

MR. HANSEN: That is another reason that Chairman Edwards mentioned holding the votes open. That is another reason why we will want to go to closure on as many categories as possible here: they have to be considered tentative closure, as we are still doing raw data checks and the Commissioners have not had a chance to visit.

GENERAL POE: One other comment, Mr. Chairman, and that is I think this is going to get a lot better, because I sense also that the Services really didn't believe that this legislation was going to come. And so, we've been working on this for a long time. Some of this data

collection probably just didn't start, though, until just a few weeks ago. They have been collecting data. But I'm not sure that people were taking it for real, plus the fact that it's sort of a suicide thing -- if you start collecting the data and you don't get legislation.

So, there was a reason for that. But now, it's for real, and I would imagine that the intensity and the quality by all the Services in the data collection will be better.

SENATOR EAGLETON: Mr. Chairman, I hate to interject with a second point, as a new member, but this part intrigues me.

I was briefed a couple of weeks ago on this "close call" business. You've got these categories, and I asked him and this was his answer. When you get down to the bottom, the bad ones -- okay -- or they assume the bad ones, the quasi-bad ones, by his formula, or by our formula, there will be close calls almost to the point of decimal points. That is, Fort X will survive by a decimal point over Fort Useless, just by the closest of calls.

Now, I know that we are supposed to make close calls on Commissions. You make them in the military and people make them in the Congress. But if the data is in any way erroneous, we may be closing the wrong one.



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Now, that's a risk we take. But I think people ought to know that. Some of them are going to be very, very close. I am stating this right?

MR HANSEN: Yes, some are. But in those cases, if you will recall, at the last closed Business Meeting that we had, where we looked at the arrays with the dots on them, without names, where there were two installations that were really close, we included both in the analysis.

But, at the same time, "close" is a relative thing. One person's close is another person's far away, and we hope we have made the right decisions. But that is what we are going to go over today.

If the Commission feels that we should have analyzed another base, we can do that, we can add another installation.

SENATOR EAGLETON: Will you identify when we get to the close calls --

MR. HANSEN: Yes, sir..

SENATOR EAGLETON: -- the Fort X as a close call, as contrasted with Fort Y? Tell us when we get there, will you?

MR. HANSEN: Yes, sir. It should become clear when we put the array up.

The last thing I would like to mention again is this. As I said, any process, by its very nature, is

somewhat mechanical. There is a great deal of room for Commission judgment in this process.

Clearly, which bases to close, that's Commission judgment. Where to locate activities -- we have some options for you. We have developed the paybacks. If you support them, fine, but if you don't, there are other options available.

Another very key one is when to deviate from the process. If the process doesn't work very well in some categories -- and we will point those out to you -- then perhaps using the process in that category is not the best way. There might be a better way.

We have a question of whether or not to stick hard and fast to the six year payback, and I will ask Russ in a minute to talk about that.

Environmental impact, socioeconomic impact, geographical impact -- we don't have have hard-line, pass-fail, if you will, types of lines. Those are judgment calls that the Commission will have to make.

Behind the two charts that I just went over are, for your information -- and I will not talk to them right now -- a copy of our Charter, which has recently been revised to reflect 12 Commissioners; a copy of the military value array that we used, if you want to refer to it; a copy of the capacity analysis questions that we asked, if



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youwant to refer to it; a description, a wire diagram, of our Phase II process; and the Phase II decision rules. That is all in Tab 2 for your reference.

What I would like to do right now is give you the results that the process came up with.

DR. SMITH: Mr. Chairman, may I ask a question?

CHAIRMAN EDWARDS: Of course.

DR. SMITH: Doug, has this been briefed to GAO and are they happy with the process?

MR. HANSEN: No.

DR. SMITH: The process has not been briefed to GAO?

MR. HANSEN: No.

We haven't even put out the press release that describes in even in broad terms what our process is. The only public record -- if you consider GAO to be public, and I think they probably should be -- is what we've said in our various Business Meetings in public.

GENERAL STARRY: Mr. Chairman, may I make a comment about that?

CHAIRMAN EDWARDS: Yes.

GENERAL STARRY: I think it would be ill-advised of us to reveal anything to GAO. If Congress, in its ultimate wisdom, decides that that should be done, then that is the will of the Congress.

But for us to expose this thing to that forum, either before or after we release it, and send it to the Secretary of Defense -- I mean, after all, it's his Commission. While I understand the need for coordination and so on, the GAO, I can guarantee you, if asked by the Congress, will quite likely come back and present their last list of bases to be closed, on the basis of whatever biases were present in that analysis, which won't match the processes that we have used here to accomplish this.

So I think we would be ill advised to do that.

DR. SMITH: The reason I bring the question up is that at previous Commission meetings, I think we had an action item to get the GAO involved in the process early. It's inevitable that they will be involved, and if they buy into the process early, I think the credibility of the Commission's findings will be an awful lot higher than if there are outside critics who don't get involved until we have come up with a list and then then get into the critique process.

As a matter of fact, I think it was a milestone to brief the GAO on the process about this point in time.

MR. HANSEN: Yes, sir, it was. But we never really came up with a trusted agent from GAO to be able to brief it to.

CHAIRMAN EDWARDS: I think what you have to do --



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and you are right -- what you have to do is discuss this with the Control Officer and find that person.

MR. HOFFMANN: Let me comment, Mr. Chairman.

CHAIRMAN EDWARDS: All right.

MR. HOFFMAN: I had suggested at the outset that we get Chuck Bowsher to come in and testify, and he did. He was delighted to have been asked. I had a preliminary discussion with him in the course of asking if he would like to be asked, and he said yes to that.

As to whether or not it would be possible to get some kind of head start for the GAO on the process so that they could be affirmative as to that which the Commission has done, he indicated at that time that he thought that would be an awfully good idea. The basis for it was the fact that if you can get the GAO on your side, to the extent they're going to say look, we've checked this, we know what they're doing, and assuming they apply their rules across the board, you will get a result with which we can generally find no fault, that may be the best you'll get.

My thought at that time was if we can get that done, that would be a plus.

Now, obviously, if we can't get it done and we fall into mischief, I'm not sure how much we've lost if we fail.

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At any rate, I had mentioned to the staff, and this was a month ago, that I would like to go back to Chuck Bowsher and say Chuck, here we are, we are cracking along, and have an informal discussion with him as to the utility of further discussions with him on our process: how much could they protect that, what is their feeling about it, mainly, what would it take to get him involved in such a way that he could work with us and, hopefully, come to agreement on the process.

I got indications that there were mixed views on the Commission about that, so I have stood down that effort until we had this meeting and we could see what we wanted to do.

My instinct is a couple of things. First, not only can Congress ask him to take a hand, but the Executive Branch can ask him to investigate things-- I did it, you did it, we all did it in the old days -- to try to co-opt the GAO on a given issue.

So, it may be if our request isn't good enough, we could get the Department of Defense to ask them to take a look at our process, our mechanisms, et cetera, et cetera, maybe short of actually running through any lists of bases with them, to see if they approved of the application.

CHAIRMAN EDWARDS: The process is the main thing.

MR. HOFFMANN: Yes, the process would be the main thing.

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My instinct would be that we ought to at least have said we tried to do that, because I think it will take a lot of the sting out of this thing to have the GAO in some way on our side before we go forward.

CHAIRMAN RIBICOFF: The GAO was under the jurisdiction of the Governmental Affairs Committee, and, having been Chairman of that Committee, I found them to be very important, very valuable, and very trustworthy.

There is still a body of skepticism in Congress, and, once the bases are disclosed, there will be more skepticism. The GAO would be the group where those who are skeptical could turn to for sustenance and help. Getting them involved at the takeoff, instead of at the landing, I think would be very, very important and wise, when we come to deal with the Congres on this important thing.

I don't know how Tom feels about it or Jack feels about it.

CHAIRMAN EDWARDS: I think it wise to have them. We can't lose sight of the fact that we are the ones who have to make the decision. That's point one.

Point two I think goes back to the personal relationship with the Controller, that he, in fact, can supply somebody if they want to review the process. We can't have him sit in the room, but if they want to have him review the process, so that when Day X comes they can say yes,



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we've been through all this and we agree that it's a good thing for the Commission to do considering all the facts, I think that would be helpful.

Marty, I think you probably have the best personal relationship with him. Why don't you talk to him?

SENATOR EAGLETON: Oh, I think it ought to be stronger than that. I think he ought to be invited up, not to testify, but just casually.

He has testified officially, of course. He can come up and we can say, Chuck, it's our decision. We're not going to tell you what bases. You don't want to know what the bases are. But we've got a formula that we've worked damn hard on. You're going to be asked about it. We're going to tell you a little about it. We're going to tell one of your staffers who is cleared more about the formula. We're not trying to get you involved in which base, but I think it would be helpful to go and do something like that, for Mr. Hoffman to do something like this.

MR. HOFFMANN: Well, I'm not sure about the mechanism to get him into this thing, but I agree with you. You see, the best of all possible worlds would be if we would sit down with somebody who has been through this drill and analyzed bases and can say look, what the Congress looks for is this and that, and I would suggest you do this and that, we can say hey, we have checked this process with the



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GAO, been responsive to their comments, and they have had some good suggestions, and blah, blah, and we'd just co-opt them and go along our way. That, it seems to me, would be the ideal way.

SENATOR EAGLETON: We can get Chuck involved, and the way to press Chuck is to see all of these guys in this room who are asking for his cooperation, not just you -- for him to see that. Not just Abe, either. It will take ten minutes. It will take ten minutes, of course, if he's in town.

GENERAL POE: Mr. Chairman, I would agree with what has been said, but I would sure like a caveat on it, and that is that we restrict it to the top man and one or two people.

I want to be very frank, Mr. Chairman.

In the last six or seven years, the total nature of the way GAO works has changed. While I was on active duty and up until, let's say, 1978 or before I left active duty in 1981, as much as 80 percent of what they did, they started themselves. It has exactly flip-flopped now, where 80 percent of what they do is started by individual Members of Congress. They have lost a lot of credibility with the Armed Forces.

Their reports do not have the quality that they had at one time.

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I know Mr. Bowsher personally and I would be delighted to have him or some of his top people. But when you get down to that organization today, you're looking at really serious problems with people closely connected -- I'm being very frank within the confines of this room and I hope it stays here -- closely connected to individual special interests.

It's a shame to say that, but I see you are nodding your head.

GENERAL STARRY: That is the genesis of my comment, Mr. Chairman.

CHAIRMAN RIBICOFF: This is very interesting.

Tom, you have probably been later with him than I have or than Jack has. But that does raise a problem. If that is their attitude, I think it is even more important that we talk to them beforehand, so, you know, that they don't get a bug in their bonnet about this thing and they don't feel they have been by-passed, which to a great extent they have, in what we are doing.

DR. SMITH: Mr. Chairman, I brought this issue up because I think we have to do our homework right, to make this report credible.

I think we have to get GAO in up front. Later on the agenda today, we have the prospect of a press release on the process, which I think is just terribly



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premature. I am not sure we would ever want toput out a press release on the process until we finish our work. That is just going to invite tons of criticism of the process from the outside, which I don't think we need at this point in time.

I think to get our critics, the people who are going to criticize us legitimately when we do our work and the process, on board now is very, very important and we really need to do that.

CHAIRMAN EDWARDS: Well, I think that the key to it is to get the Controller to, either himself, which is what I'm hearing, or to get someone in his top official family, to look at the process. I don't want him in this room, though.

DR. SMITH: I agree.

MR. CLAYTOR: I think we could do that. I think Chuck Bowsher himself would be interested, and we could say to Chuck we'd like to have you, or you, and one person whom you designate to work with us on the process.

I think it might be worthwhile to have Chuck Bowsher come over here and just meet the Commission -- not to be here for any session, but just to meet the members of the Commission. Then, afterward, we can talk to him, just so that he sees who we are. I think we ought to do that. But I think that is as far as we ought to go. And I

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believe he will do it.

MR. HOFFMANN: I don't want to beat this with a stick, but I would think that we would indicate where we think the thing ought to come out and give him an option as to how he wants to use his staff, have him identify the process to us and all, having insisted beforehand, number one, that security is terribly important, and, number two, that getting a good analytical feedback for us of the process is also very important to us.

I am not sure that we can ask him personally to do it or, you know, to limit him.

Number one, he is good, I think, and I concede everything about the GAO. I have been mixed up with them and talked to Chuck a year ago about where the hell was he taking the outfit because of these sorts of things.

But I think if we can get some assurance that he would be prepared to stand behind this, he's got damn good insight.

CHAIRMAN EDWARDS: Well, see if you can get him over here. I think the Commission will be glad to meet with him. We can talk those kind of things out when we get with him. But we need to get moving.

MR. HOFFMANN: Let me chat with him about an approach that I think we should make because I think we ought to have an informal chat with him first, before we



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bring him over here, just to discuss the art of the possible with him, and see if we can bring it up so that it meets all of our needs and so that we have a high confidence factor.

I think a meeting with this Commission and getting him to see the staff over here, with a visual presentation to him as to the level of detail that we are dealing with, as well as the seriousness of this would be of help.

CHAIRMAN EDWARDS: Okay.

Doug.

MR. HANSEN: Thank you, sir.

Next is results of the process that we will be briefing to you today and tomorrow. You may recall that we originally thought our inventory was some 3,800 bases. We have done an extensive screen of the real property records of the Department, and have come up with a total of 4,100-plus real properties.

I might add that we have learned in that timeframe that the Department spent $1 million to have a contract to clean up their real property records, and the contractor took the $1 million and gave up. He couldn't do it. But we have at least improved it from 3,800 to 4,100.

Now, I left you with a misimpression at the last Business Meeting. I told the Commission that there were 370 installations in Task Forces 1 through 5, which left you with 3,500 in Task Force 6.

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Well, it turns out that the way the properties have been looked at, many of these small properties, outlying fields, et cetera, were, in essence, analyzed as part of a major installation because that's the part that belongs to them.

So, in reality, the 370 major installations involve literally a thousand or two properties, and Task Force 6 involves another couple of thousand. That's the way it actually splits up.

We are still working on getting that final, and we will have a final tally for you at a later date.

On October 7, we discussed -- on the sixth, I guess it was, and then on the seventh we mailed to you what we call our Phase I books. In that, we said we were going to focus on 51 installations in 16 categories that we had identified with excess capacity.

As we did validation and raw data checks and we challenged various things in the Services inputs, we eventually added and took away bases as a result of those. We eventually focused on 52 installations.

SENATOR EAGLETON: What page are you on in the book?

MR. HANSEN: It's not in there, sir, because we felt it was too important information to put in -- not "important," but too sensitive to include in the books.

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We were hoping to make these books available for you to take back to your hotels. I have one other problem, however, that I need to bring up before you can do that.

The results of that process, of looking at 52 installations, are that we have 19 bases recommended for closure that come out of that process, and 33 installations that were not recommended for closure. Six of them were realigned, however, positive realignments. Ten exceeded the ten-year payback. We chose ten years so as not to do analysis on options that were clearly not going to meet any criteria. But we didn't want to stick with six because we didn't want to impinge on the judgment of the Commission on whether six was a hard number. We could not find suitable relocations for two activities. One activity involved a serious environmental problem.

We have two installations that we will brief to you today that we could not make a call on, that the staff could not make a call on, and we have 12 GOCOs that could be considered, if we were allowed to talk about GOCOs.

So we will talk about those briefly.

One of the reasons that we didn't put this in your book, Senator, is because here are the names (indicating).

Here are the 19 installations that the process says we ought to close.

(Pause)

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MR. HANSEN: We will have a detailed discussion of each of these, as well as a discussion of the 33 bases that we do not recommend for closure.

CHAIRMAN RIBICOFF: Let that list stay there so that we can sort of familiarize ourselves with it.

MR. HANSEN: On the other screen, we will put up the Task Force 6 recommendations. These (indicating) were from Task Forces 1 through 5.

We have not named the stand-alone housing units or the radar sites.

(Pause)

SENATOR EAGLETON: Do you expect that California will seceed from the Union?

(General laughter)

MR. HANSEN: That is one of the considerations. Of all the States, California has the biggest impact. Of all the States, though, California has the most installations.

So, there is some symmetry there.

MR. CRAIB: Percentage wise, it may not be all that bad.

MR. HANSEN: I think we have probably closed a higher percentage than there. I can get those figures if you like.

MR. CRAIB: You run the gamut from very large installations to very small installations.

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MR. HANSEN: That's right.

MR. CRAIB:Are you going to give us the total savings in personnel and people on these?

MR. HANSEN: Yes.

We will look at each one individually. If you like, once they are approved, if they are approved, we can keep adding them up and give you the total.

GENERAL POE: I don't know if that would be a measure of how much good we are doing.

MR. HANSEN: We are talking in the range of steady state savings off of this of $600 million or $700 million a year, less than $1 billion.

CHAIRMAN EDWARDS: You have two things.

First of all, in spite of all that you have been reading, the numbers of $2 billion to $5 billion have never been our numbers. So I have been troubled if the public is looking for something of that nature.

I am not saying that we should quit at $600 millio but we shouldn't let the media set our perspective in some kind of box.

Secondly, what you have up there is a list of facilities that have come through the process and are found to be worthy candidates. You have not put up for us facilities that may not have proven to be worthy candidates through the process, but that, nevertheless,

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for other reasons, may be worthy candidates.

MR. HANSEN: That's correct.

CHAIRMAN EDWARDS: Is there a list that we will see later of facilities that did not get up there through the process but that otherwise might be considered?

MR. HANSEN: No, sir.

What we have is a detailed analysis of 52 installations. There are 19 on this list -- not counting Task Force 6. We will go through 52 installations and tell you why they are not recommended for closure, which the Commission may disagree with.

The other thing I could mention is Senator Eagleton has asked and the staff has prepared a list of previous base closure lists, and that is available to you if you would like it.

SENATOR EAGLETON: It's not binding on us. It's just information, previous lists, what they had recommended be closed.

In following up I guess it was Jack's question, we don't have a list of near-misses?

MR. HANSEN: We could prepare a list of the 33 bases that we said were not closures. Some of them exceed a 20 year payback. Many of them exceed a 20 year payback.

We will go through them.

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MR. BRYAN: We are going to go through the near-misses as the day progresses.

MR. HANSEN: Yes, individually.

CHAIRMAN EDWARDS: As part of the 52?

MR. HANSEN: Yes.

I could prepare a list of what they are, the names of them, if you would like.

CHAIRMAN EDWARDS: We are going to see them, aren't we?

MR. HANSEN: Individually, yes, sir. I just don't have them on a single chart. That's all.

SENATOR EAGLETON: That list totals $600 million?

MR. HANSEN: Roughly, in annual steady state savings.

SENATOR EAGLETON: Well, I'm not going to attend the press conference. Jack, I will let you and Abe attend the pres conference.

If we go out there after all of the hullabaloo about all of this that we were going to save the Pentagon budget, and there were all these base closures originally that they were talking about, overseas bases, NATO burden sharing, and all that stuff, if we come out with only $600-measley million, in that frame of reference, with the Federal deficit as vast as it is, this is absolute chickenfeed.



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CHAIRMAN EDWARDS: I want to make the point that once we have finished these, there are opportunities, I suggest, for inter-service relationships. There are opportunities to discuss facilities that didn't make it through the process but that, nevertheless, have to be discussed.

MR. HANSEN: There are opportunities to discuss, if I could, installations that didn't make it through the process, which the Commission may decide didn't work too good, and, therefore, that we should develop another process.

CHAIRMAN EDWARDS: Let's not get put off as we find ourselves looking at this chart. Let's deal with the 52. Let's deal with these 19 as part of the 52, recognizing that, when we finish that process, we are not through.

MR. HANSEN: Right.

SENATOR EAGLETON: But, Jack, you and Abe are going to have to go and testify, and the question is going to be asked by Aspin, Nunn, and others, and it is especially going to be asked by the Senators from California, by Pete Wilson and Alan Cranston: these are the ones that came out of your magic formula, right, Mr. Ribicoff, right, Mr. Edwards? Yes, sir. Now, if we add any to that, let's say we add -- where's Fort Sheridan,

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for Crissake. If we add Fort Sheridan, which everybody says has got to be closed, it's been in every piece I've ever read, that Fort Sheridan is doomed. Now, if we have that, you will have to testify that it failed the formula but that we added it because our gut said that it ought to be added; that there's something about that, it just ought to be there, it flunked our formula. Our magic formula did not happen to work. But we all know, don't we?

And then, Senator Dixon and Senator Simon will say, what do you mean, you're going to close something in your formula?

We are at make or break now in terms of what you can do with Congress.

CHAIRMAN EDWARDS: Okay. But I think you've put the wrong slant on one thing.

SENATOR EAGLETON: I have put the Congressional slant on it. They will put the wrong slant on it.

CHAIRMAN EDWARDS: I want to make my point clear on this.

I have never felt that we had a goal of $2 billion to $5 billion in annual savings, and my point is that we may very well end up with $600 million, $700 million, a billion. But as far as I can tell, we aren't going to come close to $5 billion in annual saving. And what



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we should not be is put off by the fact that the media has been saying this and be embarrassed by the fact that we have not met the media's goals.

Now, we should do all we can. As you say, we damn well have to be able to justify what we do, and it has to be approved and come through some of the appropriate processes.

SENATOR EAGLETON: Jack, politically, you cannot go beyond that list. You cannot defend that, you and Abe. You will be blown out of the witness chair.

CHAIRMAN EDWARDS: Well, we will see.

MR. HANSEN: Senator Eagleton, I think we have some room to do that because what we do is we change the way. We go back into the arrays.

This may sound complicated to you, but you go back in and you change things.

SENATOR EAGLETON: But you'd be changing the formula.

MR. HANSEN: No. You'd be changing the scores.

CHAIRMAN EDWARDS: You know, we haven't taken a good look at this yet.

Does anyone else want to comment?

DR. SMITH: Yes, let me comment. I did get a chance to preview this yesterday with Doug.

The thing you don't see up there is that of

$600 million in saving, $500 million is in the Air Force.

The Air Force is the only Service that has taken the formula seriously. This list of bases, in my judgment, is not formula driven. That's what we got from the Services, though.

You could go back and take a look at the formulas and make the numbers do anything you want, and make that list go up and down. So this list, as far as I'm concerned, is initial input from the Services with one scrub. The only people that were serious were the Air Force, because that's $500 million there in saving.

The Army's got less than $200 million in saving, and that's ridiculous. We know that we have to do better than that.

For the Navy, there is nothing in the way of saving. We are going to have to take a hard look at it. I just don't think that we ought to start with this.

I think the Chairman is right. Let's go through them, by category, by Service. It's going to be obvious where the marginal bases are, and let's send the staff back to work and make the formula give us a better list than this. That formula will give you any list you want. It's a question of where you draw the line.

Do you draw it at the bottom, with a single base? Or do you draw it three bases up? That is a subjective

determination that I think we can make.

CHAIRMAN EDWARDS: Okay.

MR. HANSEN: I would also add that, while the list would grow slightly in numbers for GOCO plants, if we can eventually wrap our arms around GOCOs, the savings do not increase a lot for these because many of these plants are already inactive.

We will return to GOCOs at a later date.

What I would like now briefly to do is to give you just one chart on what the overseas study told us.

What the overseas study told us was that if everything had to come back from overseas -- you know, first off, what the overseas study said is nothing is coming back, no impact on our Commission deliberations.

What we have developed here is a worst case scenario. This is what happens if absolutely everything we have overseas comes back. In very broad terms, it means that we have to find homes for nine divisions from Europe, nine wings from Europe, two divisions from the Far East, six wings from the Far East, and a carrier battle group.

Now, clearly, not everything is coming back. But that is a fair amount of bedding down that would have to be done in the United States if some of it came back.



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I guess what that boils down to is a look at capacity, sort of, in a different way, at what kind of flexibility you need in capacity in your CONUS in order to be able to react to whatever might happen to us out there, which, at least lately, the trend has been down, not good.

That much is in your book, as well as a summary, abrief summary, unclassified, of the overseas report itself.

At Tab 4 is -- we have been talking about the issue of GOCOs -- at Tab 4 is an Office of the Secretary of Defense Counsel opinion on the issue of whether or not we can review GOCOs. I would like Russ to speak about that slightly.

MR. MILNES: Briefly, the internal counsel of the Defense Department has said that they don't think that GOCOs should be considered by the Commission for closure on the strength of the Secretary's original comment on the 18 May testimony before the HASC, and also they analogized it to the definition that is used in our own statute and the one that is used in the previous base closure statute. Then they just took a little statutory construction and, from that, came to that conclusion.

I think that this particular opinion is subject to an alternative view. In fact, the Army is already proceeding along those lines. The Counsel of the Army, Susan Crawford, is raising this question once again with



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the Secretary. This Commission may also want to raise that point because I think there is a legal basis for suggesting an alternative view, and that is that the GOCOs be considered as a part of our Charter.

CHAIRMAN EDWARDS: I spoke with Frank Carlucci a month or so ago about this subject. It goes back to this testimony.

He said he didn't say it or mean to say it, that he doesn't have any problem with the Commission looking at GOCOs at all, that he would be responsive to hearing from the staff people on the subject.

So, I was a little surprised to find now, or the other day, that this is kind of off limits.

I am inclined to think that sometime during the next day or two one of us should talk to Frank. Maybe I should do it, to make sure this really is the Pentagon's view.

There are some opportunities in the GOCOs that we ought not to pass up in my judgment.

MR. HANSEN: Thank you, sir.

CHAIRMAN EDWARDS: Does everybody agree that I should talk to Frank?

DR. SMITH: I agree. If you try to do them one at a time, you're never going to get them done, because of the same reasons you can't close otherwise. But if you could



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roll them into this list, it will get done.

CHAIRMAN EDWARDS: I talked to some of the staff people up on the Hill about how to deal with these things. They say that you really ought to do it.

MR. CLAYTOR: Well, it would worry me a little bit with a statement like this and the legislative history, a direct question and a direct answer prior to enactment, as to whether or not the lawyers wouldn't knock that out. If the language is dubious and is able to be read each way and you have a statement like this in answer to the sponsor of the legislation, stating flatly that it would not apply to GOCOs, and then we include GOCOs, I think you'd have a case that you would have a pretty tough time defending if they wanted to raise it in court.

MR. MILNES: Fortunately, sir, I think in this case Mr. Carlucci left us a little bit of an out because he said this was more or less off the top of his head and that he would go back and check.

MR. CLAYTOR: Yes, but he never went back, and, insofar as the legislators are concerned, this is what it means when they voted on it.

Oh, boy, I'd worry about that.

MR. HOFFMANN: But it appears that he said when he was going b that I will ask counsel to examine the legislation to make sure that that is not the case, i.e., that it does not

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include them.

MR. CLAYTOR: That's right. And then there was no change.

MR. HOFFMANN: You see, again, the other constraint here is that the noise level has already started over there in the Congress, and if anybody can find a strong enough argument to turn one part of the list over, then the whole list goes. That's what I'm saying.

MR. CLAYTOR: A legal problem would worry me more than anything else, because you can always find a lawyer who will go into court and persuade a judge that he has to enjoin the whole thing.

MR. HANSEN: I will fall on me, I guess, quite often in the next day or so to try to keep us moving.

(General laughter)

MR. HANSEN: Next is Tab 5. I would like briefly to go over what our cost model does because you are going to see lots of cost model figures.

The model, of course, is very extensive and has lots of information in it. But what it has is the summary page that we display for you. It tells you the Commission payback. Now, that is in accordance with the Charter, which is the period in years from the date of completion of the closure until the accumulated savings exceed any cost required to accomplish the closure.

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The model will tell you what the payback is in years, all the way up to 20. The model is a 20 year model. It can't go past 20. So, if it says "over 20," it's just over 20.

The real question then becomes, and the Commission has Counsel to look into this issue, is a six year payback a hard and fast rule.

Russ, do you want to comment on that?

MR. MILNES: Yes.

The bottom line on that is that the six years is not hard and fast, but there is a caveat in that, in the sense that it is in the Charter. We were told to look at these bases in light of the criteria, which is the six year payback. The Charter was incorporated, by reference, into the statuts, so it is in the statute. And there was a brief discussion by Secretary Carlucci at the May 18 hearing, where he suggests, he says that I put a six year payback in the Charter.

The strongest legislative case, to take a very narrow view on this six year payback, comes from the deliberations, a consideration of the Conference Report on the base closure language, where Senator Nunn was asked a direct question of whether a six year payback was included in the analysis and he said yes, it was, that these bases were to pay themselves back in six years.



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So, while you can make an argument that there is some flexibility there, it certainly would be advisable to stay within the six year payback.

If we see there are close calls in that sense, then it may be worth opening it up a little bit. But a narrow view is probably appropriate.

CHAIRMAN EDWARDS: I want to comment on that.

First of all, I think we can assume a value for some bases and how long it would take to pay back. But I think, for example, what is it, [redacted]

MR. BRYAN: Yes, [redacted]

CHAIRMAN EDWARDS: -- just to pull one out of the air -- it may very well have a major historical value to the community or to the State if we were to close it.

I don't read the charge that we have to suggest that we can't assume or impute a value to a base.

Not every base that we close will go on the market. The Interior Department may want to plant trees on some base if it is going to take it, or the State may want to make a prison out of it and take it, and in the end you may want to do this or that.

So I understand what is being said, but I see some leeway for the Commission on the theory that we really don't know what is going to finally happen.

MR. HANSEN: Senator, if I could, in an earlier Business Meeting, the Commission decided that, regarding how we valued property, regardless of the ultimate disposition, we would take the fair market value of the property and count it in the payback.

So I think we have done what you have suggested in the analysis. We didn't run an analysis of [redacted] but if we had, we would have counted the fair market value of [redacted] in the payback.

Now, if the payback still comes out to eight years, that becomes a question. Even though we know that we are not going to receive the proceeds for that land, we have counted the proceeds as fair market value.

The question is can you go to eight years.

Now, we don't have too many like that, and I think Commissioner Claytor, in an earlier meeting, suggested a good idea, which is roll a few things together into the same category, or something, and count the total. There are some creative ways that you can account for money, and I think we can do that.

But I think, overall, if I could summarize what Russ is saying, it is that there is an expectation out there that we are going to stick to six years.

GENERAL POE: Mr. Chairman, there is another facet of that that is very important, I think, and


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it is this.

In order to get the units moved, we've got five major Air Force bases up there, in order to get the units moved from those stations, we have to do construction at other stations. They are going to stay where they are until the construction is done.

Now, to work this within six years, you almost have to have the paperwork on that, the military construction in hand when the list is put out, to get them in there and get them moved in.

This means a couple of things, I think.

First, it means that if this is the thing to do, and it probably is, we may have to recognize that.

The second is we are going to have to have some ability, I hope through the influence of gentlemen like you, to get the Congress to understand that and get that military construction through. If you want to stop a base from closing all you have to do is to stretch that out and say well, you can't make it in six years, so we will then keep Chanute Air Force Base open. The Air Force doesn't want to keep it open, apparently.

That is a very, very important point.

MR. CLAYTOR: Could I raise a question?

I have not looked at the statute, but can it be interpreted as within six years of the closing, as



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distinguished from within six years of the decision?

MR. HANSEN: That's what it is, six years of the closing.

MR. CLAYTOR: Well, then, all right. That will take care of thatproblem. Let's make it clear that it has to be six years of closing. The clcsing might not be able to take place for two or more years after the decision.

MR. MILNES: There is a confusion here.

GENERAL POE: There is a confusion, yes, because the people at the station say we go along with this but we're going to have to expedite this. So, in the field, where they are collecting information, they do not read it that way.

MR. MILNES: There are two different timeframes involved.

We are talking about a six year payback, and that is a calculation that we go through to see whether it is cost effective.

But on the issue of how fast do you move it, there is a statutory requirement that the base closures be complete by 1995, and that's different.

GENERAL POE: That's what hurts us.

CHAIRMAN EDWARDS: It is 10:00 o'clock, now, and I think we need to get moving. Some of these kinds of issues that we are discussing now will come up again.

MR. HANSEN: Yes, they will appear more than once.

If I could, just quickly, let me go through the other things that the model will tell us.

It will display the land value that was put into the model because that is such a key element of the equation.

It uses the term "net present value," which means that the cost of money or the value of money and inflation are taken into account. It displays three figures.

We have already discussed one of those, called "steady state saving," which is the saving that you would achieve at the first year after you have finished the move. Everything is all done.

It displays the one-time saving, which, in many cases, as General Poe points out, because of the construction costs, is a negative number. That is the costs that you must incur in order to get the moves done. We display it as "saving." "Saving" is the word. Therefore, if it is a plus, it is saving. If it is a minus, it is a cost.

Then, finally, as I mentioned, it displays the 20 year net present value of the whole thing.

There is a description of that in your book.

Quickly, just to go through the rest of the tabs, and without talking about them, Tab 6 contains the order



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in which we will go through things. Because it has names of places on it -- it should have close to 52 names on it-- it is, of course, sensitive information.

At Tab 7, we have maps of each Service's major installations for your review, if you want to refer to them. We will show you maps as we go through of each category.

Tab 8 is the draft press release we have already mentioned.

Tabs 9 and 10 are decision papers that we have scheduled for discussion late tomorrow afternoon.

Tab 11 contains summaries of the hearing testimonies, most of which are one page per witness. There were something like 837 pages of hearing testimony and we have boiled it down to one page per witness, roughly.

We have already mentioned that if any Commissione would like, we can provide you with a list of previous base closure lists, and the names of bases that were on those.

At this time, then, we are ready to begin a discussion of the Army.

CHAIRMAN RIBICOFF: Suppose we take a five minute break, first.

(A brief recess was taken.)

CHAIRMAN EDWARDS: Let us resume.

COMMISSION DELIBERATIONS (ARMY), DOUG B. HANSEN AND COLONEL (P) ROGER F. YANKOUPE

MR. HANSEN: Thank you.

Colonel Roger Yankoup has joined us, our Army representative.

As I mentioned earlier, with us are the outside validators that we have used. They have been going through these books, should any question arise.

What I would like to do is first begin with an overview of the Army.

CHAIRMAN EDWARDS: Excuse me for one minute.

A couple of our Commission members have changed seats.

MR. CLAYTOR: It's only temporary. My glasses are coming soon. But I can't see without them.

CHAIRMAN EDWARDS: Well, we all need to know who is talking. I want you all to be quoted correctly.

(Pause)

CHAIRMAN EDWARDS: Now you can continue.

MR. HANSEN: Thank you.

(A series of slides was shown)

MR. HANSEN: This (indicating) is the Army, the mission of the Army, which also includes protection of the United States CONUS, and the size of the Army.



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The main message here is that it is a 13 division Army in CONUS, five overseas, ten combat divisions in the Reserves. That's important to us because they need land to train on, too. There are roughly 700,000 personnel active, 700,000 Reserves, and 400,000 civilians.

What we found as we went through the Army were some very key points that kept coming back to us. Some of them, many of them you have heard in previous testimony.

The Army -- it's very important for the Army to train as they are going to fight. That means they need large bodies of land to do that, so they can run battalions against battalions, brigades against brigades, et cetera.

Obviously the Army needs to deploy to fight. Therefore they need to be near their strategic deployment capabilities.

As you saw in a previous chart, over half the Army is Reserve. Therefore, they need places to mobilize the Reserve.

The base structure is there, as in all Services, to support all of those missions. The other thing that we learned at the last hearing was that the emerging technologies in weapon systems is outstripping



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our ranges.

In the Army, we looked at 120 major installations in ten different categories. In the Phase I books we sent out in October, we said eight categories had excess capacity. We will discuss all ten categories this morning.

We initially focused on 28 installations in the Army. However, after further examination, we raised that to 34 installations.

The process -- and, again, you saw the results of that, recommended 12 installations for closure, and there were three installations with significant realignments, which we did not put on the list because they weren't being closed.

This chart shows you some of the reasons why installations are not by the process recommended for closure. We will go through each one separately, so I won't spent too much time on this one now.

We would like to begin with the categories where we did find excess capacity and show you the analysis that was done.

The first category is Army School and Training Centers. I would like to put up a map of the schools and training centers to show you where they are.

We have two maps. There were two subcategories here. The first one has the schools, followed by the



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map of the training centers.

These installations here are of major size. Any time you would like to refer back to the geographical distribution of these, that's fine. But what we would like to do now is show you the utility arrays -- those are the dots -- for these two categories, and this time we will give you the names, since it is now after the election.

For the Army schools, [redacted] and Fort Dix, two basic training installations, were both below utility, and I can also say they both do pretty much the same thing.

CHAIRMAN RIBICOFF: Can you tell us what States those are in?

MR. HANSEN: [redacted] and Dix is in New Jersey; [redacted]

What we will give you is an analysis of Fort Dix and [redacted]

Again, figuring it was too close to call between the two, we did an analysis of both. So I don't think this is a category where we have it "too close to call."

On the other category --

CHAIRMAN RIBICOFF: I know, but they are pretty close. If we are talking about doing more bases, and

since Fort Dix and [redacted] since there is not much separating them, could you do both?

MR. HANSEN: We did both.

CHAIRMAN RIBICOFF: Oh, you did both?

MR. HANSEN: We did both, [redacted] and Dix.

MR. CLAYTOR: We meant could we close both, not one or the other?

MR. HANSEN: Well, we will go through that, throug the analysis.

MR. CLAYTOR: All right.

MR. HANSEN: What we are showing you is how many bases we analyzed first.

In this category, [redacted] Fort Meade is Virginia; Ben Harris is Indiana; [redacted] I won't go into the rest of them.

We did an analysis of only [redacted] and we will go through that now.

Let's begin with Fort Dix.

What we found in the category of Fort Dix and [redacted] was that there was excess training capacity of somewhere in the neighborhood of 47 basic training companies. That was what started us down the path of looking at Fort Dix and [redacted]

We also found that there was a lot of training



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being done in split functions -- two places, or even three places, where certain kind of training was being done, and, therefore, some hint that there were possible economies of scale by putting things together.

Therefore, we said that we would look at the two bases, which were Fort Dix and [redacted]

Let's begin now with Fort Dix.

In essence, what we found when we got into the detailed analysis of the capacity of Dix and the system that Dix and [redacted] are in is that all of the bases that the Army has with which to mobilize for war and which include Fort Dix and [redacted] are absolutely required to do that mobilization need.

Therefore, you could not sell either one.

Then, the other part of the analysis we looked at was could you mothball either one. The analysis, again, showed that, if you did, you would cut too far into the training, the peacetime training capability of the Army, and, therefore, that you could not close either Fort Dix or [redacted].

I would like to show you some statistics and how that analysis was done.

This is an analysis of the training load, the peacetime training load, using 1991 as a base for all bases that are going to be used to mobilize forces, and the

mobilization load.

So, what you will note is some bases, like Bragg, which is not a training base, nevertheless has a mobilization mission, to mobilize troops. And you can see that some of the loads of the training bases dramatically increase. For instance, Fort Benning goes from 7,000 to 20,000. In particular, Jackson goes from a training load of 6,000 to 25,000. Fort Dix goes from 4,800 to 18,000.

This is the analysis that the staff and the Army did and it basically says we cannot afford to lose any of the installations on this, which would also include Dix and [redacted]

MR. HOFFMANN: When is the appropriate time to question some of the assumptions and find out what is behind them?

MR. HANSEN: I would say whenever you would like to. Otherwise we might miss something.

MR. HOFFMAN: Okay. Then let me just ask this quickly.

On Dix and [redacted] what is the pacing item, what is the constraint, on closing them? Is it because you don't have facilities built at other places to house the incoming recruits in a mobilization scenario? Is it that you don't have the room to train all that many people at once under the mobilization scenario?



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Give me a thumbnail of that, please.

COLONEL YANKOUPE: What happens is two things, sir.

At the TRADOC installations, which are doing basic, and AIT, and what's called one-station unit training, where you train from basic right straight through the MOS-producing, like Fort Benning -- it has a soldier stay there for his training right straight through basic and advance training, getting his skill qualifications -- those expand to the limit that they are capable of doing, given the facilities that are on-hand. Of course, this is much greater than what their peacetime load would be.

So each one of those expands to the capacity that it can absolutely handle on an accelerated through-put basis for full mobilization.

MR. HOFFMAN: Please stop right there for a second.

With respect to Dix and to [redacted] specifically, are we talking about barracks, or are we talking about firing ranges and training facilities, are we talking about raw space? What is it that they have that someplace else doesn't have?

COLONEL YANKOUPE: It will be the training capability itself, as opposed to the accommodations, particularly for a place like [redacted] which is in the [redacted]

and could conduct pretty much level training throughout the year.

For Fort Dix, we would have to say, again, that the limiting factors here are the physical amount of space you've got to conduct the training itself.

MR. HOFFMANN: Okay.

But if you go back to your training map and you look at the maximum points that you could achieve, you see that curve implies that there is a lot of capacity, unfulfilled capacity, at other camps, posts and stations.

My question to you is why does it become impossible to close one of these two and shift that mobilization burden to some other post, camp and station, or to [redacted]

COLONEL YAMKOUPE: Well, we do that with the additions of the FORSCOM installations, and there are seven of those that take the USAR training divisions that form the cadre, because they can't train without cadre, for the additional mobilization training load.

Remember, the FORSCOM installations under our mobilization scenario would have units departing their locations, making barracks, ranges, and so forth, available. But many of them are not configured with things like basic rifle marksmanship for the training level load that you find



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on a training installation. But they are much larger.

So, essentially, every post in TRADOC and FORSCOM that we can load with the cadre and the facilities gets loaded. That's the slide that we previously had up here, with an average training load that runs somewhere between 15,000 and 20,000 training load capability.

So those facilities become maxed out.

For accommodation, many of them will also accommodate trainees in tentage. We have a fairly large amount of tentage which is in standby, and a fairly large amount which also is unfunded and needs to be bought. But the accommodations will be handled much more flexibly than the facilities themselves, ranges and other physical things.

MR. HOFFMANN: You've got the same analysis for this as you do for any place else. Where would you build a replacement facility? I guess I'm thinking particularly about Fort Dix, because there you have urban encroachment, you have all these other problems coming down the pike, as well as the question the Senator raises, which is the question if you're ever going to close anything, that's one maybe you are going to close.

I don't want to linger on this, but I would like to get a better approximation of what the trade-offs are here, what you would do if you closed it. Obviously,

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you can't close one of those unless you can value the property in there.

GENERAL STARRY: Could I say something about this? I participated in the closing of Fort Dix four times, and it is still open. So I have some perspective on this subject.

(General laughter)

GENERAL STARRY: It is there because of important airfields and mobilizationand troop requirements for overseas shipment. That's why it was built.

GENERAL POE: It's close to New York Harbor.

GENERAL STARRY: Historically, there was nothing else to put there. So, in the years after the Korean War, we started what was called common specialist training, with which you are familiar, and, over the years, that has evolved into some number of basic training companies.

The last time we analyzed these two bases, and the reason you are dealing, really, with Dix and [redacted] is that they are single mission posts, single purpose facilities. You can build enough additional facilities at [redacted] -- I don't remember what the numbers are, but they can be dredged up -- to accommodate the training load, that is, the training companies at Fort Dix. And so, based on urban encroachment and the other factors in the Northeast, Fort Dix becomes the candidate for closing.

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The question then becomes is it necessary as a mobilization base for the airfield, port, and last minute traini before they go overseas or deploying divisions? The answer to that lies in the Army's objective force structure for mobilization purposes. The Army has said that that is still necessary, so it then comes down to what do you do with it now, against the contingency that we will need it in time of mobilization.

You can make a strong case that, with some additiona construction -- and I don't remember the numbers now -- at other places, primarily at [redacted] you could accommodate the today-Fort Dix, the training, at least initially.

But that begs the issue of what its purpose is in times of mobilization -- 18,000 troops at the division post in time of mobilization.

MR. HOFFMANN: I guess my question gets back to the following.

There are three aspects that you are talking about. Number one, how does it operate in peacetime and is it expendable on that basis? Number two, how does it operate in mobilization and is it expendable on that basis? Number three is its strategic position near the port.

I would suggest that we go back and test all of those things because if, in fact, it is the third one, there are answers to that.



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There are answers, and we went through a lot of them on this exercise, you know, up to [redacted] and all of that sort of thing, and transportation ain't what it was in the old days, when some of these assumptions were made on the rest of them.

MR. HANSEN: To understand that, then, what you are asking is an analysis of where these 18,000 or 25,000 mobilization workload would go if you closed either Dix or [redacted]

MR. HOFFMANN: Yes.

GENERAL STARRY: That could be accommodated also.

The last time we went through this exercise, we came down to these two bases. We went forward with [redacted] active installation or training base.

We were greeted by [redacted] who objected to closing the base in his State.

MR. HOFFMANN: But it was not a slam-dunk. It was kind of a three pointer, from the far outside, as I recall.

(General laughter)

GENERAL STARRY: You remember it well.

CHAIRMAN EDWARDS: Marty, do you want that



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looked at?

MR. HOFFMANN: I want that looked at because I think rhetorically okay. But when we look at the objective of closing these bases and moving them, et cetera, you are going to find very few which, in my judgment, are going to hit the rhetorical justification that you have on Fort Dix.

If, in fact, the only impediment is, which I suspect it is, the strategic positioning, vis-a-vis the ports and all, I think we ought to look at that one, too, because I would be amazed if we couldn't find a substitute.

MR. CLAYTOR: I think that is obsolete. I really do.

MR. HOFFMANN: It may be. And we have, to my left, one of the Nation's foremost transportation authorities.

CHAIRMAN EDWARDS: We are going to ask staff to look at that aspect and bring it back to us.

MR. HANSEN: Yes, sir.

DR. SMITH: Mr. Chairman, I might suggest that, looking at it, I don't see why we can't look at Fort Dix and-or [redacted] cost the alternatives, cost the options, and have them get back to us not only with the answer to the mobilization question, which I think is going to be a subjective thing, but with the cost implications.

What if we close Fort Dix and keep [redacted] or vice versa? What are the cost implications? What if we

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close them both? What are the options?

GENERAL STARRY: You can't close them both and do the today training missions or the training missions for the foreseeable future, even given the demographic downtrends.

MR. HANSEN: We have an analysis of that, too, sir, if you don't mind, in this next chart.

Option A, essentially, is realign, but don't close. It takes the excess capacity we found of 8,400 students and drops it down to 3,500.

Option B is close Fort Dix, it drops the excess capacity down to a deficit of 1,900.

Option C is close [redacted] and it drops it down to a deficit of almost 8,000.

In those figures -- we could do cost figures for you. The answer to where do you do the mobilization and so forth has costs associated with it.

The reason there is because both of the options of either close Dix or close [redacted] not only adversely affected the peacetime capability, but also the wartime capability, mobilization. That is why the staff recommendatio is don't close, but realign. In other words, go with Option

DR. SMITH: I would suggest your data says you can close them both.

If you've got 8480 man-years of excess capacity,



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and the two bases, Dix and [redacted], total 10,000, you're talking about having to absorb something like 1,200 people at all the rest of the training bases. I can't believe that that can't be done.

COLONEL YANKOUPE: But no, sir. That's not how that reads.

What we're showing here across the top is a comparison of three different options.

The first option would be taking basic training out of Forts Bliss and [redacted] where we are currently doing that in World War II barracks.

DR. SMITH: Well, what is the first line? Is that not excess capacity and man-days of throughput for basic training?

COLONEL YANKOUPE: Inside the system.

DR. SMITH: Okay.

Is the total of the through-put through Dix and [redacted] not 10,000?

COLONEL YANKOUPE: No. It's 23,500.

DR. SMITH: For Dix and [redacted]

COLONEL YANKOUPE: That's what happens when you take this column (indicating) and this column (indicating.)

This option pulls Dix off-line --

MR. HANSEN: But what he's asking is are this set of numbers here (indicating) the same -- are the 91



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numbers the same numbers as the 95.

DR. SMITH: This tells me that you've got 4,800 through-put at Dix and [redacted] and 10,000 through-put a year. That tells me that you have 8,480 excess capacity in your system.

That means, to me, that you probably could close both bases and absorb the 1,200 shortfall in the rest of your training base.

COLONEL YANKOUPE: I think on this side here (indicating), we are dealing in excesses, and over here (indicating) we are dealing in FY 1991, projected loading, which may not be total loading.

MR. HANSEN: We will include that in the analysis.

CHAIRMAN EDWARDS: Okay, guys. You hear what we're saying. Go back with that.

MR. HANSEN: Yes, sir.

CHAIRMAN EDWARDS: Next?

MR. HANSEN: What was next in the briefing chart would be an analysis of Option A only, which I would recommend we punt on until we come back with the full analysis.

CHAIRMAN EDWARDS: We will probably be doing a lot of punting around here today.

(General laughter)

MR. HANSEN: The next category is called



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Training Centers, more of the school, almost a collegial-type environment, as opposed to the other posts, which were also training, but more outside.

Again, [redacted].

As I mentioned, there were two or three installations where the staff had not come up with a recommendation. What we have here is a tough call.

We have a post that has some split functions at it, particularly the intelligence training, which is done also at Fort Huachuca. However, some new construction has gone on --I will not opine as to why--but thise base has been on previous closure lists.

However, it is the only post the Army has in New England, major post. It is, therefore, loaded up with a lot of Reserve and regional activities -- National Guard, et cetera, et cetera.

So, what we've done, on the next slide, is -- and this is a tough call. It would pay back.

There are three options that we could do. The first option would be to close Devens as an active Army post and transfer it to the Massachusetts National Guard. The costs of any of the three options are the same. Proceeds vary because you can't sell it if you are transferring it to the National Guard, although, with a little luck, you might be able to jawbone them into giving



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us some money. But it does pay back, and it does maintain some semblance of Army presence in the region, even though it is the Massachusetts National Guard.

Close and caretaker is not a very good option. Payback is worse. It doesn't do anything good for the Guard; it doesn't do anything good for the Army.

Close and sell, while the proceeds of the sale of the land reduce the payback, it takes away the presence of the Army in New England totally.

MR. CRAIB: Excuse me, but what does the presence consist of?

MR. HANSEN: Presence is more than one thing. If you will note, on our utility array, this will come up again in admin headquarters for the Army, too.

There was a category of mission essentiality, called site specificity, and included in site specificity -- these are all the various things that the Services in general feel strong have to be where they are.

Let me give you a very simplistic answer of what is site specific. A missile silo. It has to be where it is. For an admin post or a training post, the iss becomes what kind of facilities do you have, are they unique, are they well suited to the area, but, also, presence means, in essence, a flag. It says that in order to recruit and train in an area, you need to be in that



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area. You cannot recruit as well in the New England area if the closest post is in New York, which is what it would be, or New York City.

Roger, did you want to say any more about that?

What we have passed out, by the way, is the Army's submit to us on their definition of what site specificity means.

COLONEL YANKOUPE: This definition was put together to allow it to interpret one of the factors in the array and be able to afford some value to a number of things that fit under a general category of presence in an area or presence in terms of a unique sum-cost investment, a unique relationship with the environment.

I would relate back to the previous slide that had up on school and training centers, describing what the analysis showed in terms of the missions that Fort Devens performs in that area. Not only is it the only Army installation, active Army installation of a major size in the New England area, but it has on it the Tenth Special Forces Group, it has the 39th Engineering Battalion, and it does AIT training, which is MOS-producing training for the intel school, the headquarters of which are, in fact, at Fort Huachuca.

The Massachusetts National Guard runs a training facility at Camp Edwards, which is on Cape Cod,



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and there has been significant discussion in terms of what might be possible if this facility were made available for the Guard as one of the options which we have discussed with the matrix previously as a tradeoff.

The Army would put a lot of stock in the positioning of the installation where it is in relation to that center of the country. The nearest installation after that would then either become Fort Dix or [redacted] as well as the mobilization reserve training mission, just exactly as I have described here.

MR. CLAYTOR: Is there any possibility that the Army could put an administrative group for recruiting and other purposes in an Air Force installation elsewhere in New England and still stay in New England and do it for that purpose, a presence purpose?

Come on. I mean, get rid of this one altogether and have your administration shared at an Air Force installation, if you can find one that have enough space, and it probably does.

COLONEL YANKOUPE: That's one of the logic in our logic train, sir, that we would be looking at, after this one, as a means of combining possibilities jointly. It does not deal, however, with the issue of the Reserve training and the requirements that we have there and support for the Reserves, for the training area, which is an

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acreage-driven requirement.

MR. CLAYTOR: Didn't you say the National Guard of [redacted] already has another fort?

COLONEL YANKOUPE: Yes, sir. It has much the same constraints as we find on many of our large training and maneuver installations, in terms of environmental considerations.

MR. HANSEN: It's [redacted]

COLONEL YANKOUPE: It has a very high land value, and I understand it is not a very popular installation in [redacted]

CHAIRMAN RIBICOFF: What would happen if we moved [redacted]

COLONEL YANKOUPE: That could be an excellent idea, sir. It probably is not within our purview to do that, though We don't own [redacted] The [redacted] Guard owns that. But there is strong incentive, from all we have been able to learn, for the Guard in [redacted] to opt for this, both politically, within [redacted] as well as the economics of the situation.

CHAIRMAN RIBICOFF: But would [redacted] Guard be willing to take it over?

MR. HANSEN: Oh, I think they would love it. But whether they would give us any money for it is another



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question.

CHAIRMAN RIBICOFF: Well, it isn't a question of whether you get money. It isn't a question of what you save, but are you getting a better set of installations for the entire purpose of our Armed Forces?

MR. HANSEN: The Guard would get a better installation.

CHAIRMAN RIBICOFF: You see, what bothers me is [redacted] I think you have to keep in mind that here you have a Reserve of very highly trained, [redacted]

You have these people in the Reserve that are the highest level, in my opinion -- and I'm not trying to down-grade anywhere else -- [redacted] These people are not going to travel far. They don't get out. If they can't use Devens, I don't know where they're going.

MR. HANSEN: Clearly [redacted] would be the closest installation, sir.

That's [redacted]

CHAIRMAN RIBICOFF: I think it is [redacted]

GENERAL STARRY: It's in [redacted]

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CHAIRMAN RIBICOFF: That's near [redacted]

[redacted]

All I can tell you is the group around [redacted]

[redacted]

CHAIRMAN EDWARDS: What would be the impact if we put the Guard there, as far as the [redacted] is concerned? Is that owned by the [redacted]

MR. HANSEN: That is our understanding. Yes, sir, and its valuable.

CHAIRMAN EDWARDS: But if we were to do that, one of the considerations would be that that facility would be no longer used for that purpose, then? Do we have the right to tell the [redacted] what to do with its property?

MR. HANSEN: Well, we can recommend. They don't have to follow it, I guess.

MR. CLAYTOR: Well, you could make a pretty good negotiation: we'll give you [redacted] now you give us [redacted] as a resale. Bingo.

We will give you a bigger and better base, but we get the benefit of the economics of it if you get that for nothing.

CHAIRMAN EDWARDS: Do we have the right to do that?



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MR. CLAYTOR: We can offer it.

CHAIRMAN EDWARDS: I guess what I am asking is can we make a conditional, can part of our package be conditional?

MR. HANSEN: Russ, do you have a comment?

MR. MILNES: I think we can look at this further, but I think it kind of goes beyond that.

We are supposed to be able to give the Secretary which he can implement, and if the implementation of that package is continued on the disposal plan or some other kind of negotiated sale, then we really have not given him something that he can actually implement.

MR. BRYAN: But it is a mitigating factor, however.

MR. CLAYTOR: Well, you could come pretty close to it. You could say let's close [redacted] But if you make a deal with the [redacted] we could turn it over to [redacted] in lieu of the other. Otherwise, it just gets closed and sold.

CHAIRMAN RIBICOFF: I would have to assume, before we are through, we're going to talk about bases that we're closing. I have the feeling that there are a lot of other recommendations we are going to have to make that have nothing to do with closing of bases.

I think we have the responsibility for this



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exercise.

Now, it would seem that somewhere in there, if we are going to do something like that, we have to say it.

Now you have a peculiar political problem here. Dukakis has just been defeated for the Presidency. Is it going to be said that he is being punished or that [redacted]

[redacted]

MR. HANSEN: Sir, I think this would be a good deal for the [redacted] National Guard if they could get [redacted]

MR. CLAYTOR: That's right.

MR. HANSEN: My understanding is that even if we only ask for the value of [redacted] back from [redacted] the value of [redacted] is more than the value of [redacted] Therefore, that leaves [redacted] with the opportunity to even make a profit on the exchange.

CHAIRMAN RIBICOFF: Isn't there a priority for anything that the government gives us, that the State has the option of getting it free?

MR. HANSEN: Yes, sir.

MR. MILNES: The State gets an offer in there. It does. As you go through the pecking order, it gets a chance.

CHAIRMAN RIBICOFF: The State is probably number one, that is, after the Federal Government.

MR. MILNES: After the Federal Government, yes.

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CHAIRMAN EDWARDS: Well, it's not necessarily free. It depends on what the use would be.

CHAIRMAN RIBICOFF: But this would be used, generally, for the basis of our defense.

CHAIRMAN EDWARDS: I would like to propose that we follow this line and that we at least at this point draft a proposal that it be closed unless the National Guard could be put there, and let staff work on the language for that to see if we can't come up with something.

I'd also like to hold it in a degree of reserve, to see, for example, if it might be a location for perhaps another administrative facility to be closed and put there.

I'm impressed with the fact that it is sort of the central facility for [redacted] I think that is important, and we should not lose sight of that fact.

Just listening to the conversation, I see a lot of opportunity to make it a viable facility and save money somewhere else.

MR. HOFFMANN: I don't know what the Navy is doing in Boston, but I know the road out there is pretty good, around Boston. Maybe there is a Navy housing obligation of some type that could be fit up.

The other thing that strikes me is, although I think it may be too small for it, it might be a kind of contingency mobilization spot, given its access to Boston,

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that you could use, instead of [redacted] or something like that. I don't know.

CHAIRMAN RIBICOFF: Any place in [redacted] would be a good mobilization spot. It's easy to get into [redacted] you know, if that's what you're talking about, where you are going to close [redacted] because of mobilization. Is [redacted] large enough to absorb something of [redacted]

MR. HANSEN: We'll look it up.

CHAIRMAN RIBICOFF: If you could go for [redacted] you could go for [redacted] It's not very hard to get there. There are plenty of trains running from anywhere in [redacted]

MR. HOFFMANN: My instinct is that you are going to run into some kind of acreage problem there, but I think we ought to check that out.

MR. HANSEN: We have the information and we will check it out for you.

COLONEL YANKOUPE: [redacted] has a different mobilization mission than the basic training, the AIT training installation, sir. It will be a focal point for units deploying overseas to a mobilization theater, in coming, sitting on the ground and awaiting transportation and out-shipment. So it does its organization and processing for overseas movement. That is a unit type of

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mobilization vice mobilization training of recruits and trainees up to or for individual replacement overseas.

CHAIRMAN RIBICOFF: But don't you train Reserves to go overseas, too?

COLONEL YANKOUPE: Yes, sir.

MR. HOFFMANN: You see, given that that is true and I am sure that is fine -- the question then is can you do more than that.

Regardless of the fact that the Army is now presently doing that, can you do more than that there? Can you be marshalling units for deployment overseas and then, at the same time, concurrently be bringing in draftees, whatever you have, immediate volunteers, individual ready Reservists, and putting them through a combat training there for mobilization? I don't know the answer to that.

MR. HANSEN: Sir, the answer to the acreage question is Dix is three times bigger than Devens and [redacted] is five times bigger than Devens.

DR. SMITH: How big is Devens?

MR. HANSEN: It's 11,000 acres.

DR. SMITH: You can't do much training on that at all -- I mean, once you get beyond small arms firing ranges. That's about it, particularly with encroachment.

How long is [redacted] driving time -- less than two hours?

COLONEL YANKOUPE: [redacted] would be two hours. I think you are probably talking about five or six.

DR. SMITH: Oh, it's [redacted] It's two or three hours, isn't it? [redacted] is where the Army is putting a billion dollars in construction and, what are there, about [redacted]

COLONEL YANKOUPE: It's about that.

DR. SMITH: So I would suspect that many of the Reserves and Guard now go to [redacted] to train, because that is the only place where you have real estate.

MR. HOFFMANN: Well, they did in the early days, because that was the only mission that they had. But the billion dollars worth of investment is to station a regular active unit there --

DR. SMITH: A light division.

MR. HOFFMANN: -- which means that unit is either pulling out or going in.

MR. HANSEN: Yes, and utilizing the space.

DR. POE: Mr. Chairman, this brings up one other subject, which does not apply here, but I think we need to think about it in a lot of areas.

Although I represent the junior service -- or did; I don't think I represent anything at this time --

I have some experience in it, and that concerns the business of presence.

Now at the time I was a legislative liaison, we closed 160 Air Force installations, and there was a good deal of discussion about how we needed a presence here and there.

I'll tell you how we lost that: we're now in the Twentieth Century, and the presence of things like the Thunderbirds, the presence of things like ads on television and the radio, and that sort of thing, and you get very, very few walk-in recruits as a result of having a flag and a base somewhere with a pretty parade ground.

I believe we are going to get creamed on this if we get away from the statistical things and say that this is hallowed ground. If it's hallowed ground, it ought to go to the Department of Interior to let them take care of it, and let us use that for bombs and rockets and stuff like that.

It's a personal opinion of mine. I don't think we are going to live with presence as a real factor in most of these things, unless you are talking, say, about [redacted] or one of a few, a very, very few major installatic that are probably not threatened anyway.

I don't know how you feel about that.

GENERAL STARRY: Right.

CHAIRMAN RIBICOFF: I am curious about something.



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You men who have the military experience, what happens when you have nonaccessibility for an active Reserve individual?

GENERAL POE: Well, they often quit.

CHAIRMAN RIBICOFF: They quit.

Now, I don't know. Those of you who have had experience with manpower, what do you think you have in New England in the Reserve? What are the quality and the caliber of the men that you have there?

You know, you are going with one of the high technology areas of the United States. What are you going to do with these people, who live and work in all of those high-tech industries in New England, and there is probably the highest concentration of [redacted] there?

GENERAL POE: In fairness, they normally are not assigned -- there aren't that kind of units around there.

They do their summer service at [redacted] I'm talking about the [redacted]

So, if you're talking about operational units, then you're back down to the guy who is carrying a rifle and all that. I don't know what impact that would have.

But those other fellows get on an airplane when they go and train. We don't have any facilities that I know



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of, in the Air Force. We like those people and we use them, but they don't do it there. That's my point.

ADMIRAL ROWDEN: Neither does the [redacted]

CHAIRMAN EDWARDS: Is this one of your 19?

MR. HANSEN: No, sir.

CHAIRMAN EDWARDS: Then I would renew my suggestion. We have to keep moving on this today. I would renew my suggestion that you fellows look at a combination of things that can be done at Devens and report back.

MR. HANSEN: Yes, sir.

CHAIRMAN RIBICOFF: Keep in mind, if it isn't, it may be one of the recommendations that you make that doesn't go into what we send up to the Secretary of Defense and indicate what should be done here, the things you'd negotiate for and be concerned about.

MR. HANSEN: Yes, sir. I understand.

To make sure that I am clear on this, we are to pursue the National Guard transfer option.

CHAIRMAN EDWARDS: Yes. But I would also suggest that if we are going to deal with administrative operations in various and sundry bases, it just may be a place to have an administrative headquarters.

MR. HANSEN: We could add to it.

GENERAL STARRY: May I suggest an addendum to that



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This allows the Army to [redacted]

CHAIRMAN EDWARDS: Maybe so.

GENERAL STARRY: That clears out that part of the training that is going on.

GENERAL POE: They wanted to do it, didn't they, and weren't allowed to do it?

GENERAL STARRY: Yes.

GENERAL POE: That's exactly what this exercise is for.

CHAIRMAN EDWARDS: Okay. That is a good addendum and that is what we are all about.

MR. HANSEN: Sir, moving on to the next category, that is Army Headquarters, Admin Headquarters.

The Army admin headquarters are places that are major commands. They are either in an Army command or in major commands, such as the Training and Doctrine Command at Fort Monroe, the Forces Command at Fort McPherson, et cetera.

In October -- here are the locations of them (indicating). You will note [redacted]

What we found was this is a category where



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we developed a process that was based primarily on military value for operational type units. Admin headquarters didn't fit this one too well. There was a lot of stretching and pushing, et cetera, to build a value array, a military value array for these categories.

It was also very difficult to talk about excess capacity when the work that they do is make communications and push paper and, therefore, their only real need is office space. But, nevertheless, we have analyzed quite a few of the bases on the array.

Here (indicatint) are the arrays.

Fort Douglas is [redacted] That's Utah.

The City of San Francisco [redacted] -- that's California.

Cameron Station is Virginia.

[redacted]

Those are the five that we have analyses of.

However, the next fort above that, [redacted]

The first installation that I would like to go through is Fort Douglas.

SENATOR EAGLETON: Before we go on, through my years in the Senate, through eight years in the Senate, the two that have been in the newspapers, the "deadly due"



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have been [redacted] -- and Fort Sheridan, or whatever its called, and the richest place in the world. Donald Trump would offer a billion dollars for Fort Sheridan. The golf course is on the lake.

Hell, I'll buy it right now, myself, if it's available.

And yet, by your dot system -- how has conventional wisdom, how has universal knowledge been so totally wrong for decades -- according to the dot system, so that these two things that have been deemed by everybody as useless and have been on previous hit lists now are seen as stars in thenight?

MR. HANSEN: If I could try to sum up a lot of speculation on previous decisions, it is not always easy for us to tell because the information is not always available on how things came up on a hit list.

But my opinion is there were two major measures here. The first is the previous list measure primarily focused on cost. I can sell this valuable property, as you pointed out, and make money by moving this place to somewhere else.

I can sell [redacted]

The second thing is that in all cases, when they



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write the article about how bad [redacted] is or how bad Fort Douglas is, they always talk about how its mission was [redacted] Or Fort Douglas' mission was to guard stagecoach routes. It is obviously ludicrous that we still have bases that are there to guard stagecoach routes.

Well, [redacted] anymore. Fort Douglas has an entirely different mission than it had back then. And, in fact, if we apply the argument of what it used to be there for, we'd close West Point, because it is there to guard a bend in the Hudson River.

Nobody has ever suggested that we close West Point.

I may be getting a little emotional here.

SENATOR EAGLETON: Now this is [redacted] and Sheridan. The reason I'm raising them now is they don't even come close to your cut line. They are sacred, by this magic formula, that is there to be untouched.

MR. HANSEN: Yes. But if I could, I would make one other point about the formula.

We have had a fair discussion of the issue of regional presence. Fort Sheridan falls into the category of a regional presence. It is the only fort in the northern Midwest. It's just like [redacted] was the only [redacted]

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SENATOR EAGLETON: And that reason alone then puts it way out there? I mean, it's [redacted] as being the most immaculate.

MR. HANSEN: Primarily, yes. It's also a good fort for admin purposes.

SENATOR EAGLETON: What could you sell it for? What did your studies show you could sell it for? It's up there near Lake Forest, on the lake.

COLONEL YANKOUPE: We don't have land value there.

SENATOR EAGLETON: You didn't do land value?

MR. HANSEN: Because it was up there, we didn't do an analysis of it.

MR. HOFFMANN: How many acres in Fort Sheridan? How many acres do you need for an administrative center? For an administrative center, you need just a handful of acres, don't you? But you've got hundreds of acres there for Sheridan, don't you?

MR. HANSEN: Yes, it's right up there. We will look it up.

MR. CRAIB: It's worth hundreds of millions of dollars, and you have one dinky part of it devoted to administration and presence. We've already decided that maybe presence isn't all that important.

MR. HANSEN: This does not have a training mission.

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MR. CLAYTOR: If I may make a suggestion, on administrative installations, I think we ought to look, in addition to the other factors you look at to get those dots, at savings, dollar savings, administrative things, that is, offices basically.

MR. HANSEN: That's right.

MR. CLAYTOR: In that category I think the costs can be pretty damn important, or so it seems to me.

MR. HANSEN: The payback? Is that what you are referring to, sir?

MR. CLAYTOR: Yes, payback. Those would be pretty important.

MR. HOFFMANN: Mr. Chairman, if I may, let me make a generalization.

When we had the dot book originally, I think several other members and I were troubled by the notion that we would simply use the dot system to focus on what we were going to analyze and let the rest go.

At that point my reaction was the same as yours: we had better at least go back and get the so-called chestnut list pit that chestnut list, which embodies the conventional wisdom, against our analysis, to just make sure we are being reasonable.

You are all going to have to tell a story when you get out there of why not this or that one.

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So I assume that, at some point, we are going to consider and design here, and have, a screening process on some of the rest of these, or at least a goodly number of them, to find out just this sort of thing.

I mean, [redacted] is one sort of presence. I have always had a little difficulty, I must say, with the notion of Fort Sheridan, with its golf courses, with its immaculate lakeside, housing and all of that, although I think it is a fabulous place, and I [redacted] to keep it the hell out of Washington and keep it out to where people could not get their hands on it and screw it up.

You know, on the other hand, that is a different kind of presence than in [redacted]

At this stage of the game, I am not unhappy to start with the bottom up, take the easy ones, get our conversation, get our communications going here, see how we all feel about these. But we are going to have to at least take those chestnuts.

I will tell you, after the first cries of alarm and exposure of vulnerability, [redacted] there was a conspicuous move to load these up and make them indispensible to the national defense effort. But we'll be able to piece through this and see what's going



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on. But I don't think we ought to get bogged down in every case and try to do that now.

CHAIRMAN EDWARDS: I agree with that.

The staff has spent a lot of time putting this thing together. Let's go with the stuff the staff has come up with. We are talking about the last half dozen or so on that list. After we have talked about those, if there are other candidates that ought to be discussed, such as Sheridan, then let's have at them. If we want to carve out an administration building at Sheridan and sell Trump the rest of it, let's talk about it. Let's try to track what the staff has put together and then get on with these others.

GENERAL POE: Mr. Chairman, I don't want to delay matters, but there is one thing I have to say.

It has been my experience, again, in the same period as you (indicating), the first thing they will complai about is you are closing my station. The second thing they do is to compare it, very analytically, to something that was not closed. So that is where we are going to have a major problem, if we miss some of these things. It is that they are going to go back and say you closed this, and my goodness, you didn't close that one.

CHAIRMAN EDWARDS: That's right. So let's go with the charts that have been prepared and we will talk about it



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again if necessary.

MR. HANSEN: If I could make a point, Mr. Claytor's suggest that we do a cost -- he sort of picked up with Mr. Hoffman -- that we do a cost analysis of Sheridan, if we are going to somewhat stick to the process and at least look at Sheridan as a higher military value, there are other ways to do that, and that is if the Commission "devalues," if you will, presence, that would change the order of this array.

I am concerned that we would leap up an array and do a cost analysis of one without doing a cost analysis underneath it.

MR. CLAYTOR: I would suggest doing a cost analysis of all of them in this category, because it is a different type of category.

MR. HANSEN: It then becomes a workload issue, of course.

SENATOR EAGLETON: This chart will be before the Congress and the public. You all must realize that.

Abe and Jack are going to have to defend if later we close Sheridan or [redacted]

So, if we keep [redacted] and Sheridan open, then, wow. If we close them, how did we leap up to that conclusic

MR. CLAYTOR: We have to do them all. That is my feeling.

CHAIRMAN EDWARDS: In this particular category, they are all interrelated. Not all of them fall in the process machinery simply because of their own particular areas that they operate in. They are all listed up there as administrative headquarters installations, but they don't necessarily come through the process that way.

Let's track what we've got, recognizing that this is one of the strangers that pops up in the process.

MR. HANSEN: Yes, we have others. I would be remiss to not say that there are other categories, a category that gets away from operational missions. There are others in other Services, too.

CHAIRMAN EDWARDS: Talk to me about [redacted] down to Fort Douglas, will you?

MR. HANSEN: Yes, sir.

Starting with Fort Douglas, Fort Douglas is recommended for closure. It is located in the heart of Salt Lake City, surrounded by the University of Utah, which I understand wants it. It has some activities which could be segregated away and the remainder excessed, and it is just a good candidate to close.

Presence-wise, the Army is all over the place, if we are going to continue to look at presence, et

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cetera.

Now, Fort Douglas is not a large post -- 112 acres. It pays back in two years. The land value is estimated at $6 million, and, in general, those are conservative estimates.

The interesting thing is in the middle of the set of numbers that you see. The first year of steady state savings is $300,000. This is because when you close these admin headquarters, no one has said that you don't have to do most, if not all, of what you do. So all you have done is change where you do it.

Consequently, you are not really reducing your base operating support costs unless that post had a tremendously high cost of operation in the first place, which might be the case in an area of --

CHAIRMAN EDWARDS: Stop. Does anybody have any problems with Douglas?

(Nays)

CHAIRMAN EDWARDS: Then how about talking about Presidio. I don't want to cut you off, but we could talk all day about some of these.

MR. HANSEN: That's right, sir.

Presidio is, again, recommended for closure. It pays back in one year.

The main reason for that is the hospital, what

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used to be the Letterman Army Hospital is now being turned over to Navy management in a regional setup. It is very, very likely that it will move. It is not earthquake sound. The State wants it shut down or fixed, and fixing it is impossible cost-wise.

SENATOR EAGLETON: Is that where all those big homes are out there?

MR. HANSEN: Most of the Presidio will revert to the Golden Gate National Park. However, the small part of land which does not revert is valued at $36 million.

GENERAL POE: Didn't the Army testify that it belong to a family?

MR. HANSEN: There is more than one reversion clause, as I understand it. There are several.

GENERAL POE: I think it reverts back to the people that gave it to them.

CHAIRMAN EDWARDS: You have confused me about Letterman. Is that part of the Presidio closure?

MR. HANSEN: No, sir. It would not be.

COLONEL YANKOUPE: Sir, Letterman is, in fact, a major tenant on the installation.

Recently, Mr. Carlucci has directed the Secretary of the Navy to undertake a study of an amalgamation of medical care facilities in the Bay Area, in response to a proposal that the Navy made. They are studying now what will

happen to the major medical centers, such as the Navy one at Oak Knoll, which also has a seismic problem, and Letterman, and will probably make a proposal to replace both of those with something else, as we understand it, somewhere in the Bay Area.

In any case, it is the understanding that Letterman is one of those in the equation because of this bill that will go away.

CHAIRMAN EDWARDS: Now I need to understand this.

If we vote to close the Presidio, what are we doing to Letterman? Anything?

COLONEL YANKOUPE: Effectively, we will be saying that Letterman will be closed along with it, unless we were to caveat that in some way.

CHAIRMAN EDWARDS: Does anybody have a view on Letterman?

MR. HANSEN: Why don't we check with the Army to make sure that that is, in fact, the way this analysis was done. We can call back to the Task Force back in the Pentagon to make sure that they are coupled together, before we make a call on that: are we closing Letterman Hospital when we close the Presidio, or does Letterman stay open because the Navy now has it?

COLONEL SHADIS: Letterman would stay open until they build a new hospital.



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MR. HANSEN: Right. The Navy will be responsible for the maintenance of it, and the operating of it.

Then the other question I have is the steady state saving. Is that a DOD steady state saving or an Army steady state saving?

CHAIRMAN EDWARDS: Now I don't know that I'm really hearing this clearly.

Would it be in order if we said close Presidio and the Letterman facility, when the Letterman facility is superseded by another hospital?

COLONEL SHADIS: The problem with that, sir, is that Letterman Hospital probably won't be superseded until well after the Commission's deadline.

CHAIRMAN EDWARDS: Is there any problem with closing Presidio?

CHAIRMAN RIBICOFF: Just one question. If you close Presidio, you're going to get a land value of $36 million? But, again, my guess -- this is one of the places I've seen; most things I've never seen, but I get to San Francisco once in a while -- it would seem to me that the city is not going to allow you to sell this for commercial purposes. They will take this for park purposes or for some other reason.

Are they going to allow high rises or apartment houses to overlook the Bay? Do you think they will do that?



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Do you think the city is going to do that?

MR. HANSEN: It's hard to tell. That is one of the dilemmas we have when we value any of these properties. They are all zoned for military use, and we have to sort of guess at where we might be able to receive proceeds and where not.

The land that we are talking about is on the fringe, around the edges of it. Most of the land is already going to revert to a park if we give it up.

CHAIRMAN RIBICOFF: It reverts to a park?

MR. HANSEN: I think it reverts to a park.

COLONEL SHADIS: There is statute that requires that.

CHAIRMAN RIBICOFF: My feeling, as I am listening to this, is I am not excited that we are going to get money back by selling a valuable piece of land. If it can be used for a university or for a park, we may not get any money. But it is an anachronism and shouldn't be there as a military base, that is, if so, I am for closing it without worrying about getting the money.

MR. HOFFMANN: But I am for coming up with some way that says even if it goes to a park, or changing its status, there is a presumptive value to the citizens of the area, and for a presumptive long-term thing, we

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ought to figure out some way to put a price tag on it.

CHAIRMAN RIBICOFF: But, I mean, what are the rules? I have forgotten what the rules are. But there are some rules when you get it, for the State or a city or a governmental unit, which has a right to get that for some sort of bargain. Is that right or wrong?

MR. HANSEN: That's correct.

MR. HOFFMANN: Let me just say that I have said before here that I think what it ought to be is the fair market value of that property, what the opportunity value of that currently is because, no matter what you use it for, that's what it is.

It doesn't matter if it is used for a park or something. That's how you would value that property.

MR. CLAYTOR: Russell Train was making that point very strongly, that we ought to use fair market value and put aside zoning or rights to become parkland. If it's parkland, it's worth that to the people, and we ought to count it in that way.

MR. HANSEN: Yes. In the Commission, we formally voted on that. We formally voted to do that and that is the way the analyses were run.

MR. HOFFMANN: So, you have to change the $36 million because we are getting credit for all that land, even the reversionary rights.

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MR. HANSEN: That's correct.

GENERAL POE: Even if it goes to park, sure.

MR. HANSEN: Even if it goes to parks.

GENERAL POE: That's the whole works, and that's a tremendous amount.

MR. MILNES: Let me just quickly mention something about the disposal rules.

In general, there is a pecking order or an order that you go through, such that it is impossible, I believe, for the Commission to know the ultimate disposition of these properties. Therefore, in general, you have to exclude it from the way you think about things, and your payback analysis has to be based as we voted on earlier, as the Commission voted on earlier, an imputed value for that property.

You do that regardless of what the ultimate disposition is, and that ultimate disposition really falls under the Secretary of Defense and his disposal.

GENERAL POE: You are going to find another thing, too.

The real property maintenance accounts on these old stations are going to give you some significant saving. We have to spend enough on some of these old houses every year to build a new house somewhere, just for one year.

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So, the RPMA is going to be a very significant figure.

CHAIRMAN EDWARDS: Is there any objection to including Presidio on the list?

(Nays)

DR. SMITH: May I ask one question, Mr. Chairman, just for clarity?

The first year steady state saving, is that a net number? Does that assume that you pay to relocate this activity and you have got rent somewhere else?

MR. HANSEN: Yes.

DR. SMITH: But the net effect of this closure is to save $74 million a year, once you have paid the one-time costs?

MR. HANSEN: We do have to check the data, and one thing we have to check is to make sure that that saving doesn't include the not having to operate Letterman, which will still have to be operated by somebody.

Do you want to clarify the Letterman issue?

COLONEL YANKOUPE: The Letterman issue will not be clear for some time. That's why you are not getting a clear answer on it.

The study is currently ongoing with OSD Health Affairs, as they have assumed these roles. We would not have any results of that until probably the May

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timeframe.

CHAIRMAN EDWARDS: Well, I think we ought to close what we can close, and if we can't deal now with Letterman, then we can't deal with it.

What about Cameron?

MR. HANSEN: The Cameron Station many of you may be familiar with.

CHAIRMAN RIBICOFF: Where is that located?

MR. HANSEN: It's just down the road, sir, literally right behind you. It's about 15 miles from here.

It was primarily warehouses, most of which have been converted to office space. The Defense Logistics Agency is the prime tenant there. There are only two people that work for the Defense Logistics Agency that have a window. This is bad space.

It is encroached. However, it has a couple of very good benefits. It has a large commisary and a large PX, which is used by a number of people here.

However, the recommendation is to close it and transfer or build its location to some land available at Fort Belvoir.

But, simply as a closure in its own right, it pays back in seven years with a land value of $36 million and steady state saving of $13 million.

However, if we can incorporate it into a



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study of what to do with National Capital Region lease space and what to do with 820 acres of land available at Fort Belvoir, all of a sudden this becomes a much, much greater payback.

So I would like to move on to include this National Capital Region stuff.

CHAIRMAN EDWARDS: All right. Let's go on.

MR. HANSEN: First of all, Fort Belvoir is cut in half by I-95, a major interstate. On the West side of I-95 is a place called the Fort Belvoir Engineer Proving Ground, which, because the engineer function last year was changed to Fort Leonard Wood, in Missouri, is excess to the Army's needs.

There are 820 acres, right in the heart of residential suburbia and very close to Springfield, Virginia.

SENATOR EAGLETON: How many acres?

MR. HANSEN: It's 820, sir.

SENATOR EAGLETON: Whoopie.

MR. HOFFMANN: Has it been declared excess?

MR. HANSEN: No. It's capturable.

CHAIRMAN EDWARDS: Is it one of your 19?

MR. HANSEN: Yes, sir. This is a big one. Does a large portion of that have a bunch of duds and things like that on it?



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COLONEL YANKOUPE: No, sir. It is a proving ground for motorized vehicles and things like that.

SENATOR EAGLETON: What is your estimated market value of that?

MR. HANSEN: We will give you an analysis of that in a few minutes. Actually, just as raw land, it's not too much, because, again, of zoning.

Now there is an incorporated problem here. The land has value in its own right, just to be sold. But it has more value if we can work together with the Fairfax County community, the State, et cetera, and turn this into a different zoning, and we just can -- "leverage" is the term -- and we just can leverage the value of this land.

CHAIRMAN EDWARDS: But that's not our problem?

MR. HANSEN: Well, it is our benefit. That's what it is.

Let's put up the numbers chart.

CHAIRMAN EDWARDS: Don't get too bogged down in what they may or may not do.

MR. HANSEN: This is the Paul Johnson plan.

What this shows is two ways of dealing with these 820 acres. The first is you simply sell it for what's estimated on the right hand side, which is [illegible] million, and, at current construction costs, that

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will buy you 1.2 million square feet of office space.

The Army is currently in 2.4 million square feet of leased office space, at a cost of $42 million a year, and estimates are that when those leases expire in the next year or two, they are going to double or triple. So we may be talking about $100 million a year here in the near future for leased space. Plus, we have the requirement, if we close Cameron Station, to find another 600,000 or 700,000 square feet of office space.

So, looking at a total requirement, if we were to do both, get out of leased space and get out of Cameron Station, it's over 3 million square feet.

So, if just selling the land would get us enough money to build only one-third of that, 1.2 million, and, therefore, only save a third, $17 million, which could triple.

However, if you could do a plan, which is not approved but is well along the way of negotiation, of developing this as a combined industrial park, you could actually improve the value of the land to a couple of billion dollars. The Army could net all 3 million square feet of space it needs out of it, the developer could still make a profit. Part of the plan that is being talked about is a Metro station that would be built out of the developer's profits, which would mean a Metro station across Route 95,



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which is very valuable. There is a road being built around here called the "Springfield Bypass." They don't have all the money they need for that and this could help do that.

So, it gets down to three different options, if you will: simply focus on Cameron Station; get rid of it; build some space down on the other side of Fort Belvoir; a modicum of return -- a seven year payback, just over the six. If you couple it with a Fort Belvoir proving ground on a simple sale and construct, again, another small improvement reduces the seven year payback some. However, big picture-wise, there are some more chances. It's a similar situation to [redacted] in that there is a wild card in there. [redacted] was the National Guard issue. This one is Fairfax County. We don't have total control over Fairfax County.

SENATOR EAGLETON: How do we get an attractive price to put in our pot on this magnum opus? Again, we want to help Abe and Jack save a couple of trillion dollars on all of this, if we can, especially when they have to face the Congress and the press?

CHAIRMAN EDWARDS: Is the answer to that that in our report, we would list the alternatives, as we see them?

MR. HANSEN: I think we could do that. We could list the alternatives, and, as Chairman Ribicoff mentioned, being careful not to put things we don't

control in our all-or-nothing pot, but also show benefits beyond that if certain things could be worked out, and take credit for all the big ones.

SENATOR EAGLETON: The question is how much did you save, Abe and Jack? And what about the $500 million or $600 million -- how can we generously expand that figure based on all of these magnificent things you think may happen, such as a subway spot? How are we going to put a nice pricetag on this?

They are not going to listen to options and all of that. They are going to say what did you save, guys. You have been working at this, you have a big office here, you have staff, what did you save?

CHAIRMAN RIBICOFF: My guess is you save a hell of a lot more than shows there, from what I am listening to. That is very, very valuable land.

MR. HANSEN: Yes, but if it is zoned properly.

CHAIRMAN RIBICOFF: It will be zoned because it isto the benefit of the community.

CHAIRMAN EDWARDS: You have to have some confidence in the local governing bodies to do what is best for the community.

GENERAL POE: Now, I live in Fairfax County and you have to be careful with them. They are so up-tight about traffic and all that you never can tell what they

are going to do. But you can certainly say we gave them the opportunity to save this much money.

CHAIRMAN EDWARDS: Is there objection to including Cameron Station and setting out the alternatives that have just been set out for us?

MR. HANSEN: I think your comment was a correct one, sir.

We can recommend the closure of Cameron Station. The recommendation includes build the space you need on Fort Belvoir and that this is a real chance, the proposal option, the big ticket option is a real chance of success, and take credit for the full $42 million in annual saving.

GENERAL POE: Mr. Chairman, you need to take credit for something else, too, and that is that this is essentially a Defense Logistics Agency hit. Otherwise, they are going to talk about how the DLA, the Defense agencies, are sacrosanct. That's an important thing. Whenever you say Army, you want to put in there that DLA was a part of it.

MR. HANSEN: That's correct.

MR. CLAYTOR: How much of Fort Belvoir would remain? You've got a lot of land there. Are you keeping most of Fort Belvoir for the Army?

MR. HANSEN: Regarding Belvoir itself, on the Belvoir side, it all would remain. The proving ground, only a portion of it would remain in Army control. The rest



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would become commercially developed.

DR. SMITH: Your point is a good one because there are huge tracks [redacted] now that probably aren't going to be used -- they are used for training purposes -- once you'd move the engineering school. So, all of that land to the -- what -- the southwest, which was formerly training area on [redacted] has very low utility.

CHAIRMAN EDWARDS: It is really in transition.

DR. SMITH: That's right. There ought to be great chunks of [redacted] that could be made available for closure. And I'm not sure that you would have to wait four years, either. I think we know the direction in which they are going, and it certainly may be worth taking a look at what we know is going to happen and see if there aren't some major pieces of [redacted] that we can recommend be closed at this time.

CHAIRMAN EDWARDS: [redacted]

MR. HANSEN: Do I hear a sense that the staff shoul pursue that excess land on the [redacted] on the main post side?

CHAIRMAN EDWARDS: Yes.

MR. HANSEN: All right.

Moving on to [redacted]

The cost of moving the kind of buildings that they have to have and all the communications equipment, and all that, not even mentioning the siting problems with regard to communications is just prohibitive. Therefore, it is not recommended for closure.

CHAIRMAN EDWARDS: Any disagreement?

(No response)

CHAIRMAN EDWARDS: Press on.

MR. HANSEN: Next is [redacted]

The post recently has had a $96 million constructic into one building to bring the post up to very, very good standards and move a lot of people out of World War II wood, which will be torn down. Building a new facility would cost a bunch. Payback, if you wanted to move it, was 12.2 years, and, therefore, it is not recommended for closure.

MR. CLAYTOR: What size is it? How many acres arewe talking about?

MR. HANSEN: It's small. There's no traning at all. It's another admin. But it would cost too much to move, because, as I said before, many of these posts,

everything they do has to be done somewhere. Therefore, you don't get much saving when you move them, unless the land is very valuable.

Now the land has value here, but it's not enough to get the payback in.

MR. CLAYTOR: I was just look at the possibility. If you have 75 acres and you are using five, there is the possibility of making quite a lot of dough out of that urban land by getting rid of stuff you don't need.

MR. HANSEN: It's 500 acres.

MR. CLAYTOR: Five hundred acres. My God. I can't believe that all of this stuff is using more than five or 10.

CHAIRMAN RIBICOFF: Where is [redacted]

MR. HANSEN: It's [redacted]

MR. CLAYTOR: It's within the urban fringe. Within what we call the "beltway."

CHAIRMAN EDWARDS: I think it ought to go on the same list that the [redacted] issue is on, and probably we should put Fort Sheridan's excess property in that same category of extra property around a facility.

MR. CLAYTOR: That's right.

CHAIRMAN EDWARDS: Would you put back up the dot chart, please.

[redacted] is supposed to be next door.

MR. HANSEN: [redacted] Presidio is an Army headquarters, Fort Sheridan is an Army headquarters, and [redacted]

CHAIRMAN EDWARDS: Could it be in the same category, in the same property?

MR. HANSEN: Well, they share staff in some cases.

SENATOR EAGLETON: Where is [redacted]

MR. HANSEN: It is [redacted]

CHAIRMAN EDWARDS: Could it be closed and have them put in [redacted]

MR. HANSEN: We looked at that, and the answer was no, it could not.

MR. CLAYTOR: Is it because it would cost too much to build?

MR. HANSEN: Yes, the cost of construction eats up the saving. There are no savings to be had.

MR. CLAYTOR; How many acres?

COLONEL SHADIS: One thousand five hundred.

MR. CLAYTOR: It's 1,500 acres for [redacted]



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My God. It's a headquarters, it's an administrative headquarters.

CHAIRMAN EDWARDS: How many people?

MR. HANSEN: [redacted] -- I don't know.

GENERAL QUINN: On a rough order of magnitude -- for [redacted] -- it's 300 people in the Headquarters; you also have [redacted] there. It's a Reserve center, and that's about all.

MR. CLAYTOR: With 1,000 acres -- I think you would not possibly need more than 10 or 15 acres.

CHAIRMAN EDWARDS: Is there something that they do there that we don't know about? Any heavy communications stuff?

COLONEL YANKOUP: I think there might be at [redacted] sir. The whole complex between [redacted] I am not sure what they are because I have not dug into those in detail.

CHAIRMAN EDWARDS: You know, we're giving you guys a lot of extra work, but I'm sitting here and thinking you've got, what, 500 acres at [redacted], and 1,000 at [redacted] you've got 500 people at [redacted] maybe. I'm sitting here thinking why can't you sell about three-quarters of that land and put together an operation over at [redacted] and



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pay for the move in the sale of the land?

MR. HANSEN: If the suggest was to do an economic analysis on all bases, that is part of what you have to do. In order to do that, you have to figure how much it is going to cost to build at the new place.

CHAIRMAN RIBICOFF: Just a practical suggestion. Don't make something so tough for Nunn that it is indigestible to him.

I mean, I don't know anything about these two installations and what it means to Nunn's position, whether he won't be very severely criticized in Georgia. Who knows, maybe they'll erect a monument to him for doing this, but I don't know.

Who knows about [redacted] Is it something that Nunn would have an interest in?

MR. HOFFMANN: It seems to me it could be worked out very quickly, to find out what the real, overall possibilities are. You know, where you have only 15 miles separating them, if you've got some good facilities [redacted] and you sell half the land at each, it seems to me you've got the value out of it without causing a lot of problems.

CHAIRMAN RIBICOFF: I've got a hunch that what is happening in that area is people would be very pleased to open that up for development.

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MR. CRAIB: I think that's right.

MR. CLAYTOR: This is within the metropolitan Atlanta area.

CHAIRMAN EDWARDS: It has a golf course, doesn't it?

MR. HANSEN: Every installation, major installation, sir, has a golf course. I hope that is not part of our criteria.

GENERAL POE: One of the things that has been said that I have to challenge on is that this work has to be done somewhere. I think if you look at the average post, camp, or station, you'll find that if you can lock the gate, you'd save a hell of a lot of money, because then you'd go over to somebody else's fire and security police, somebody else's post engineering, and all that, and they'd do a whole lot of things.

MR. HANSEN: Yes, sir. There are some economies of scale.

GENERAL POE: They have to do the same work, but it doesn't mean they have to do them there.

MR. HANSEN: Yes, sir. I really referred to the actual headquarters people themselves, not the base operatives.

MR. CLAYTOR: That has to be done. But all of the support facilities for those people don't have to be done

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twice.

MR. HANSEN: That's correct.

CHAIRMAN RIBICOFF: It would seem to me that this is the type of installation that somebody should visit -- Claytor, Poe, whoever it's convenient for.

Both of you, with your experience, it would be a very good thing, and it wouldn't be too difficult for either one of you, where you are located.

MR. HOFFMANN: I think you'd better start developing a list of things, to see how we cover them, either with staff or with members. I was interested in this trip which was taken here, to the Northwest. There were different kinds of things. There has been a criticism that we are not getting up and around, and I think we want to look and make sure that all the members get out and see something.

For instance, [redacted] the Navy, the Air Force. You could look at all that. You could do that in a day.

[redacted]

CHAIRMAN RIBICOFF: You're going up [redacted]

[redacted]

MR. HOFFMANN: Right.

MR. CLAYTOR: [redacted]

[redacted]

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[redacted]

MR. HOFFMANN: Are you going to be there anyway?

MR. CLAYTOR: Yes, I'm going to be there anyway.

GENERAL POE: I have to tell you that I think psychologically it is a good thing, too, because [redacted] that we just mentioned, the individual [redacted] there, I think I left with her being pilloried by the local people because of the differences in information.

So, you catch everybody's attention.

It's the same thing with the Air Force. They were pressing headquarters a few days before because they had heard that these things were going to start, to make sure that their position was reflected correctly by the higher Headquarters.

MR. HOFFMANN: I think General Starry's visit to FORSCOM is really going to put the flag out there, where it belongs, Mr. Chairman. I think that is a tremendously selfless thing to do.

(General laughter)

CHAIRMAN EDWARDS: All right.

MR. HOFFMANN: Excuse me -- I meant to say TRADOC.

CHAIRMAN EDWARDS: What I hear around the table, I think, is that [redacted] both are important, but that there may be a combination that could be put together that would either have to do with selling off some of the land of each or combining both of them into one and selling

the other, plus some land from the receiving facility.

Is that what I'm hearing?

(Ayes)

CHAIRMAN EDWARDS: Is there any problem with the staff approaching it from that standpoint?

MR. HANSEN: Is that where we stop, at just those installations, or do we carry that up?

CHAIRMAN EDWARDS: I'm sorry. I don't understand your question.

MR. HANSEN: Well, we had an earlier suggestion that we do some analysis of Sheridan and then discussion.

CHAIRMAN EDWARDS: I think what you are establishing a list of facilities -- that's what you're doing -- where we might take part of them away. That includes [redacted] that would include [redacted] so far. I think you ought to do the same with [redacted] if we're not going to close [redacted] We ought at least to look at the area around it.

MR. HOFFMANN: [redacted] is now on two lists. It's on the chestnut list. That's to check the common wisdom as to why it is on so many lists and it doesn't make our list. It's a sensitivity analysis.

Secondly, it's to be looked at from the point of view of not a total but a partial sale, or can we do somethin where the land could be used.



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CHAIRMAN RIBICOFF: Those dots, you know, are meaningless. I was very unhappy when I looked at the dots. I could understand why -- because no one wanted to surface any particular installation.

But now, as we are going over this, I don't think there is anything holy about the position of those dots, as I listen to what is going on with the conversation around the table.

SENATOR EAGLETON: Are we going to analyze everything or anything above [redacted]

CHAIRMAN EDWARDS: I come back to what I said a while ago, that this particular category, probably more than any other, just didn't follow the process routine, because of the makeup of these facilities. Am I right?

MR. HANSEN: Yes.

COLONEL YANKOUPE: These kinds of facilities, when you take a look at the mission of the Army, in terms of land defense of CONUS, relationship with the Continental U.S. Armies, the First, the Second through Sixth, the relationship in how those command authorities are exercised with the State National Guards and the Reserves located all throughout the country, that command structure is executed through those installations that you're talking about.

So, when we decided to look and looked at militar

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utility up and down the curve, we said the first thing we're going to do is look at the missions of these installations and see why they are there, what functions they perform, and how that function relates to where it is. Then the attribute array interpreted through the factors that we gave them, and we listened to what they said was important to them, produced an evaluation of utility that allowed us to rank these bases.

In fact, as you go higher in the curve, you find an increasing level of utility, unless that utility is affected by the condition of facilities and so forth at the installation.

These things have to be taken in the context of what is the mission of the Army. Otherwise, the philosophy you end up with is big is better and biggest is bestest, and the bigger we can make it, the better we're going to get

You know, we could all put it in the center of the country, which is a ludicrous situation, or we can spread it out into little, tiny pieces, all throughout the country, which gets too inefficient.

So, somewhere in between is the compromise represented by the valuation of these dots.

MR. MILNES: Maybe I could make one other statement on this, sir, and that is that the thrust of the exercise was to look at functions, as opposed to excessing

properties.

Now there may be some real money to be made, and I think it was pointed out, and I think that our process should not necessarily exclude that. But the thrust certain was support function as opposed to excessing property.

CHAIRMAN EDWARDS: Can we assume that on all of those bases, or substantially all of them, that there is a lot of land around administrative buildings?

MR. HANSEN: Some have more than others.

COLONEL YANKOUPE: When we asked for a summary of what were the acres available on the administrative installations, the one that reported the most was [redacted] in terms of available acreage, and that was the 820 acres. The next one down was [redacted] at 191 acres. All the rest of them are less than that in terms of available land that could be built on, developed, or utilized for some other, higher purpose, within the context of this category.

MR. HANSEN: What often happens is not only are the installations scattered around the country as they grew up, but so are the buildings scattered around the post. Often your underutilized land is a little piece here, a litt chunk here and a little chunk there, and it is not quite as easy, except in clear examples, like the [redacted]

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[redacted]here it was across a major highway and there was a different use. We'll try to get some analysis of where buildings are and all that and do that.

MR. CRAIB: What does that list show for Fort Sheridan?

COLONEL YANKOUPE: Sheridan has available for administrative construction, sir, five acres; available for all kinds of developments, which might include recreational as well, they look at 19 acres.

MR. CRAIB: What is the total number of acres at Fort Sheridan?

GENERAL STARRY: It's 697 acres.

MR. CRAIB: It's 697.

CHAIRMAN EDWARDS: So, if list five and 19 as acreage that is available, then the balance of 600-something is used for what?

COLONEL YANKOUPE: Existing facilities or activities around the post -- infrastructure, roads, parade fields, whatever is normally found on a military installation that would occupy, on the land use plan or the master plan, all of the other facilities encompassed by the post.

CHAIRMAN EDWARDS: I think what I want to hear you guys come back with is this.

I'll just pull Sheridan out of the air for

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example. But here is Fort Sheridan, with 619 acres. Here is the core area of Fort Sheridan, 200 acres, let's say. So there's 419 acres just sitting out there. Now I know that is an over-simplification, but it strikes me that if we are not going to start combining Army administrative headquarters installations, the least we can do is to look at excess property at those installations.

SENATOR EAGLETON: Are they going to do it for all nine, or just Sheridan?

CHAIRMAN EDWARDS: I think they ought to look at all of them.

SENATOR EAGLETON: [redacted] has 569 acres.

MR. HOFFMANN: [redacted] there again, depending on how much acres are there, it's very close to Baltimore, with very good transport over there. There are very good existing facilities and all sorts of things.

You see, what's going to happen here is the staff is really getting a tremendous burst of perspective from the Commission as to how to set this up and all. It's going to take a little time to get through this. I daresay we will get through the others now that we have this thing developed.

So I don't think anybody ought to be unhappy or depressed about what we are doing here. We are making terrific progress today.

You know, in the case of Fort Sheridan, I have been



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there. I can see it in my mind's eye. It's very tough to pull out pieces of it, I suspect. Although, what the common wisdom check is going to present, I don't know.

MR. CLAYTOR: If you look at the whole thing, that's a different ballgame.

MR. HOFFMANN: It may well be. And, you know, it's going to be interesting to see, when the staff sees how we fell about these things. Apparently, if you slide the presence filter off Fort Sheridan, it moves to the left of the chart.

MR. HANSEN: Yes.

MR. HOFFMANN: If that is the case, then we start kind of looking at those things and saying hey, some of this is more possible.

So I don't know what the nature is of what we say that so and so should be on the list. I'm not sure what list that is. But I think that is the continued consideration list.

GENERAL POE: The Services, I would think, too, when they find out this is for real, would rather take a look themselves, a relook, than they would allow it to go without their continued input.

MR. CLAYTOR: That's right. Or they'd better.

GENERAL POE: I hope.

CHAIRMAN EDWARDS: I think that gives you a format



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to follow on this particular tricky kind of group of installations.

MR. HANSEN: The next category is the beginning of the Depot Category, the Production Category for the Army.

Basically, I think it is four types of installations that are associated with this. We'll discuss supply depots, maintenance depots, ammunition plants, and arsenals.

Many of these installations are multifunctional. Therefore, we might have three analyses of it because it has three functions.

As Russ pointed out, we looked at the function and not the total installation, but then we wrapped it all up.

The Army maintenance depots are scattered fairly equally about.

What we found in Army maintenance was that the capacity of it was designed to be working at 100 percent of the one-shift capacity. That's measured in labor-hours. The Army depots were only operating at 62 percent, indicating excess capacity.

However, we had a limiting factor, and the limiting factor is, for mobilization, the difference between what they are capable of operating at and what they had available to them was a lot less.

MR. CLAYTOR: For mobilization, did you use multiple shifts?


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MR. HANSEN: Yes. Mobilization uses multiple shifts. But the mobilization workload, they were working at less of a shortage or deficit off the planned three shift load.

GENERAL POE: Let me put in a word for depots, because that was my last job.

The last two years of 76 changes in acquisition law have made it so that you are actually seeing a reversion to some things that are going to have to be done in the depot if you try to crank up in a hurry. A lot of the changes have enabled you to write contracts. The ability that you have to seize, the ability that you have to condemn, the ability that you have to deal with unions and all that is gone.

So these depots really are taking on an increased value in all the Services in wartime.

So you ought to be awfully careful about screwing around with depots.

MR. HANSEN: Basically, what we are saying is wartime capacity would require us to keep more depots than peacetime capacity does.

This is the utility array that you see now. Pueblo is the lowest depot and it's in Colorado. [redacted] is second lowest. Then there is quite a large change to the third lowest, which is [redacted]

We did analysis of two depots, the two bottom

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depots -- Pueblo and [redacted]

At Pueblo, what we found was that the depot maintenance was well under capacity, and, on top of that, it is doing the Pershing missile destruction. Therefore, once it finishes that in a couple of years, it has no more maintenance mission.

So, it is losing its mission and it is an ideal candidate for closure.

I can tell you that the other two categories of mission that it has, supply and ammo storage, it's also an ideal candidate for closure.

The overall base, if closed, would pay back in four years.

MR. CLAYTOR: I think that one's okay.

CHAIRMAN EDWARDS: Any objection?

(No response)

CHAIRMAN EDWARDS: Okay.

MR. CLAYTOR: Where is this one, [redacted]

MR. HANSEN: [redacted] is in [redacted] was also low on utility. But what we have found in further analysis is that they have put a major construction project in there and, therefore, with further analysis, it turns out to be less low in utility, if you will. Secondly, because of its increased capability, it then became a candidate to take some of the Pueblo mission and some missior

from other places. So the recommendation there is don't close [redacted]

MR. CLAYTOR: The FY 1989 program -- have they done much expenditure on that yet?

MR. HANSEN: Very little.

MR. CLAYTOR: Then why don't we knock that off?

MR. HOFFMANN: Because I think the nature of the facility, I think you'll find the building there is demilitarization of chemicals, is that not the case?

MR. HANSEN: Yes.

MR. HOFFMANN: You've got some severe environmental problem in doing that anywhere else. We selected that as a place where we had to do that. We took it out of the suburbs of Denver, which we thought was kind of a thoughtful thing to do at the time. And we are trying to get amounts of materials out there to demil.

But I think that's what it is -- it is a quality thing. There is just no way you are going to put that in somebody else's back yard.

MR. HANSEN: One of the biggest problems that we have with the Army depots at eight sites is they have chemical munitions that need to be destroyed. And no one can agree on how to do it. No one has the money to do it. And ye legally, it has to be done by 1997.

There are arguments over how to do it, over how

much it's going to cost, et cetera.

MR. CRAIB: Any environmental problems at Pueblo?

MR. HANSEN: All depots will have environmental problems, just by their very nature and the kind of work that they did there.

We found a significant impact, but there are ways around it. And the recommendation for Pueblo is we may not be able to actually dispose of the property until we can finish cleaning up the chemical munitions there. We can close it, inactivate it, or shut it down, to the point where all that is left is the chemical stuff, until they figure out how they're going to do this, how much it's going to cost, and who's going to pay for it.

MR. HOFFMANN: Let me ask this.

It's not a question of taking them out of the soil, or out of barrels buried. It's a question of moving the chemicals to [redacted] to demilitarize them, isn't it?

MR. HANSEN: Apparently moving it out.

COLONEL YANKOUPE: Sir, it's an extremely complex issue. Basically, the recent approaches to the problem have centered around not being able to move the stuff interstate.

Now that means that the Army, with stuff stored at eight different depots, is going to have to build facilities in place to destroy that stuff.

MR. HOFFMANN: Where the hell did that come from,



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that they're not going to move them interstate?

COLONEL YANKOUPE: We have not got sufficient agreement among states involved whose borders would be crossed with the materials, or, in fact, in many cases moving them off the military installation to be able to do that.

MR. HOFFMANN: Well, what can I say? Okay for now.

But the notion that we are going to acquiesce in a situation that shrieks out against both common wisdom and common sense, in saying that you're not going to fly those somewhere else, like they did the stuff out of Denver, or leap this hurdle -- we found that the phosgene, the phosgene is a common chemical that moves across the highways anyway. And the Army got all screwed up because they couldn't sell the phosgene out there to a bunch of guys in tank trucks to just move it out of there for industrial purposes.

I think if that becomes a pacing item, one thing to do, Mr. Chairman, is simply to say hey, this is unacceptab We have to close these doggone places, and in order to close them, we have to be able to move them and, from what we know, there are technological capabilities to move this kind of thing to [redacted] there is just no question about it, and it ought to be done.

From the point of view of our deliberations, let it go at that.

CHAIRMAN RIBICOFF: But from a practical standpoin

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standpoint, there is one thing that is putting gasoline on the fire, and that's when you have to move anything that has to do with the environment across state lines. No state wants it, and every Congressman and every Senator is going to be against it just for that reason.

You know, we've had that with atomic wastes, with everything.

MR. MILNES: Let me just comment a little bit here because Mr. Train and I have had a chance to chat about that a little bit.

Basically, it's just like the property issue. The disposability of that property is linked to how you handle the chemicals. But the Commission still is in its proper scope to close the base and let the Secretary do the implementation pyase, work through the environmental issues. He's going to have to do an Environmental Impact Statement to work that incineration off, and maybe he can be successful in moving it. I am sure we can make some kind of advisory comment which says that we suggest it get moved off of there. But that would not really be a part of our all-or-nothing recommendation. Our all-or-nothing would be to close the base, and the base can be closed because you have moved the functions off the base.

There may be an incineration requirement or whateve environmental requirement remaining -- but that remains.

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MR. HANSEN: It is no different, really, than other environmental problems. It's just harder to solve.

MR. HOFFMANN: But there are examples that it is not all that difficult to solve once you get it done.

MR. MILNES: Well, we could even comment on that.

MR. HOFFMANN: I think we need to look at that.

I agree with you, Mr. Chairman. If you get eight of these things that you're going to close and it's going to involve, you know, 57 billion tons of stuff suspended in mid-a at once, that poses a problem. But if it is one or two depots, then we need to call attention to the fact that it may be irrational to move them, but it sure as hell is irrational to leave them in place, in containers that are decaying, in circumstances where you don't have security and all that kind of stuff.

I think we can probably make a decent case that we need to move those, and that's part of the cost of doing this exercise.

If you want to get the saving, you have to step up to these societal burdens and take a little risk in moving the stuff where it belongs.

End of speech. Jesus, that's a hell of a situatio

CHAIRMAN EDWARDS: All right.

Now what does all of this have to do with this particular facility? Should it be included or not included?

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MR. HOFFMANN: Include it.

MR. HANSEN: As we say, it is more of an implementat: issue, but it's something we should address in the final report.

CHAIRMAN EDWARDS: So you are prepared, then, to go with [redacted] and Pueblo?

MR. HANSEN: Well, no. Just Pueblo?

CHAIRMAN EDWARDS: Just Pueblo.

MR. HANSEN: Is the vote on [redacted] to not close it.

CHAIRMAN EDWARDS: I thought I was hearing to go with it, but maybe I misunderstood.

MR. HOFFMANN: That is the center where the most modern disposal facilities are.

CHAIRMAN EDWARDS: Then why are we talking about it

MR. CRAIB: We went back to Pueblo.

MR. HOFFMANN: Yes, the discussion went back to Pueblo.

MR. CRAIB: On the environmental question.

MR. HOFFMANN: What is the next depot up from that? Do they have chemical weapons there?

MR. HANSEN: That's [redacted] That's helicopter. They wouldn't have chemicals.

GENERAL POE: Incidentally, [redacted] is a really good example of interservicing. They do all the

Air Force helicopters and things like that. That's a model of how you should be doing that.

MR. CLAYTOR: Could I ask how many thousand acres are at [redacted] Do we have that?

It would be a critical tank rehabilitation place. But it looks to me like it covers most of the county.

I've been down there many times, and for a depot, why do you need to have an entire county? It looks like some 15,000 or 20,000 acres. Maybe not, but I just would be interested in knowing.

MR. HOFFMANN: Incidentally, do we have files in which all of this information about bases is contained, including a map and aerial photos and all of this?

MR. HANSEN: Yes, but we don't have aerial photos, but we have maps of most bases. Of course, we don't have maps of bases that we were not looking at closing. We don't have a map of [redacted] but we can get one.

MR. HOFFMANN: We ought to get maps of all of thos bases.

MR. HANSEN: That's not an impossible request, except when looked at in terms of all the other work we've already been given.

MR. HOFFMANN: You just write letters saying Mr. Secretary, we need these maps, and let them put them together.



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MR. HANSEN: Yes, sir, but what happens is that it comes from the Base Closure Commission. Therefore, it goes to the Army's Base Closure Task Force. They've got that plus the other 15 letters we wrote them, and the same guy ends up with the job.

GENERAL POE: Well, now is the time they are going to have to augment their staff.

MR. HOFFMANN: If that's a problem, we need to fix that.

GENERAL POE: That's right.

MR. HANSEN: May we move on now from [redacted]

CHAIRMAN EDWARDS: Yes.

MR. HANSEN: Those were the two bases we analyzed in that category.

We switch now to the Ammunition Storage Category.

Again, we found that bases were operating at less than the standard capacity, which was 90 percent. They were operating at 80 percent. We did an analysis of looking at two potential bases.

The first one -- let's see. We eventually did five, I think, in this category, because we kept findir that we didn't finish the capacity.

The first base we looked at, the [redacted] on the utility array is Coosa River. Coosa River is

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in Alabama. Then comes Wingate, in New Mexico. Umatilla is Oregon. [redacted] Pueblo -- again, we mentione Pueblo already.

CHAIRMAN EDWARDS: Is the dot on Coosa River so far to the left that you can't see it?

MR. CRAIB: It is between the "s" and the "a" I guess.

MR. HANSEN: Yes, sir. It's right in between the "s" and the "a."

So the first base was Coosa River. It is already inactive. We just need to get rid of it. We have some environmental problems that we need to deal with in order to dispose of it. But the general assumption is we will find quite a few inactive plants that the Army would like to get off its inventory once and for all.

CHAIRMAN EDWARDS: Any objection?

(No response)

CHAIRMAN EDWARDS: Press on.

MR. HANSEN: The next base we could save a little at because it is actually mostly an Arizona National Guard base, with a small little depot that could transfer its workload somewhere else. We would then turn this over to the Arizona National Guard, who still needs it.

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CHAIRMAN EDWARDS: Any objection?

(No response)

GENERAL POE: Is [redacted] a GOCO?

MR. HANSEN: Hawthorne is a production plant. So it would be a different category, sir.

So, then Navajo is closed and turned over to the National Guard?

CHAIRMAN EDWARDS: What state is that? Arizona?

MR. HANSEN: Arizona.

CHAIRMAN EDWARDS: Yes.

MR. HANSEN: The next installation is Fort Wingate. It's a single mission. Although operating at its capacity, single mission is generally considered bad. Multiple missions are good.

We can realign it to the Hawthorne Plant.

CHAIRMAN EDWARDS: Where is it?

MR. HANSEN: Fort Wingate is New Mexico.

The recommendation is to close it and sell it, with a fairly decent saving.

CHAIRMAN EDWARDS: Any objection?

MR. HOFFMANN: No environmental problems there?

MR. HANSEN: All have environmental problems and they will all be tough to dispose of.

COLONEL YANKOUPE: These are only rated as possible, sir, based on what we know right now from the

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environmental end.

MR. HOFFMANN: Is this because of impounded chemicals in the soil, or is it because they have munitions they have to dispose of?

MR. HANSEN: This is mostly ammunition.

COLONEL YANKOUPE: These will be ammunition contaminants that do not, so far, pose an apparent significant problem, from what we know.

MR. HOFFMANN: Are they in the soil?

COLONEL YANKOUPE: I will have to check that. I don't know.

MR. HOFFMANN: You see, if this is a question of political will to solve an environmental problem, that is one thing. But if we are talking about a physical problem of having to dig down into the acquifer and dispose of tons and tons and tons of dirt that has been contaminated, then you have another kind of problem. But if it is political will, it seems to me that if society is going to save this kind of money, they have to bite the bullet, and their representatives ought to be willing to do it.

COLONEL YANKOUPE: I think, in general, with what se've seen so far, we have an affordability problem with the environmental stuff, on the depot thing, particularly in the ammunition production plants.

CHAIRMAN EDWARDS: What about Umatilla?

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MR. HANSEN: Umatilla is in Oregon. Again, it's another single mission post. It's operating well. But it can be shifted, again, to Hawthorne, making better use of Hawthorne and being allowed to close an operating plant. So, again, we get saving.

We have a chemical weapons problem here, the same as we had at Pueblo.

CHAIRMAN RIBICOFF: Where is Hawthorne.

MR. HANSEN: Hawthorne is in Nevada, very near where that other plant is.

MR. CRAIB: Near where I live.

MR. HANSEN: It's a little north of there.

CHAIRMAN EDWARDS: Any objection?

(No response)

MR. HOFFMANN: You know, I think here we have to look at some of these problems, because if we do have a real barn burner of an environmental problem, that, in fact, makes it impractical, then we need to know that before we start.

Some of these have those. I mean, they have just poured solvent out the back door for years and you just have a very high volume, but low toxicity, problem by today's standards.

MR. HANSEN: Let me just say one other thing about the environment. In previous decision papers, what

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we said was that the Department had an ongoing problem to clean up all environmental problems, and, therefore, we were not going to consider the cost of an environmental clean-up, but we were going to collect it. This is because in collecting it, the important thing is -- and Russ has just come in with the environmental information. That stack is only for the Army, I think, too.

MR. MILNES: Yes.

MR. HANSEN: The reason for collecting it is if you have an inactive post that has an environmental problem, it's not likely to get high on the list of ones that the Department is out there, trying to clean up. They are trying to clean up the worst cases first, and if there is nobody who is being damaged by this, unless it is seeping into an acquifer or something like that, they're not likely to be cleaning this up very soon. So we get into the affordability issue.

The bill to pay to close this place far exceeds the proceeds of whatever meager sale you would get out of these, because most of these ammo storage places were put out in the middle of nowhere in case they blew up. So, out in the middle of nowhere isn't worth anything.

The only way that we can get payback out of here is to not count the environmental cleanup costs, which is $10 million, $20 million, $50 million or $100 million

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on that.

MR. HOFFMANN: I think we agreed not to do that since it's going to be done anyway.

MR. HANSEN: Just so that is clear.

MR. HOFFMANN: But that still doesn't say that it i feasible to clean it up no matter what it costs. That's all I am saying.

MR. MILNES: In many cases, part of our problem environmentally is that the detailed studies required to come up with the proper response action have not been done. All they have done is assessed what the potential likelihood is, and back in Wingate, the one we were talking about earlier, they estimate -- and this is really a rough cut -- that it might be a $10 million cleanup bill to go in there and take care of stuff that is in the soil and things of that nature.

It is more than just things in containers. But they have not done the kinds of assessment that we all know are required, in order to get a good handle on the real bill.

MR. HANSEN: They can't really, without site visits and that sort of thing.

CHAIRMAN EDWARDS: Let me ask you a question as we kind of blithely go along here closing these things. I notice that you have [redacted] and you have below



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it [redacted]

Let's assume we go along with everything you've got on here, and maybe you're not proposing to close all of those. Are we then leaving ourselves in some kind of shortage situation as far as ammunition storage is concerned?

MR. HANSEN: No, sir.

COLONEL YANKOUPE: No.

CHAIRMAN EDWARDS: The Army doesn't have a problem with that?

COLONEL YANKOUPE: Well, our approach here, again, has been to try to get some reasonable handle on the utility array of these things relative to each other and also base any movement shifting around on capacity available in the system.

CHAIRMAN EDWARDS: Well, the 19 includes Umatilla, it includes [redacted].

MR. HANSEN: You are in a different category, sir. You skipped categories when you went to [redacted]

CHAIRMAN EDWARDS: Oh, I see. [redacted]

MR. HANSEN: Right.

CHAIRMAN EDWARDS: So you are proposing to go to [redacted] You have proposed all you are going to propose on this one?

COLONEL YANKOUPE: Yes, sir. There are a couple of

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more that we can go over, but they are not recommended for closure.

CHAIRMAN EDWARDS: Okay.

SENATOR EAGLETON: Is it true that our saving at this point are miniscule? It's just chickenfeed, just what's we've gone through?

MR. HANSEN: Yes, primarily because ammo storage does not take many people to do it. It's a few people to mow the grass, the guards, and stuff like that.

CHAIRMAN EDWARDS: Okay.

MR. HANSEN: Next is [redacted] of the five we analyzed, [redacted] was the highest in utility, and it needs to be retained for a variety of geographic reasons.

CHAIRMAN EDWARDS: Where is [redacted]

MR. HANSEN: This is [redacted]

CHAIRMAN EDWARDS: I knew that was not the way to spell [redacted]

MR. HANSEN: It's in [redacted] -- and I think I probably said [redacted] earlier. Therefore, it was not recommended for closure. It's [redacted]

The cost to relocate it, even regardless of the utility, was not good.

CHAIRMAN EDWARDS: Any objection?

(Nays)

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MR. HANSEN: The last one here I would like to skip over.

Pueblo's ammo storage is also worthy of closure, along with its maintenance. We voted already to close Pueblo because of all three of its functions.

CHAIRMAN EDWARDS: This would be to close?

MR. HANSEN: This would be to close the ammo storage function of Pueblo, along with the maintenance function at Pueblo. There is also a supply function at Pueblo, which I can tell you we have recommended for closure. That, therefore, closes the whole of Pueblo.

GENERAL POE: This is not related to [redacted] and the operational forces there and the people who are deployed in there?

COLONEL YANKOUPE: No.

MR. HANSEN: The next category, then, is Army supply again, depot.

In Army supply, we found that, in general, the supply depots in the Army were operating pretty much at the standard developed for that capacity. However, there was a general consensus, although no hard facts, that they hadn't done a detailed review of stockage demand history in quite a while, and those usually come up with quite a bit of stock that can be excessed.

Therefore, they felt there was some room for



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movement here. So we went ahead and analyzed, let's see, Lexington, Pontiac Storage, [redacted], and Pueblo in that category.

Now, for Lexington --

CHAIRMAN RIBICOFF: Would that be Lexington, Kentucky?

MR. HANSEN: Yes. The installation is generally referred to as Lexington Bluegrass Depot, but it truly is two different places. One is Lexington and the other is Bluegrass. We're only talking now about the Lexington part of this. They are physically dislocated.

Lexington could be closed and sold with a six year payback. It's the [redacted]. We looked at the first four, if you will -- Lexington, Pontiac, [redacted] and Pueblo. The condition of the facilities is poor, et cetera, and it can be absorbed in other supply areas.

So, it's low utility and we can find a home for its other missions and it pays back.

CHAIRMAN EDWARDS: Okay. Is that the only one?

MR. HANSEN: No, sir. Pontiac we would also recommend to close.

Is Lexington tentatively approved, then?

CHAIRMAN EDWARDS: Any objection?

(Nays)

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MR. HANSEN: Pontiac Storage is a small facility that does not move anything in and out. It's a kind of permanent storage facility. It has plant equipment in it that is designed for use during mobilization. Therefore, again, it's one of these ones that Senator Eagleton was saying has peanuts on savings because there is not much cost to operate it.

However, we should get it out of our inventory. There are other places in the Defense inventory that store this type of plant equipment.

Again, conventional wisdom has a guess that probably some of this stuff is obsolete or rusted, and therefore they might just excess it anyway and not even have to move it.

We have an estimate. Our estimate is that half the material probably is not needed, and that is what shows up in the payback.

GENERAL POE: Is this machine tools?

MR. HANSEN: Big stuff, whole assembly lines.

GENERAL STARRY: It has about half of the national machine tool stockpile there.

It's almost totally useless.

MR. HANSEN: Well, we are conservative, so we consider it 50 percent useless. If all 100 percent of it had to be moved, though, this would not pay back.

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If none of them has to be moved, it pays back better. Right now, at 50 percent, it pays back right at six years.

It is also right next to the Pontiac Silver Dome. So it has some value.

CHAIRMAN EDWARDS: Any objection?

ADMIRAL ROWDEN: Is this one a GOCO?

MR. HANSEN: It is not a GOCO in the true sense of the word. We should probably take that off. It is operated by a contractor, but that's a support contract, just to keep the building up and all that.

It is not an operating plant at all, so that is a poor term. It should not be considered a GOCO.

DR. SMITH: Mr. Chairman, I think there is an area here that is not evident from looking at this array.

My understanding of it is a couple of years old, now, but there are three depots that handle most of the major throughput for the Army that is going outside of the Continental United States. It's [redacted] These are major depot operations where if you've got a requisition overseas, the item comes from that depot and it's packed for overseas shipment. It's a big warehousing operation. That's what it is.

Now, the Army has spent [redacted] to modernize these

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and probably aren't even finished with these, and you've got to spend that much at [redacted] It would appear to me that [redacted] ought to be a viable candidate to close if you can take that function and do it out of two depots, instead of out of three depots.

I think you'd avoid $100 million in construction costs, and you ought to be able to do the function, the mission, very functionally under two bases, [redacted]

I'm surprised to see [redacted] for instance, below [redacted] because the investment of [redacted] exists going into [redacted] and it ought to be a much better facility than [redacted] That must be based on old data.

MR. HANSEN: We will be checking the data, and if that is so, we can change the array. That would put [redacted] below that.

COLONEL YANKOUPE: Buried in this, I think, in evaluating utility, again, there are a number of things that would go in there. If that was weighted as the single highest thing, it would affect that. They are actually very close.

You know, these things in absolute value don't mean a whole hell of a lot. What they mean in their relative scale, dispersion and so forth, is important to us. That is how we began to look at groups of things.

But these two over here ([illegible]icating), I wouldn't ascribe from what we know about the valuation system a lot of significance to how far apart they are.

I will say that in looking at the capacity within the system, based on total capacity analysis, we asked them, based on what Mr. Hansen has said, in terms of their utilization, supply stockage reviews, periodic reviews, we felt that, in looking at levels of usage and where they were, because of their high level usage with the facilities that they had, that they could look at two to three. This would bring them somewhere in this range (indicating). That's why we asked them to look at the bottom three for capacity.

So, implicit in that, at least in that part of it, is an anticipation that capacities at [redacted] and so forth are in here.

SENATOR EAGLETON: Well, I heard it but I don't understand it.

DR. SMITH: I don't either.

My only suggestion is that the really big depots on that list are [redacted] where you have five acres of building under one roof and thousands of people working on conveyer belts to package stuff and ship it overseas. Whether you can do that in two versus three places, then I think there



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is the potential for significant saving .

SENATOR EAGLETON: Mr. Chairman, could that something to take a look at in the future?

CHAIRMAN EDWARDS: Sure.

MR. HOFFMANN: With the margin, the most you are going to save on that, it may not be much, anyway.

MR. HANSEN: The difference in the analysis I think is we looked at the capacity that was available, and what Dr. Smith is saying is why spent the money at one place, why not spend it someplace else. You might not have to spend as much.

That's a different way of looking at it, that we did not do.

CHAIRMAN EDWARDS: Let's see if we can get this thing behind us.

You're not proposing to close [redacted].

MR. HANSEN: That's correct.

CHAIRMAN EDWARDS: Pueblo will be closed, as we have already discussed.

That then brings you to the three that Mr. Smith is inquiring about.

MR. HANSEN: Yes.

CHAIRMAN EDWARDS: I think what I am hearing around the table is that staff should take a look at those three and see what accommodations could be made or



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recommendations could be made relative to those three.

Is that right?

MR. CLAYTOR: Yes, especially with regard to [redacted] which has not yet been modernized.

MR. HANSEN: Which has [redacted]

MR. CLAYTOR: Yes.

MR. HOFFMANN: Why does [redacted] survive, although it is low on the totem pole?

MR. HANSEN: Sir, the analysis shows that moving its supply mission would degrade its maintenance mission. It's a multi-function depot. Sixty-five percent of its supply mission is there just to support that maintenance function. So you would essentially have to move both.

GENERAL POE: You'd find that with most military depots. They are their own best supply customers. Their maintenance line is their own best customer.

MR. HANSEN: And the facilities are adequate there.

I will skip over Pueblo. It is just the last mission at Pueblo, which also could be done away with.

So, is the sense, then, that [redacted] would remain open and Pueblo closed?

MR. HOFFMANN: Yes.

CHAIRMAN EDWARDS: Do we then have agreement on that

(Ayes)

MR. HANSEN: The next category is the GOCO categor

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CHAIRMAN EDWARDS: I think we need to put GOCOs back a bit until I can talk to the Secretary on that.

MR. HANSEN: May I give you a sense of what you might achieve? That might have something to do with it.

CHAIRMAN EDWARDS: All right.

MR. HANSEN: I think there is one plant on here that, in retrospect, needs to be taken off, and one needs to be added.

In essence, this is the way it works. Payback is pretty quick. The annual savings are not massive, but they are all good, except for [redacted] which is already inactive, anyway, and that's why you don't save anything.

There are still millions, though not billions, and they are not hundreds of millions of dollars, either.

What they are is targets of opportunity. Often these kinds of plants are targets of opportunity to have a piece of legislation passed to have the Army open this and make something. It employs a bunch of people, but may not be exactly needed. Therefore, the Army would love to get these out of their inventory, so that can't happen anymore.

Anyway, that's just a sense of what could be achieved in that area if, in fact, we get agreement to go forward.

The next category is arsenals. The candidates we have for closing there are both GOCOs. Consequently, following the same logic, we'll delay those for later.

MR. HOFFMANN: Couldn't we look at the array, since some of them are not GOCOs, right?

MR. HANSEN: In the arsenals, the utility array? Yes, sir.

All of the ammo ones are GOCOs, except for Alabama. [redacted]

(Pause)

MR. HANSEN: In the GOCO category of plants, there was one "GOGO," if you will, government-owned, government-operated, and that's Alabama, which we would recommend for closure. Therefore, it could be part of our recommendation, even if it's a GOGO.

CHAIRMAN EDWARDS: That says "GOCO." Should it be "GOGO?"

MR. HANSEN: Is that a typo? That's a typo, yes. Sorry.

However, it is inactive, and, therefore, it immediately pays back. It's one that gets out of the inventory. It's small saving.

CHAIRMAN EDWARDS: Where in Alabama is it? Do you know?

MR. HANSEN: Do we know exactly where it is?

COLONEL YANKOUPE: I don't know exactly.

MR. HANSEN: I think it's near Red Stone Arsenal.

CHAIRMAN EDWARDS: You can tell me that later. You don't need to take the time now. But I would like to know where it is.

COLONEL YANKOUPE: It looks like it is central, sir, somewhere east of Birmingham.

CHAIRMAN EDWARDS: I was afraid of that.

MR. HANSEN: Do we have agreement on Alabama, or would you rather leave the whole category, since there is not a great deal in --

CHAIRMAN EDWARDS: If it's a GOGO and it's something that ought to go, then yes.

MR. HANSEN: At least it pads the total, the numbers, not dollars.

MR. HOFFMANN: Let's see the array that you had up there for the arsenals.

COLONEL YANKOUPE: For the arsenals?

MR. HOFFMANN: Yes.

CHAIRMAN EDWARDS: The Alabama that we are looking at in our book is item 3, under Army Plants.

COLONEL YANKOUPE: Ammunition plants.

MR. HANSEN: Yes, sir. It's number 2 in your book.

Not the tab, [redacted]



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COLONEL YANKOUPE: Yes, the second from the bottom.

CHAIRMAN EDWARDS: The only page I have to use as a checklist is Book 2, Army Ammunition Plants, Tab 3, number 3.

MR. HANSEN: Yes, it is Tab 3 in the book, but not in your book.

CHAIRMAN EDWARDS: But it is in my book.

MR. HANSEN: The books that we are using here. If anyone would like to review them in more detail, the information is here.

MR. HOFFMANN: Now you are saying [redacted] and [redacted] are GOCOs, so we can't look at them at this time. What is [redacted] at this time?

MR. HANSEN: It is a huge, billion dollar environmen problem.

MR. HOFFMANN: Okay. But how does it get that high a utility rating on a military scale, when the only remaining mission there is to clean it up? They are not doing anything, are they?

(Pause)

MR. HOFFMANN: It is an absolutely magnificent environmental problem, almost a textbook study. I say "almost" because they are not finished figuring out what is there. But there is no military mission there.

COLONEL YANKOUPE: Part of the utility analysis that we have, sir, evaluates utility best on its potential



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to do the job if you were to ascribe a mission to it.

MR. HOFFMANN: You see, on that one, they have not finished analyzing where the problems are. And it's possible that you would get some pieces that could go off fairly quickly, if they find they have been contaminated.

There has been mass hysteria among the population out there, which is now dying down.

But it was the stand-by, conventional chemical warfare plant, that is now replaced by [redacted] which is indispensible.

MR. HANSEN: I'm sorry. [redacted] is third from the bottom. That is [redacted]

MR. HOFFMANN: I'm talking about [redacted] I'm saying it's third from the bottom. But in the name of heaven it gets a utility rating nearly at the top indicates to me that your scale is screwed up.

MR. HANSEN: It is 3,500 out of 4,000.

MR. HOFFMANN: Now, [redacted] is another whole speech. But the fact is that [redacted] is very contaminated. It has pieces of it that may warrant our getting rid of. The mission is gone. The military mission is gone -- caput -- stop. [redacted] has taken it over, building the [redacted] It is an environmental nightmare, but that is a sum cost. Whether we can get any credit for shutting it, according



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to our fancy accounting system -- it may undo our fancy accounting system because, as a practical matter, it could never be turned over. But there may be something there.

I will go on the committee to look at that. Bring that to my attention and let's work that out when we come back to the group.

MR. HANSEN: Okay.

The next category then would be ports, Army ports.

There are only four: three military ocean terminals and the military ocean terminal [redacted]. The other port is the [redacted], since it was such a different animal than the other three, we didn't put it on the array. It's the only one they've got. It is the load-out place for ammo to Europe, and there is nothing we could do about it, or that we would want to do about it.

[redacted] are very large ports, used for breakbulk cargo to Europe and the Far East. Again, nothing.

But New Orleans is a pier and a couple of buildings. Its job is to mob out a brigade, and it can't do it. It's just useless.

So, the recommendation is to close it.

It's sitting there and doesn't cost us much to operate, although we would get a steady state saving of $1 million. In essence, it's only there for mobilization.

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Therefore, we don't have to recreate it in peacetime.

MR. HOFFMANN: Theoretically, the armored divisions in Fort Hood load out of that place, don't they?

COLONEL YANKOUPE: No, sir.

GENERAL STARRY: That in itself is a problem because of channel length. They are going out of the Port of New Orleans.

CHAIRMAN EDWARDS: That is a separate animal. You have all kinds of Gulf ports that handle Army stuff. Mobile does, New Orleans, does, and Galveston. I think there is not really a need for this particular facility.

Do you have any problem with it?

GENERAL STARRY: No, not at all.

CHAIRMAN EDWARDS: Any objection to closing this one?

(No response)

MR. HANSEN: Moving on to the next category, we are into the two categories of the Army where we did not find any excess capacity. The first category is Army maneuver installations.

Army maneuver installations -- what we found here was a critical shortage of land. Again, going back to the opening statements for the Army about the needs, the growing needs for land to do training on it, in most cases, these are quite large holdings -- Fort Polk, Fort Hood, Fort Ord, with its outlying post, Camp Roberts. Fort Bragg is a very

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big post. Stewart is big.

These are the heart of the Army, where most of the division forces are located, et cetera.

CHAIRMAN EDWARDS: Does anybody have any comment, pro or con, on this particular array?

GENERAL STARRY: Mr. Chairman, one of the problems here is -- and I don't quarrel with what has been said. I would agree that there isn't any excess capacity. The problem, however, goes something like this.

In all of these places and in some of the TRADOC installations as well, it is that now you can't do some things that you were doing there say 10 or 15 years ago because of increased gun ranges, increases maneuver speeds, and the inroads of civilization, and growing restrictions on air space control.

Let me give you an example.

Fort Knox, which is not one of these, but which does have maneuver forces aboard, which are part of Forces Command, by the way, as well as a training center and a school, Fort Knox is a fairly good sized place of 110,000 acres.

When I was a Captain at Fort Knox, we used to maneuver reinforced battalions with close air support and the whole schmear. When I was a Major General, in command of the place, we could maneuver a company, because the gun



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ranges had increased and the maneuver speeds had increased and civilization had closed in, and restrictions on air space utilization had shut us down.

Fifteen years from now, or ten years from now, we will not be able to do much more than a platoon at Fort Knox.

So the question is where are those units going to go to do that maneuver training? The same thing applies to these other units, these other posts. I just happen to know that one better.

The answer lies somewhere in a large-scale maneuver training facility, like Fort Irwin.

So, it's true that we're looking at base closure. But at the same time, if you look forward, there is a need to acquire some more land in the desert, let's say southern Death Valley -- either rent, lease, what not. Get the snail darters out of town in order to get a lease approved and so on.

So, the brigade size -- in fact, it is the testimo that General Shoffer gave to the Commission, whenever it was, that the Army, more and more, from all of these posts, as well as the training establishment posts, is going to have to look to large-scale maneuver areas.

Irwin is 620,000 acres, or 640,000 -- I don't remember which. In any case, it isn't big enough, as it



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stands, to take increased loading from these bases, where we are increasingly restricted, as far as maneuver goes.

I don't know whether the Commission wants to tackle that problem or not.

CHAIRMAN RIBICOFF: Well, I feel personally strongly that, whatever information or intelligence we develop that has nothing to do with our mission, I would like to see a supplementary report, just an addendum, in which we give this to the Congress and the Secretary of Defense. What you have said I think is very important.

I think we would do the Defense establishment a great favor by calling attention to what you say.

MR. HANSEN: In fact, that is one of the items for discussion.

GENERAL POE: When I [redacted] they have 351,000 acres, and they are leasing land in order to do brigades.

CHAIRMAN EDWARDS: I think that is a very valid point, one that we have already kicked around some, that we do address an issue such as that. Though it is not directly in our charge, it certainly has a bearing on what we are doing.

GENERAL STARRY: One of the options, for examp is should we be forced, by virtue of a Conventional

Arms Reduction, to bring units home from Europe, one of the places where we might consider stationing a division is Fort Irwin, and expand the land north of the perim area into the southern part of Death Valley to accommodate that, and the additional training load that will come from these other installations.

CHAIRMAN RIBICOFF: Very little of this has made the public awareness or public print.

Again, I would hope that the staff would keep in mind that there seems to be a consensus that we go that way, you know, even if it isn't finished by December 31, because there would be some time that we could develop it if you can't develop it by December 31.

But I would like to see a supplementary report, an addendum.

MR. HANSEN: Yes, sir. We have those kinds of issues scheduled for discussion late Tuesday afternoon. Also, we are writing a future chapter and the authors have had a chance to talk to General Starry already, so we are definitely working on that.

I thought I would throw this next slide up to you. This is a second category where we have no excess capacity. The installations here are very much tied to the installations here (indicating).

Here is where the units are housed (indicating);

here is where they train (indicating).

Of course, the Reserves are using these places, too. The Reserves use both. The Reserves will train at Fort Hood, they will train at Fort Irwin, they will train anyplace they can get their hands on some land.

In all cases, the key statistic for these posts are land. There is not enough as it is.

CHAIRMAN EDWARDS: Are there any comments on that?

MR. HOFFMANN: Okay. So you have been through analyses because these, the Army training installations come up year after year -- you know, [redacted]. You have come up with usage factors and financial data and loading for maneuver purposes that indicate those are at full utilization all the time.

MR. HANSEN: Or needed for mobilization.

I think [redacted] has a big mobilization.

GENERAL STARRY: You know, [redacted] is incidental in its own right. It's about [redacted] acres, but if you consider [redacted] in the context of [redacted] and some of the range area for maneuver in Utah, you can actually maneuver them all the way up and down that desert area with large forces, divisions, if you wish, or brigades.

What I was suggesting a moment ago is more and more



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for even brigade sized maneuvers, with close air support, et cetera.

MR. HOFFMANN: I am with you on that. But I want to find a way to portray some of that analysis in the main report because I think it is part of the guts of what we are doing here.

But at the same time, some of these have been mentioned before. They ought to be subjected to a common wisdom check because we are going to have to justify and rationalize why we have not moved on some of these places and why we are moving on others.

I remember visiting [redacted] a site of very historic doings down there, during President Ford's clemency program. Okay. It's probably a valuable base for mobilization, but I'm not sure how much actual training you can do in terms of Guards and Reserves. I don't know that.

But, you see, if there is a rationale for [redacted] and not for some of these other things, I think we ought to be looking at them.

We have to have data. We have to capture the data.

MR. HANSEN: Of course. We did arrays on these in Phase I, so there is information, some information in there, and if it is not sufficient, we can get more.

We have collected information on all bases.

MR. HOFFMANN: [redacted]

Do you have an array on the training installation?

MR. HANSEN: Yes, sir, we have an array on everything.

MR. HOFFMANN: Let's look at the array real quick.

MR. CLAYTOR: One of the things that baffles me a little bit is why, if the real need for these places, the current need for these places is for mobilization, some of them can't be inactivated.

MR. HANSEN: They are also used for training. I think the key is how much.

MR. HOFFMANN: Here is what I am worried about. You have [redacted] running kind of half-way up your scale. Now, if we're going to be asking various Services and various other kinds of installations to really pull their belts tight, I don't know what the potential here is.

[redacted] you can link into some greater scheme. [redacted] is where [redacted] trains. You know, there are some other things going on there. I don't know if the fellow in [redacted] go down there.

DR. SMITH: The [redacted] does.

MR. HOFFMANN: Well, they go there to support

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other things. The Boy Scouts go there in the summer.

DR. SMITH: The [redacted] goes in there for weapons training. They deploy battalions. They jump them in there. It's a good training area for some of the other forces.

MR. HOFFMANN: Oh, it's a terrific training area. But I didn't realize they used it that much.

DR. SMITH: Yes.

MR. HANSEN: We will collect that kind of informatic

MR. HOFFMANN; I think we need to have some screeni on some of these.

[redacted] is down there. [redacted] is a football in the pacifist state of [redacted]

MR. HANSEN: Do you mean small or just kicked around a lot?

MR. HOFFMANN: It's kickec around as a place you ought to close because of its absence of utility and one thing or another. Even so, we are still using it.

But, you see, how [redacted] comes off with a rating that is lower than [redacted] very frankly boggles my mind and makes me wonder how your rating system works. So I guess I had better look at that.

MR. HANSEN: There were a lot of factors in the rating system and, yes, that is available to you. I don't have the analysis in front of me, but I am sure it

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was very high in mission, but it might have been short in facilities, and that would drag you down.

MR. HOFFMANN: Okay. Let's do a sensitivity analysis on some of these things, where we can take some of these screens off and see how things rearrange themselves, if you do -- just to give us a sense.

GENERAL STARRY: [redacted] is a short infrastructure, so it goes in the right-hand column of the charts that we looked at.

MR. HANSEN: We asked them to tell us how she lay. That's how she lays.

Now, while those infrastructure won't have been weighed as high as the maneuver land, and all that, they still have a tendency to pull things down.

COLONEL YANKOUPE: Nothing in that utility says necessarily that something isn't needed. What it was was an attempt to array valuation among each one of the installations.

MR. HOFFMANN: Well, that's fine. But, I mean, if you put that slide up the way it is, without fixing it, you will draw groans of disbelief because of the image that we are not evaluating these. But we are looking at that and saying hey, we're going to look at this with considerations of base closing and, really, there is some noise in there that is not accurate.



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MR. HANSEN: You have to have another piece of information which is does this category have any excess capacity. If the category has no excess capacity, then this, in essence, has become a meaningless drill because we need to know which is the lowest base.

MR. HOFFMANN: I'm not sure I agree with the statement. I am not sure I agree with that statement. I would like to explore that with you. I'm not sure that I don't; but I'm not sure that I do.

We don't want to get gerrymandered at looking at some of these things. You see, if, in fact, they are candidates for closure, if you take a real world look at them, even though you may not have capacity, I could see only having [redacted] and not having the capacity.

Well, let's not take up everybody's time with this now. Let's just go through that at some point and figure out what to do.

CHAIRMAN EDWARDS: Your basic point, though, is well taken. I guess it is something that keeps niggling around the back of my head.

This chart and then the other one, the ground task force maneuver area chart, you know -- you go out on the street after this becomes public and Joe Blow, who is more knowledgeable than somebody else, says for God's sake, you left [redacted] in there, or something else. I guess



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that's the only thing that concerns me.

I recognize that when you start tinkering with this group of facilities and the one dealing with the maneuver areas, you are really tinkering with major factors. I just think none of us wants to feel that we are going to get blindsided later by having that kind of question raised. What in the world were you guys thinking about? Everybody knows you ought to go after this one -- not whether it was on every Secretary's list over the years. But there is a perception out there in military circles.

I guess what I'm saying to staff is I want to be sure that I am not going to get hit over the head with one of those that I don't have any knowledge of.

MR. HANSEN: That is the chestnut chart, as Mr. Hoffmann puts it.

MR. HOFFMANN: Yes.

COLONEL YANKOUPE: This end -- the other, previous category, maneuver, represents to the Army its lifeblood. It's the training establishment, the large land-holdings that represent not only what you see utilized today, but flexibility into the future. Installations that we talked about earlier, [redacted] and so forth, if we're looking ahead and postulating what may happen if we reduce force structure in Europe -- very real possibility in the next four



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or five years -- that's in the back of everybody's minds. If we give up a large piece of land like this, we quickly find ourselves beginning to get nervous about what do we do with that stuff if we have to bring it home.

Right now, [redacted] We saw that in their testimony.

Mr. Smith mentioned a lot of the activities here at [redacted] the [redacted] three days worth of exercise and gone. That's the kind of thing that is able to get done at these kinds of installations.

It's very difficult can you say to cut a piece off or a load here or a load there. You probably can always do that. But I think your comment that when you start tinkering with these kinds of things here, you are into the blood and guts of the operation.

MR. HOFFMANN: Well, you see, that's my proble If we say that and we believe that, okay. And you look at the range of utilities that we know, that you and I know, is represented by this map on the right (indicati

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and it's all of a piece, I think we're going to blow our credibility.

I think it's terrific that, as a practical matter, the folks from [redacted] for instance. It's a fabulous place to go and jump and tear around. But we also jumped at [redacted] we also jumped at [redacted] I mean, there are places all over the place that you could do that.

One of the things that I am hopeful will come out of this report is, for instance, when you look at ports, the answer there is there are modern ports all over the Gulf Coast. You know, some of the things we have to do is get dual use out of some of these facilities.

I am not sure if you sit and look at it that you can't. Now, I don't know that you could, but I don't know that you couldn't make a case that in the case of [redacted] that there are other places where you can go to do what is being suggested there, that once you get everybody into an airplan it's just as easy to go there.

I think we need to be protected from that kind of attack on the one hand. But I would like to have he advantage of that kind of visibility on the other.

MR. HANSEN: If I could, you mentioned national forests.

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We were told that there has been, within the last ten years, a change in policy with regard to use of those kinds of national assets, to change the priority. It used to be that Defense had the number one priority. And so, if you wanted to run a maneuver, you could, in a national forest. But now the public has the number one priority. So if campers are in there, you can't maneuver anymore.

That's what we were told, anyway.

That, again, would be part of the research we are doing in the future charts.

CHAIRMAN RIBICOFF: Who established that priority?

MR. HANSEN: The Department of Interior, I believe.

GENERAL POE: Some of it I think has been established by court decision. There are several of these, where we lost Air Force rights because of a friend of the court type decision, which said we were denied.

CHAIRMAN EDWARDS: I am inclined to think that if that is the law or the burden of the decisions, or whatever, we ought by footnote or otherwise to comment on that in our report.

MR. HANSEN: In the Futures Chapter I think is where we plan on putting it.

SENATOR EAGLETON: Let's make sure that we are

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right on the law before we comment.

CHAIRMAN EDWARDS: Our trusty lawyer will check into it.

MR. HOFFMANN: The point is if anybody goes to [redacted] and sits down with the [redacted] they'll be able to figure out where they can go and where they can't go. You know, [redacted] used to be a terrific place to go.

I spent a good part of a night in a tall tree up there. It was a darn good experience. It was beautiful.

MR. CRAIB: Just swinging?

(General laughter)

CHAIRMAN EDWARDS: I want to be sure your name is in the record on that one.

(General laughter)

MR. HANSEN: Sir, that concludes the Army briefin and we are early.

Thank you very much.

CHAIRMAN EDWARDS: Thank you very much, staff.

MR. HOFFMANN: Nicely done.

CHAIRMAN RIBICOFF: Gentlemen, thank you. Lunch is available.

(Whereupon, at 12:50, a luncheon recess was taken.)

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AFTERNOON SESSION

(1:43 p.m.)

CHAIRMAN EDWARDS: Okay, let's begin.

You're on with the Navy.

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COMMISSION DELIBERATIONS (NAVY)--

DOUG HANSEN AND CAPTAIN (SEL) LARRY SZUTENBACH

MR. HANSEN: In the Navy, we reviewed 139 major installations, many with sub-properties, in 15 categories. In only three of the categories did we deem to have found any excess capacity.

We focused initially on 15 installations, and then, after challenges and changes in arrays based on those challenges, we eventually only focused on eleven.

We are recommending one installation for closure and one for realignment, although that realignment means partial closure, as we spoke of kind of like this morning.

Eight installations that we looked at exceeded a ten year payback, and one installation was tied to another by co-location reasons, and, since that one wasn't recommended for closure, this one could not be.

SENATOR EAGLETON: So, the bottom line on the Navy is we close one and realign?

MR. HANSEN: It's a partial closure. The realignment is a partial closure.

SENATOR EAGLETON: For the whole U.S. Navy?

MR. HANSEN: Yes, sir. That's what we have.

(A series of slides was shown)

MR. HANSEN: This is kind of a brief background into perhaps why there is so little in the Navy.



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In the 1970s, the Navy undertook a shore establishment realignment program. Because their fleet had been reduced from 976 ships to 479, the Navy reduced its homeports from 65 down to 34, and desestablished 66 shore activities.

Today, as you can see, the Navy has grown from the 479 of the 1970s back up almost or close to 100 ships, and is projecting growth still to a 600 ship Navy.

Therefore, the struggle has been to get back some of the resources they gave up. It is perhaps an instructive lesson in the value of property. It is very difficult to come back up with these once you give them up. They get sold for condos and, therefore, they are not good for whatever again.

I'm sure you all recall in the more than one hearing a lot of testimony on the strategic homeporting system program, which is two-fold. It's increasing the pier and port capacity of the Navy to accommodate the 600 ships, but it's almost, more importantly, dispersing the fleet and therefore, making ships less targetable.

We had testimony that if they had not added the strategic homeports to the Navy's inventory of ports, in order to berth the 600 ships, they would have ended up with 50 percent of the fleet in two ports, Norfolk and San Diego, roughly.

In short, what we have from the Navy is,

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essentially, two small Navy support activities. They were called naval stations, but one of them didn't even have a pier, or any water frontage.

They are, in essence, putting together the support activity for two of the strategic homeports. Brooklyn, essentially -- many of the support activities for the new homeport of Staten Island are now located in Brooklyn. And, in the case of Sandpoint, the same with Everett.

We looked at ordnance activities to see if we could eliminate some limited number of split functions. The reason we used the word "limited" in this analysis is because there was an extensive analysis done of the ordnance activities with regard to split functions, and a lot of that work already has been accomplished.

Most of those activities were cost prohibitive to close.

In the shipyards, we have done extensive analysis on the shipyards. We have had the shipyard people in here more than any other group of people, providing us with information, and we can go into much more detail on the shipyards. But we could not find a yard to close.

So, using the same pattern as before, I would like to begin with the categories that we deemed initially to have had excess capacity.



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The first category comes from the Sea Task Force and is the naval support activities that we spoke of.

There really were only three naval support activities: Sandpoint, Brooklyn and Philadelphia, located as you can see on the slide.

We did analysis of all three, so the utility array is not too critical. We did look at all three for potential closure.

I would like to begin with Naval Station Brooklyn. Naval Station Brooklyn is the naval station that does not have any waterfront or any piers. It is what is left over from the old Brooklyn Navy Shipyard, which has since been sold off. It is, in fact, an example of what happens if you sell off all the land around a small administrative activity. What we now have is just this little administrativ activity, which is hard to support, being isolated like it is.

Its main function in life is support of the new naval station in Staten Island.

The recommendation is to relocate it to Staten Island. There's an immediate payback, meaning we actually have a net one-time saving, as opposed to a cost. Therefore it doesn't take any time at all to pay back.

There is a steady state saving of $3.7 million, with no socio-economic impact and only moderate environmenta

impact. We're moving about 788 people.

CHAIRMAN EDWARDS: Is there any comment?

(No response)

CHAIRMAN EDWARDS: Any objection?

GENERAL POE: Not to that.

(Nays)

MR. HANSEN: The next activity is the Naval Station Puget Sound, commonly referred to as Sandpoint.

General Poe visited that last week. It is also geographically displaced from its support customer, which is Everett, although not all of it is.

Therefore, the plan that we are proposing is to relocate only those activities whose mission it is to support Sandpoint -- I mean Everett -- leaving a small enclave behind.

The property is quite valuable. It's located on Lake Washington in the downtown Seattle area. Therefore, the net one-time saving is fairly high, $20 million. The steady state saving is $3.7 million, with payback in four years.

Actually, that's wrong. That should be immediate

GENERAL POE: Let me tell you what I was told, which is sort of the opposite of this, which is if Everett is homeporting, Everett needs 21 more acres than Everett has. They have already, apparently relocated

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some of those function for support at Sandpoint.

Everett is not expandible because it is up against a cliff, along the water, and against a city and on land that has to be reclaimed. It's a rather expensive dredging operation.

So, what they're saying is they've got 60-some tenants and that sort of thing, but if you want Everett, you have to take Sandpoint with it. That's what they told me when I was out there.

I hate to shoot at 50 percent of what you are talking about closing, but I just pass that along as what they told me during my visit there.

CAPTAIN SZUTENBACH: Well, the Navy, from the Headquarters perspective, believes that they will be able to acquire land next to or nearby Everett there. They can accommodate on Everett some of the functions. They figure for this relocation it would take about 10 acres to acquire to accommodate this function.

GENERAL POE: Well, this Captain Roth, who is the CODG Homeporting guy, is a fellow that said Everett was unexpandable and that they had to have something somewhere else, and that's where they came up with Sandpoint.

MR. HANSEN: Sandpoint had already existed. Sandpoint had existed for quite a while. It used to be a



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naval station in Seattle.

CAPTAIN SZUTENBACH: Yes.

GENERAL POE: Well, Sandpoint has come down. In 1975, they lost 190 acres. In 1979, they lost another 115 acres -- Warren Magnusen Park and things like that.

The only reason I mention that is if you are using homeporting to justify all of the rest of these things, you probably ought to throw that in with it. I don't know.

CAPTAIN SZUTENBACH: General, we can doublecheck with the Navy, but we were asking as late as today of them are you sure you could, in fact, acquire land for Everett, and they felt they could.

GENERAL POE: Well, then, okay. Fine.

CHAIRMAN EDWARDS: Any other comment on Sandpoint?

(No response)

CHAIRMAN EDWARDS: Are you pressing the issue or just pressing a view that you have heard?

GENERAL POE: I think it leads to the whole question of homeporting. I am not Sandpoint's protector.

CHAIRMAN EDWARDS: Okay.

Are there any objections?

(No response)

CHAIRMAN EDWARDS: Very well.

MR. HANSEN: I don't believe there are any ships homeported at Sandpoint.

CAPTAIN SZUTENBACH: No.

GENERAL POE: They have a couple of mine sweepers that they have rented the pier for.

CAPTAIN SZUTENBACH: I believe Pier 91 is a sort of state pier.

ADMIRAL ROWDEN: That is separate from Sandpoint.

GENERAL POE: Well, they pay for it.

CAPTAIN SZUTENBACH: Yes. They lease space just across the river for it.

CHAIRMAN EDWARDS: Okay.

MR. HANSEN: The third naval support activity is the naval support activity at Philadelphia, which is not recommended for closure because it is an integral part of the Navy shipyard at Philadelphia, and, in fact, is co-located Its whole role in life is to support that shipyard.

In fact, the ships that are homeported at the naval station in Philadelphia actually berth at the shipyard. It's a name distinction, more than it is a physical distinction.

Since in a later review we will have a recommendati to not close the Philadelphia naval shipyard, there didn't seem to be any way that we could close the Philadelphia naval station.

MR. CLAYTOR: Do you have any information on the naval hospital at the Navy Yard in Philadelphia? We tried



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to close that once before?

MR. HANSEN: Yes, sir.

My understanding is that is still a viable candidate.

MR. MILNES: We are going to discuss that more tomorrow.

MR. CLAYTOR: Okay.

You haven't mentioned the naval air station.

MR. HANSEN: That would be in another category, sir. We will go through all the categories for the Navy, every installation.

MR. CLAYTOR: Okay. Good.

CHAIRMAN EDWARDS: Is there any objection to leaving Philadelphia alone?

(No Response)

CHAIRMAN EDWARDS: Okay, then.

MR. HANSEN: I mean, if we were to change the recommendation on the Philadelphia shipyard, then we would want to come back and revisit this.

SENATOR EAGLETON: Are we doing military hospitals as a category, all types?

MR. HANSEN: All hospitals will be together, sir, tomorrow.

SENATOR EAGLETON: As a generic group?

MR. HANSEN: Yes.

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MR. MILNES: One thing to clarify on that is there aren't that many stand-alone hospitals out there. There are hospitals on a lot of bases and that was approached from the point of view, really, of each one of these other groups. In other words, "hospital" is one of the elements in their array and how valuable that was to their overall mission.

MR. HANSEN: If we were to close Fort Devens and they had a hospital at Fort Devens, the assumption is that the hospital at Fort Devens would close also, much the same as we got into a disussion where the Letterman Hospital is a regional hospital and, therefore, it is not as easy. When they are located in large metropolitan areas, they are regional, and when they are located on a post, they tend to be site specific.

The next category is shipyards.

In the shipyards, we have done extensive capacity analysis and we are working on the capacity of the whole system to do work.

What we have on the bottom of the array are Mare Island, which is in San Francisco, Philadelphia, in Pennsylvania, Pearl Harbor, which is in Hawaii, Portsmouth, in New Hampshire, Puget Sound, up in the Washington area, and Charleston is South Carolina; Long Beach is California and Norfolk is Virginia.

Mare Island and Philadelphia are dissimilar shipyards. Mare Island is a sub shipyard and Philadelphia is an aircraft carrier shipyard. Those are basically the two distinctions. Very rarely do the twain meet.

ADMIRAL ROWDEN: There is another very, very important distinction in addition to that. Mare Island is nuclear qualified, to repair nuclear power plants. Philadelphia is not. That's very, very important.

In that array, Norfolk is nuclear qualified, Long Beach is not; Charleston, Puget Sound, Portsmouth and Pearl Harbor all are nuclear qualified. That is an important distinction.

GENERAL POE: It's surprising that Mare Island wound up at the bottom, then.

ADMIRAL ROWDEN: That amazes me, too.

GENERAL POE: It is the only one on the West Coast?

MR. HANSEN: There is Puget Sound and Pearl Harbor.

ADMIRAL ROWDEN: I think it is partially becaus of the age of these facilities, or at least I believe that is part of the rason.

CAPTAIN SZUTENBACH: That is part of it. Yes, sir. The other part is ocean access. It is slightly inland from the others.



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Philadelphia also doesn't have quite the ocean access as the others. So those two tend to come out at the bottom.

MR. HANSEN: I think the Commission in a couple of instances has had difficulty with where certain installations have appeared on arrays, and I think the answer in all cases, or in most cases, is that we have 21 different factors, each weighted, and it doesn't hinge on just one or two factors. It hinges on a whole bunch.

So, Irwin, which is absolutely the best we have as far as maneuver acreage to train in, has lousy facilities. So that drives it down a little bit.

Long Beach is high, in fact, because it has modernized facilities. It was closed before. When they reopened it, they fixed a lot of things.

So there are many factors involved in this rating.

Anyway, we did analysis of two shipyards -- Philadelphia and Mare Island -- because we think there is excess capacity there.

The first analysis is the analysis of Mare Island.

When we did the analysis of what could you do if you closed Mare Island, you may have heard testimony about a policy for shipyards that required certain numbers of yards on each coast, and so forth and so on. When we did the analysis, we asked that that analysis be done as if there were no policy. So, therefore, that's the way it was done.

The next chart will show you what the policy was, just so you'll know.

Closing Mare Island would require the construction of drydocks at another site, and that, plus the support facilities that go -- drydocks are roughly estimated at $200 million apiece -- that is what drives the payback well over 20 years, and results in, while you could have some modest steady state saving, your net, one-time saving is a cost of over $1 billion in construction and moving costs. Therefore, this does not pay back in -- it would never pay back in that regard, almost.

MR. CLAYTOR: What is the basis for saying you have to have another drydock?

MR, HANSEN: The basis was workload.

CHAIRMAN EDWARDS: You couldn't move a drydock?

MR. HANSEN: No, these are fixed. There are floating drydocks, but these are fixed.

MR. BARRETT: One of the major constraints in the work especially is the drydock capacity. If you close one, you affect the total capacity throughout.

MR. HANSEN: That's right.

Here is the analysis (indicating). Everything, as you correctly point out, Mr. Claytor, ties to drydocks. They are what drives the train in shipyards.

Here is what the Navy told us. They said



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total drydock capacity right now in the Navy is 30 docks.

If we eliminated both Philadelphia and Mare Island, we would reduce that drydock capacity by eight, which is not enough to do the work. They would have to build four new drydocks.

Now, you know, in essence, in a simplistic way, that is a measure of the excess capacity -- four drydocks. But when you get down into the type of drydock, it gets very difficult.

For instance, look at carrier drydocks below the line. That "carrier 5" is included in the 30.

If you close Philadelphia, you take two carrier drydocks away. In order to get all the work done, they need to build one.

MR. CLAYTOR: What can Philadelphia do that Newport News Shipbuilding can't do in that area?

CAPTAIN SZUTENBACH: Nothing, as far as drydock and as far as security is concerned. They can't do as much.

MR. CLAYTOR: Newport News was going to do all of the carrier SLEPS, and they could have except for the fact that we then had a whole batch of new carriers go into construction, and that would have wiped out Newport News for that purpose.


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There aren't going to be that many new carriers from now on in the foreseeable future. That's for sure. I don't know whether you shouldn't consider the Newport News Shipbuilding and Drydock Company as a capacity for doing almost anything that can be done in Philadelphia.

MR. HANSEN: Sir, if I could respond to that, if you recall, at the behest of the Shipbuilder's Council of America and a lot of other lobbying groups, the Commission was asked to involve itself in the decision of public versus private shipyard utilization.

MR. CLAYTOR: I know, and we're not going to do that. But that doesn't mean you can't take it into consideration when you are looking at closing something.

MR. HANSEN: Well, these analyses are within the Navy's resources only. They do not include the capacity at other places.

ADMIRAL ROWDEN: I think, Mr. Claytor, now, in Newport News, the schedule -- and it has been some time since I looked at this, and these people, I think, will be much clearer on that -- the present groups that they have under contract, which is three at this time -- excuse me, four -- Washington and Lincoln to complete, and then the two that were authorized last year.

MR. CLAYTOR: I don't think they are going to be built, frankly.

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ADMIRAL BROWNDEN: That is neither here nor there. It is important to understand that. But they are authorized and appropriated for now.

That goes through the 1990s.

In addition to that, in the middle of the 1990s, at about 1992, they are scheduled to refuel, and that's a big job. It pretty well maxes out, I believe, the Newport News capability for big drydock carriers.

CAPTAIN SZUTENBACH: We do have a chart on the carriers.

CHAIRMAN EDWARDS: I guess the real question, while we were not supposed to get into the either-or of this, the real question is if we were to close Philadelphia, for instance, is there the capacity out there in the private sector to deal with that work.

CAPTAIN SZUTENBACH: The Navy looks at it in a couple of ways.

The Navy is concerned, in fact, about drawing below a certain level. This is their level. You can look at it in two ways.

One is to say Navy developed this policy just so it could keep the number of shipyards it has. The other way is to look at it and to say that the Navy has decided that it has drawn down from hundreds of public and private shipyards to just a handful of shipyards today -- only eight

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in the United States Navy and less than 50, I believe now, outside of the United States Navy. Many of them are smaller shipyards.

So they are concerned that the capability within the United States has drawn down dramatically in skill levels and locations to do work.

If you were to take the shipyard capability that you have today within a public shipyard and give it into private shipyards, likely that could be done. But you are now giving away a couple of things. One is a strike free force that you have in a public shipyard, and the Navy feels it's at the lowest level it should go to with public shipyards today. Also, when it goes into the private community, it has tended to leave the United States. The private community has not been very competitive, unfortunatel and is losing a lot of its work.

Today, 95 percent of the work in the private shipyards is Navy shipyard work. It's Navy repair work, other than the construction. All construction is done outside of the Navy. All of the work for repair, outside of that, is Navy work.

So, for the most part, the Navy is totally supporting the shipyard workload in this country. The Navy is concerned that if it takes away some of those public shipyards, it is just going to lose that capability.



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And it's very difficult to build that back up.

Again, the Navy is not drawing down its ships. It's drawing up its ships. It's going from hundreds of shipyards to just a handful. So they have drawn this line (indicating).

That's the Navy's characterization of it.

MR. CLAYTOR: Has anybody looked at mothballing Philadelphia, as distinguished from disposing of it? That is a different kettle of fish.

MR. HANSEN: Well, not really, sir, because we are dealing in peacetime workload here, and not mobilization workload. Therefore, you would still have to find the same workloads there.

MR. CLAYTOR: Well, now, you see, I have a little bit of difficulty. Things sure did change fast.

In 1979 through 1980, the new ships violently wanted not to slip any of the carriers at Philadelphia. They wanted them in Newport News. At the Defense Department, we overruled that and decided to put them into Philadelphia because Philadelphia was under utilized and it seemed to us that if there were going to be any carrier building program which was not inside then, that Newport News was going to be occupied with that, and it was. Newport News could not have handled the slips with the buildup that came along.

But that's over. As a practical matter, I believe it's over.

Philadelphia is the most under utilized of the shipyards.

MR. HANSEN: Actually, we found that Long Beach was probably the most under utilized.

MR. CLAYTOR: Well, Long Beach is more modern, though. It has some other factors.

My own view is I think Philadelphia ought to be at least put in mothballs. If you had a war and you really had to get back in a hurry, you could do it.

MR. HOFFMANN: But what is the issue? Is the issue as clear as the next two carriers that are going to be built? If you would not build the next two carriers, would you need to keep Philadelphia?

MR. CLAYTOR: That may be, but we can't decide that yet.

MR. HANSEN: Without a doubt, both of the analyses of Mare Island and Philadelphia are driven to 20 year payback by the fact that you are talking about building a drydock. The solution for building a drydock in the Philadelphia case was to build it at Norfolk. That was the place they had the most room. That would mean that they end up with, they were very concerned that they would end up with two carriers in SLEP at the same place, the same time, with new construction going on, at least a nuclear bomb away, and

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the targeting becomes much easier.

The shipyard policy that is up there, if you wanted to summarize it -- and I'm not trying to defend it; I'm just summarizing it -- is more a policy of dispersion than it is a policy of workload.

At least that is my view of it. It disperses the workload out for safety reasons.

The capacity analysis we did on drydocks, given the information, the Navy came back and said they wouldn't need to build eight drydocks in order to replace the eight that we're taking away if you close Mare Island, but they needed to build four. Building four is enough to drive you over the limit.

You mentioned Long Beach. Clearly, the Shipbuilders' Council has recommended to the Commission that we close Long Beach.

Now, Long Beach is a modern shipyard. It is one of the -- it is the only modern shipyard. It does have only one carrier dock, and when we asked them to give us a back of the envelope analysis of that, again, the utility rate was high, and it should have been as a modern shipyard.

They came back and said they needed to build a drydock even in that case, and that one came out to where they would end up having to bring all the carriers over to the

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East Coast to get any work done on them because you took away your West Coast yard.

And so, it wasn't quite dispersion, but it was a regional problem.

So, every analysis that we have done has shown us that there may be excess capacity in the yards, but it's not enough to close one yard.

ADMIRAL ROWDEN: In your racking up of carrier docks, did you rack up the one at Hunter's Point? Is that one of the five?

MR. HANSEN: No, sir. It is not one of the five.

ADMIRAL ROWDEN: Is the one at Pearl Harbor one of the five?

MR. HANSEN: It is. Actually, no, it's not one of the five.

CAPTAIN SZUTENBACH: The one at Hunter's Point is considered available only for emergency purposes.

ADMIRAL ROWDEN: So you have only Puget on the West Coast?

CAPTAIN SZUTENBACH: And Long Beach.

MR. HANSEN: Long Beach cannot take all of the carriers. It cannot take the largest carriers.

Now, the reason that Pearl Harbor was not considered to be one of the major carrier docks for doing things like SLEPS or long overhauls is that the yard itself



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isa small yard, and if you put a carrier in there, it consumes the yard, and absolutely nothing else happens. The clock stops on every other project they are working on and it goes full-force into the carrier.

ADMIRAL ROWDEN: There is another significant problem. When you put a Nimitz class carrier in that dock up there, you can't use it for training because of the overhang of the carriers. You cannot bring in the cranes, and can't operate the cranes. If you can't use it, there is no sense in putting the ship in the dock.

MR. BARRETT: It's the same limitation at Long Beach.

MR. HANSEN: That's right. You can't put the big carriers in there. So, except for the fact that Long Beach was a modern yard and had high utility because of that, at least based on drydocks, it would be the most likely candidate to look at closing, because it has the fewest drydocks and, therefore, does the least damage, or the least cutting into. But that means that every carrier has to go to the East Coast.

And, in fact, every carrier not only goes to the East Coast, but, except for Philadelphia, they all go to Norfolk -- maybe into Newport News and stuff like that. That is an awful lot of the Navy fleet in a pretty small geographic area -- not counting the PCS.

For Commissioners who may not understand, when a carrier goes into a major overhaul, there are 4,000 to 6,000 people on them that have to be taken care of, too.

If the homeport of the carrier is San Diego and the 6,000 go to Philadelphia for a major overhaul, they all have to be PCS'd, Permanent Change of Station, back to San Diego. That entails a big expense.

CHAIRMAN EDWARDS: I don't think we ought to end up in a situation where we have to send carriers all to one coast.

The whole purpose of the Navy structure is to operate off two coasts.

If that is the alternative, then I think what we are saying is this may be something we can't deal with.

MR. HANSEN: Well, as a West Coast yard, the smallest one you could do is Pearl Harbor, and, being half-way across the Pacific Ocean, that would not be very smart to close, either. It is too valuable an asset.

They are big enough that what capacity we found, absent going into second shifts and things like that, which is not the peacetime operating plan -- they are below capacity, but they are not that far below. Again, this is not considering putting any work into private yards.

MR. CLAYTOR: Of course, that is another question


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I had not thought of that.

Now, the money you save from closing a major yard might make it not that difficult to put others on a two-shift basis. There's no reason in the world not to have two shifts. You'd pay for two shifts the same amount of money but not overtime.

MR. HANSEN: They operate now, I think they told us, at 70-20-10. Approximately 70 percent of the work is done on the daytime shift, 20 percent in the swing shift, and 10 percent on the night shift, the graveyard shift.

MR. CLAYTON: Well, there are lots of ways to do production, but you don't need to do it that way.

GENERAL POE: What is the major civilian employer at Mare Island?

The only reason I ask is we were not talking about civilian employers on the East Coast. Is Mare Island run by a civilian company, or what?

MR. HANSEN: No, sir. It's Navy.

GENERAL POE: Well, your lineup there says that it would close a major civilian employer.

CAPTAIN SZUTENBACH: That is the shipyard itself.

GENERAL POE: For the area itself? For San Francisco?

CAPTAIN SZUTENBACH: Yes, sir.

MR. HANSEN: For a more regional area.

ADMIRAL ROWDEN: They employ 6,000 or 7,000, as I recall.

MR. HANSEN: Upwards of 8,000 or 9,000 people, almost all civilians.

CHAIRMAN EDWARDS: Civil servants, I think.

MR. HANSEN: Mare Island has 10,300 employees.

CAPTAIN SZUTENBACH: It is not right in San Francisco.

MR. HANSEN: It is located right up here (indicating)

CHAIRMAN EDWARDS: Do we feel like we have beaten this one to death? Shall we move on?

MR. HANSEN: Thank you.

We have already done Philadelphia, so we will go to the next category, which is Naval Ordnance Activities.

Naval ordnance activities really are of two types. There are those that simply stored ammo and loaded ammo ships for the Navy, East and West Coast, and a collection of three installations, which are basically doing ordnance engineering, research, testing, et cetera.

The utility rate was quite well dispersed. The dot for Indian Head is right where the "d" is, on "Head."

Indian Head is one of the engineering sites.

Way down at the bottom of the chart is another engineering site called Louisville. We couldn't put it on th chart because Louisville was unique enough that half or a

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third of the elements that we normally measure were not applicable to it. So, by getting zero scores, it took it off the scale. But we did an analysis of it, anyway.

We have done an analysis of Indian Head. We have done an Analysis of Earle. Earle is one of the ammo loading ports.

MR. CLAYTOR: Is that on Sandy Hook Bay?

MR. HANSEN: Yes, it is.

MR. CLAYTOR: I have been alongside that dock more times than I would care to think about.

MR. HANSEN: We also did an analysis of Lualualei, which I would like to refer to from now on as "Hawaii," so I don't get tongue-tied. It's the only place in Hawaii.

The reason we did that is, you know, we jumped the array. In essence, what we found -- well, I'll describe it. There is a good reason for jumping the array.

What we found was that there was a standard for storage of ammo, which would not apply to the engineering research places. But at the storage of ammo places, the standard was 80 percent of capacity and the average capacity was 73 percent. So there was a small amount of excess capacity available.

These standards are working standards. They can be exceeded. But you would not want to go to a full 100 percent.

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The first installation that we analyzed was the Louisville engineering and research port. It is clearly not a port. But it is a primary depot overhaul point for Naval guns and control systems. But it doesn't store any ammunition.

Trying to move it was like moving a plant, essentially, and, consequently, the cost to move that to other locations was prohibitive.

The plan for the movement involved work going to three different sites. So it was a reasonable plan of like things, but it just did not pay back. It broke our mode's capability of calculating payback. It exceeded 20 years.

CHAIRMAN EDWARDS: Is there any objection?

MR. CLAYTOR: No.

MR. HANSEN: The next installation is Indian Head. We had similar problems with Indian Head.

Indian Head is an ordnance engineering, support, and manufacturing plant, if you will, for cartridge activated devices, prevalent activated bombs, and other unique ammunition items are manufactured there.

Therefore, we did take a look at a couple of options with Indian Head. The one that was the most logical involved moving the activity, some of the activity to three or four different sites, depending on which

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activity it was. But, again, because you are essentially moving plant capacity and expensive construction costs, it would not pay back. It exceeded 20 years, again.

CHAIRMAN EDWARDS: Where is Indian Head?

MR. HANSEN: It's just down the Potomac River, right here. In fact, the property is somewhat valuable -- $25 million.

So, the engineering activity that we looked at -- I might add that this is one of the categories where we challenged the array because of some problems we found in between when we sent the books to you in October and now. This resulted in a reevaluation of the array and some bases moved around.

So, in essence, while we'll only just show you the ones that worked up the array to the right ones, we did an analysis of six or seven of these, and none of them paid back, or the capacity could not be moved.

The next installation was Earle. Now, Earle is not an engineering activity. Earle is an ammo load-out, a more normal, if you will, Naval weapons station.

This is the area where we felt we found at least 7 percent excess capacity, maybe more. What we discovered was that there was a previous study of

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Earle that looked at closing Earle.

Earle has some significant maintenance problems. Therefore, they Navy had taken a look at it. They have a big bill to pay to fill Earle. They had looked at where could they do what Earle does someplace else. The answer was there is no place that has the explosives ordnance arcs that are required when you are doing ammo work.

The loadout pier at Earle has a two mile long causeway out into New York Bay, whatever it's called out there, just above Sandy Hook Bay. The explosive arc around that is all water, et cetera. What basically happened is the Navy is going to bite the bullet and repair Earle, to the tune of a lot of money because they cannot replicate the explosive ordnance arcs anyplace else.

How they let it degenerate, I don't know. There is a significant milcon bill to be paid. Theyhaven't come up with the number yet. They are still trying to figure out how best to attack it. But it's big bucks.

CHAIRMAN EDWARDS: Do we have any choice?

MR. HANSEN: There is no other place to do the capability.

MR. CLAYTOR: Unless somebody can think of another place, and nobody has been able to, I guess.

MR. HOFFMANN: It is amazing to me that you would have East by Northeast of Trenton, New Jersey, a place where

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the single crition is land, 11,000 acres, and you can't replicate it somewhere else.

MR. CLAYTOR: It's all water.

MR. HOFFMANN: The pier is a couple of miles long, right into the bay, is it?

MR. HANSEN: Yes. The pier is actually right here (indicating), or somewhere out here (indicating). It comes out into this bay. It's two miles long, and the pier is out here, in the middle of the bay.

MR. CLAYTOR: Your explosion area is all over water that is not a channel. It's not used as a channel.

ADMIRAL ROWDEN: It is a dredged channel.

MR. CLAYTOR: A dredged channel into that.

MR. HANSEN: That is where the actual magazines are. Then they have to be trucked or railed to the pier some 15 miles.

MR. CLAYTOR: They can blow up and all do is flack on the water.

GENERAL POE: You need the quantity distance on shore. There is the quantity distance requirement. You say that things are deterioating. Where are they going to load them in the meantime?

MR. HANSEN: I think they are still using it.

CAPTAIN SZUTENBACH: Yes, they are still using it.

GENERAL POE: But it is in bad shape.

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ADMIRAL ROWDEN: Because it is a concrete causeway, the concrete is in very bad shape. They discovered this about three, four or five months ago.

I believe the bill that they are trying to wrestle with now is what's it going to cost to fix this two miles of eroded causeway. It's railroad and truck up there. They haul the ammunition down this inland place on the railroad. They take it out on this causeway, out to the loading area, where the ammunition ships are, and it is that causeway that is the problem, I believe.

MR. CLAYTOR: That's right.

CHAIRMAN EDWARDS: Where does all of this come from?

MR. HANSEN: The information?

MR. CLAYTOR: The ammunition?

CHAIRMAN EDWARDS: The ammunition.

MR. CLAYTOR: All of the different ammunition plants around the country.

CHAIRMAN EDWARDS: Does it come over land?

MR. HANSEN: Yes.

CHAIRMAN EDWARDS: Then all of a sudden, when it gets to the water, they worry about it?

MR. CLAYTOR: Because so much of it is in one place

GENERAL POE: We worry about it all the time.

I have a brick presented to me when one of my train during the Vietnam War took a load to the town of Roseland,

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in California, which no longer exists -- I'm sorry, Roseberg, Oregon. It no longer exists.

Fortunately, nobody was hurt. But the 500 pounders went off like firecrackers.

They worry about it wherever it is. But where you collect them together, of course, it's a problem.

CHAIRMAN EDWARDS: I guess what I am getting at is does it have to go out over the water to load? Do all the Navy ships load way the hell out in the water?

MR. HANSEN: No, sir. If they don't load near the water, then they have to have the explosive quantity distance on land. The same circle gets drawn around the pier, but now it encompases land instead of water.

CHAIRMAN EDWARDS: Is there an Army facility where they could all join hands?

MR. HANSEN: No, sir.

GENERAL ROE: Well, the world is changing, too. The stuff we are now loading in containers is going to places like the United Kingdom, and it can't off-load at a place like this. It has to off-load where it can be handled.

CAPTAIN SZUTENBACH: In relationship to the military ammunition terminal, the Army's military ammunition terminal at Sunny Point, it's mixing apples and oranges. At Sunny Point, it's a containerized facility, where you put your ammunition into containers and you off-load to go



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overseas.

The Navy off-loads onto AEs. It goes right aboard those ships. So it's a different function. It's a little bit of apples and oranges.

ADMIRAL ROWDEN: It's primarily breakbulk loading and unloading. That is to say the holds in the ships, they put it in the holds in the ships, either ammunition ships or warships, in the magazines of warships. So it is not the same kind of container operation.

MR. BARRETT: The primary purpose of this, the distance arcs, of this facility and the one on the West Coast, which is involved in the same thing, is once you load the ship, you need that safety, that margin of safety, in case there is an explosion.

There are also safety arcs related to the acreage they are talking about, where they store. But those are not as large, because you don't have the concentration.

The concept is that loading the AE or the AOE now at those points, it goes out to the fleet and delivers it to the fleet, and we see in the ordnance activities the other end of that, of offloading, when those ships have to come in to go in the yards. The offload doesn't occur at Earle. It occurs in different activities.

CHAIRMAN EDWARDS: Okay. You don't see any inter-service opportunity there?



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MR. HANSEN: There is only the one East Coast port, which is Sunny Point.

MR. BARRETT: We looked for inter-service opportunity. The only one is the Army's, which is primarily a container operation for direct delivery to Europe.

CHAIRMAN EDWARDS: Is there any further comment on this?

(No response)

CHAIRMAN EDWARDS: Next.

MR. HANSEN: Next is Hawaii.

What we found at this place is it is, in fact, three separate, distinct sites on the island of Oahu. The Navy reported to us that they were not fully utilizing each of the three sites. First it appeared that they had just a very large amount of excess capacity. It turned out that they used terms like "developable" and things like that, meaning they had land to build on.

What we were looking at it as is, as I mentioned, we jumped the array here because it wasn't working out, is because we're looking at this as almost a thing in its own right. Could we consolidate into two from three or even into one from three without impacting anything on the Continental United States?

What we found was that the main problem is the developed part. The excess capacity, when you looked at


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the type of ammo that was in there, was developable excess capacity, but you'd have to spend money to do that.

What we have, in essence, there is a tremendous, valuable resource that doesn't cost us hardly anything to operate.

So, you know, magazines, storage of ammunition, the base operating support costs are pretty low. You have to mow the grass above it, you've got to guard it and occasionally go in and do some work in there. But there are not a lot of buildings that need to be painted, maintained, air conditioned, et cetera. So you don't save much.

So the conclusion there was that the two things coupled together -- some construction cost to move the ammo plus basically the costs actually increase to operate -- just did not make it worthwhile.

The land value of the one that we could close was not that great. The bottom line was that the place that probably would be the most likely candidate to close were natural tunnels in somewhat hilly sites, and it is just a resource that in our opinion was not worth giving up.

CHAIRMAN EDWARDS: Any comments?

(No response)

CHAIRMAN EDWARDS: All right. Next category.

MR. HANSEN: We move next to the categories in the Navy where we did not find any excess capacity.

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DR. SMITH: Before we leave that category, how about Seal Beach? I know Seal Beach is a really valuable piece of real estate, right between Newport Beach and Irvine, right on the coast.

Did you look at Seal Beach at all?

MR. HANSEN: We did in that earlier session. Seal Beach in early arrays, in fact, if you had the names on them, you would have known that Seal Beach was third in the first array. So we did an analysis of it anyway. It became a problem of where do you do what Seal Beach does.

Seal Beach is there to support the fleet that is in San Diego, which is something like a third of the fleet. The capability of expanding the other sites, which were at Concord and San Francisco, were way up in Puget Sound just was not there. You have a double problem. Not only do you have to construct, but you have to get these arcs bigger now, as you put more in there. It just couldn't be moved.

We did not prepare a slide for that, but we did do a summary.

DR. SMITH: There is nowhere else that the mission of Seal Beach could be used to?

MR. HANSEN: Not its ammunition. The only other choice would have been Concord. It has to be a West Coast site. Even Puget Sound is taking it so far away from its ships that there are operational problems. Concord is a

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possibility, but Concord is also constrained. Concord is very close to Mare Island.

DR. SMITH: How about some place like Vandenberg? You have thousands of acres there.

MR. BARRETT: It's hard to get it off Vandenberg. You still face the problem of how do you get it on the ship, which is one of the primary functions of Seal Beach, off-loading the ammunition from ships going in and out of San Diego for repairs.

CAPTAIN SZUTENBACH: Part of it is proximity to the fleet.

MR. BARRETT: Today, Seal Beach has a branch out behind Camp Pendleton, Fall Brook Annex. But it is land-locked.

MR. HANSEN: That's right. It has no pier.

From my recollection of Vandenberg, there is no port or bay there.

GENERAL POE: What is homeporting going to do to this? Are we going to have to load ammo all over the world now, or what?

MR. HANSEN: No. The ammo sites they have -- three on the West Coast, the three major ports: San Francisco, Puget Sound, and, essentially, San Diego -- and we have Staten Island, Yorktown, and -- is there something in Charleston?

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CAPTAIN SZUTENBACH: Yes, there is something in Charleston. We do have some slides on homeporting, if you want to see them.

But, as far as the AEs are concerned, the ammunition ships, Earle actually gets some ships in-ported there. Additional ships would be ported in Earle.

ADMIRAL ROWDEN: I think the problem in ammo loading in home porting, is on the Gulf Coast. There's not prepositioned ammunition in stocks on the Gulf Coast. It's all up and down the East Coast and all up and down the West Coast.

GENERAL POE: Well, you see, when they brief you on homeporting, they say we're going to essentially be self-sufficient in all these places, and then it looks like they are going to have to have something additional to handle ammo at these places in order to do what they say they are doing with homeporting.

ADMIRAL ROWDEN: They do it with ammunition ships.

GENERAL POE: A ship itself?

ADMIRAL ROWDEN: Yes.

CHAIRMAN EDWARDS: Okay.

MR. HANSEN: All right. We will move on to categories where we have not found any excess capacity. We will be going over categories of bases that are in the books that we sent to you on October 7.

The first category is Atlantic Air Bases.



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We will put a map up for you.

These are the air stations under the control of the Atlantic Commander. It's a somewhat spread-out thing, but tightly grouped in one case.

Wait a minute. That's not where Cecil Field is.

CAPTAIN SZUTENBACH: Yes, that's correct. The arrow is only about 50 miles off. It's a big circle.

MR. HANSEN: All right. In this category, we could not find any excess capacity at all using the methods that we had.

I can say this. In all Services, almost to an installation, we can check facility utilization. We have the engineering community producing thousands of statistics on facility utilization. In general, we found that there is most always a deficit in facilities.

So, capacity to do more in such things as an air base means land. You need land to build another runway, maybe, or more parking aprons or more hangars, and so forth. To that extent, the Navy has reported to us they did not have any land.

To be honest with you, that is one of the things thatwe have the most difficulty in checking. As you have discovered, they will tell you that they are using every acre and it is sometimes difficult to check.

MR. CLAYTOR: How about the Naval Air Station

Project? That's a P-3 base.

MR. HANSEN: Yes, sir.

MR. CLAYTOR: What about Loring Air Force Base, also up there in Maine? Isn't that one of those that has been talked about for closing at times? Why the hell couldn't we put them together?

MR. HANSEN: It's possible.

CAPTAIN SZUTENBACH: Do you mean put Brunswick into Loring or Loring into Brunswick?

MR. CLAYTOR: Either one.

CAPTAIN SZUTENBACH: We find Brunswick is fairly well emcumbered. It doesn't have any additional capacity at the moment.

MR. CLAYTOR: Loring doesn't have any particular uses, I gather, now. Why couldn't we put Brunswick into Loring?

CAPTAIN SZUTENBACH: Well putting Brunswick into Loring would present some practical problems. It's snowed in from November through April. So it is very difficult to operate out of Loring Air Force Base. They do some other things, other than flying up there.

GENERAL POE: Well, they stand alert?

CAPTAIN SZUTENBACH: Excuse me?

GENERAL POE: They stand alert.

CAPTAIN SZUTENBACH: Yes, sir.

MR. HANSEN: On a pure capacity basis, there might be some chance. Loring did have the capability to add at least a squadron. But I think there is more than a squadron at New Brunswick. That's part of the problem.

GENERAL POE: One thing about a place like Loring, it's a pretty good example of what happens when you try to close it a couple of times. You are politically stopped from closing it, and so you bite the bullet and go ahead and make it a viable installation and spend a lot of money on it, and essentially say to the people who wouldn't let you close it, now I need some help -- you wouldn't let me close it; now I need these facilities.

So the whole nature of the place changes over a period of years.

MR. HANSEN: The mission has also changed since the time when Loring hit all the lists. It doesn't have the same mission anymore. It has a mission where its being close to the Russian submarines is not as critical.

SENATOR EAGLETON: November to April doesn't count?

MR. HANSEN: They still fly. It's just harder, costlier.

GENERAL POE: What they did was you have to flesh before the missiles get into the submarines. That's not a problem in Loring anymore because you've gone to a conventio mission.

MR. HANSEN: We can look into that. In fact, we have already started, based on Mr. Smith's suggestion of yesterday, that same idea. We will do some more.

CHAIRMAN EDWARDS: How about talking about the bottom part of the picture.

MR. HANSEN: Okay.

Oceana was the lowest rated base. That is the main Naval air station for the Port of Norvolk, where the carrier wings are based.

In the extent that Naval air stations are often linked, at least in a regional concept, it doesn't have to be right next to it.

But many Naval air stations -- not "many," but "some" -- actually are homeports for carriers. They doublein that.

MR. HOFFMANN: What does Norfolk do? You have two co-located there.

CAPTAIN SZUTENBACH: Norfolk is a Naval complex. At Norfolk, you have the Naval station.

MR. HANSEN: But you also have it on here (indicating).

MR. CLAYTOR: It is a Naval air station in Norfolk. There's a Naval air station there.

MR. HANSEN: That's another P-3.

MR. HOFFMANN: Why can't you go down to

Oceana with that? Do you need both of them?

CAPTAIN SZUTENBACH: You have attack aircraft at both, Oceana and Norfolk.

MR. BARRETT: One of the major missions is supporting the aviation depot and providing an airfield for flack.

MR. HOFFMANN: The problem I have is here is the least ranking of your fields. If you compare it to the ranks for other facilities for other Services, we're moving in on them.

You know, is this chart way off?

MR. HANSEN: We cannot numerically compare one chart, a Navy chart, to an Army chart or an Air Force chart.

MR. HOFFMANN: I understand that. But you have a utility attribute score. I'm just talking about proportionality.

Here is an outfit that appears to be, you know, to have a lot of excess capacity in there, or a lot of utility that is not being used or something, even on a proportional basis. Am I wrong on that?

CAPTAIN SZUTENBACH: That is not the exact interpretation.

What that means is that the station at the bottom is, in fact, that; in ranking with all the other stations, in support of the missions that it is supposed to support,



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it ranks the lowest. And that's for one of many factors. We have 26 factors for each station. It starts out with mission support, direct mission support, with hangars and aircraft and operational environment, such as airspace. You get down to availability of facilities, condition of facilities, community support -- excuse me. Community support is outside the base -- as well as quality of life.

So, you have taken into account all of those factors and you determine how well a particular base and its physical plant, for the most part, supports that.

Oceana comes out on the bottom of that. It doesn't mean that Oceana is not doing its mission. It doesn't mean that it has a lot of excess capacity. It doesn't. It does not have excess facilities. In fact, it's deficient. Almost all the other stations are, in fact, deficient in facilities, and are at capacity in operational environment.

That doesn't mean that it's a bad base. It's just that within that ranking, it comes out the lowest.

But we don't get at it because in the category, we don't find excess capacity. So we can't close one down because there is no place where we could go.

CHAIRMAN EDWARDS: Are there any Air Force bases around there?

MR. HANSEN: Langley. Langley is the Headquart



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of the Tactical Air Command, as well as a fighter base.

CAPTAIN SZUTENBACH: I think they support NASA, too.

MR. HANSEN: If it did, it wouldnot be for a whole wing. It would be a smaller thing.

There is another problem with the Navy's operational pattern, which is to move wings. A whole wing leaves a base, goes on to a carrier, does a deploymen and so forth and so on. Therefore, you need more of excess capacity, if you could find any, or more land with which to consolidate activities, because you had to put whole wings on.

Now, in other areas, such as P-3s, you may have more flexibility. They are smaller sized wings to start with, et cetera.

But your basic fighter wing, which is what most of what the air stations are, they go together, they stay together. There was a little more flexibility with squadrons in the Air Force, and, therefore, a little bit more that could be accomplished.

CHAIRMAN EDWARDS: Maybe this is not a kind thing to say, but there certainly has been the perceptio that of all the Services, the Navy has been the least forthcoming, and, in truth, we are only looking at

two facilities, as I recall, that we are proposing to close.

MR. HANSEN: That's correct.

CHAIRMAN EDWARDS: I guess maybe what we are not saying is we want to be damned sure that in spite of their lack of willingness to come forward -- and maybe they have corrected that recently -- we know that we have taken a serious look at the things that we ought to look at.

CAPTAIN SZUTENBACH: I think, along those lines, sir, Mr. Bryan did meet with the Secretary of the Navy and impressed upon him the need for them to cooperate fully. He has spoken at the three star level more than once.

I think we find that we are getting the cooperation from the Navy today that it looked like we were not getting at first.

We have since had volumes of data.

The real crux of the matter, though, is whether or not that data is good data, and whether it is something that you can, with credibility, say substantiates the argument.

We have done such a review and, really, Mr. Hansen should address that.

MR. HANSEN: In the Air Task Force, which is the task force we are in right now, it hinges on land because that is what you have to build on. We are clear that we don't have any excess runways or excess hangars or buildings or anything like that.



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There are two things that happen. If there was a possibility of making one air base into two, the construction costs are going to be quite high. While we haven't got any exact numbers, because we haven't tried to run any --

MR. CLAYTOR: I can accept that, but I am a little nervous on the answers I get on why we might not be able to at least in one place or another consolidate with Air Force people, because Air Force has all of the same problems of base, runways, hangars, everything.

Under what category is NAS Willow Grove? That's not an Atlantic Air Base?

MR. HANSEN: Is that a Reserve base? I think so.

MR. CLAYTOR: Well, it's one hell of a big place and it's smack in the middle of built-up areas around Philadelphia.

MR. BARRETT: And it has Air National Guard operati there, too.

MR. CLAYTOR: Who owns it?

MR. BARRETT: Navy.

MR. CLAYTOR: Navy. It's a Naval Air Station at Willow Grove, and it's a huge place. Are we going to see that here?

MR. HANSEN: The Guard and Reserve is in Task Force 6, but it is not a candidate for --

MR. CLAYTOR: Now hang on a little bit.

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Suppose the Guard and Reserve could go somewhere else and we could take one of these other things and use Willow Grove? Willow Grove has some of the most expensive real estate that I can conceive of in a place that is that big (indicating). It's right smack in the middle of a built-up area in northwest Philadelphia.

If there is some way that you could get the airplanes out of there, then you'd really have a big payoff. That's probably in the hundreds of millions of dollars.

It bothers me to see an air station, a military air station, right in the middle of a city.

MR. HANSEN: As a closure candidate, and then find another home for the Reserves? Is that your suggestion?

MR. CLAYTOR: Get some of the Reserves in some of these other places that we've got, and got the money out of that one.

CAPTAIN SZUTENBACH: We will get into that I guess with the Guard and Reserves section.

What does happen, of course, is the Reserve stations are located, in part, as a result of demographics. You go where the people are. As was mentioned earlier, if we don't, you lose the people.

So that, in part, drives it. And, in fact, where we do have installations, you'll find that Oceana and the others, I'm sure in almost all cases, you do, in fact, have

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the Reserves utilizing those particular facilities.

So there is the Reserve mix.

Let me show you a confidential slide to point that out. There are, in fact, Reserve folks, aircraft, at Oceana. I just want to point out, too, that at Oceana, there is a large number of aircraft. We're talking 240 deployable aircraft, and we also support Reserves.

So there is a mix. You'll find that, and we are finding that there are large numbers of aircraft in all these stations, too.

So, when you get into the details of it, which we did -- we got their loadings and other aspects of it -- you'll find that it's fairly difficult to cram any more in. It's not impossible. But it's more in "onesies" and "twosies" than it is on large enough units that you can close a base. Maybe some Reserve stations.

GENERAL POE: What is the base line? Is the base line all of the carrier aircraft that are there for your base line -- all of them, as though all the carriers were back home? Are you running a hot bed operation where you always figure a certain percentage?

CAPTAIN SZUTENBACH: It's a hot bed operation.

GENERAL POE: So this takes into account that part of the time, always there are some gone?

CAPTAIN SZUTENBACH: Yes, sir.



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GENERAL POE: We need that kind of information to defend what you are doing. I think it is going to be very hard to defend.

CAPTAIN SZUTENBACH: Yes, sir. We can get that.

In fact, even the ships. It's the same way in the berthing. They figure that about 30 percent to 40 percent of the ships are not there.

GENERAL POE: So you are talking about 200 or -- how many aircraft do you have there? It's 240 aircraft?

CAPTAIN SZUTENBACH: Yes, sir -- normally on board.

GENERAL POE: How many are normally on station?

CAPTAIN SZUTENBACH: That's a good question.

MR. CLAYTOR: That chart raises another question. You've got a Naval Air Station at Jacksonville, and you also have a Naval Air Station at Mayport, which also is Jacksonville.

CAPTAIN SZUTENBACH: I think that's their normal on-board count.

MR. HANSEN: There are actually three in that area.

MR. CLAYTOR: There is Cecil Field down there, too. So there is three of them.

CAPTAIN SZUTENBACH: Cecil Field is a master jet base, and Naval Air Station Jacksonville is actually a P-3 base, with helicopters also. There is a different mix.



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At Mayport, you have helicopters. That's a very small one. We're just talking about a few hundred acres at Mayport. Overall, Mayport is under 1,000 acres.

It really is in support of helicopters. I believe they also do have some aircraft off the carriers that would go in there. But it's a different mix at the various bases.

And, even where you do have it, at Naval Air Station Jacksonville, it's a different mix of aircraft, and it's not just the aircraft that we find at those bases. The Navy has shrunk over the years so much that at any one base, you have a large number of activities. It's really a mix of activities.

So you couldn't just extract the air mission and walk away and actually close the base.

MR. HANSEN: I would like to make a suggestion.

With three in a tight shot group, that might be a very good visit candidate. You do all three and you come away with a sense of could I put these, combine these into two

That's more of a visual thing, to see how crowded the places are.

When the staff has visited the naval stations where they put the ships, holy cow, I'm amazed they have room for roads and walkways, it's so crowded sometimes, and not in very good condition, either.

If we find that in a few cases where it seems possible, that sort of validates our capacity analysis.

CHAIRMAN EDWARDS: Okay.

MR. HANSEN: Pacific air bases is the next.

Again, it's the same kind of analysis. Again, they're mostly located along the coast, where the ships are, except for the one in Nevada, which is a training base. It has, I think, 141,000 acres, for flying over.

There are very few aircraft stationed there. Wings and squadrons fly up to do training and then leave again. It's very similar to Nellis in the Air Force.

Again, looking at what could be pushed around, I personally have been to Naval Air Station North Island. It is literally surrounded on three sides by water, and on the other side by the town of Coronado. There is not much room to expand there. It's the homeport of three or four aircraft carriers. I don't know how you could put much more into that one.

That is only my own personal observation.

Some of the ones that are out in the California valley, Naval Air Station Moffett Field is surrounded by San Jose, Silicone Valley. It has P-3s. I know that.

Naval Air Station Alameda is, again, surrounded. The Navy particularly has a problem with encroachment. They are located where the ports are, and the ports are where the people are. Most of their facilities are pretty tight.



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Now [redacted] has a lot of land. But it's also [redacted]

It needs it to fly over.

MR. HOFFMANN: How about [redacted]

CAPTAIN SZUTENBACH: [redacted] has a lot of land, but is fairly unique. It's almost a subcategory itself. You can't consolidate into there because you're so far away from every other location in the world. But they do have a Naval air station.

MR. HOFFMANN: What do they do out of there?

CAPTAIN SZUTENBACH: P-3s, antisubmarine warfare.

MR. HOFFMANN: I get the concept.

What happens if you move the backup onto mainland Alaska? How many miles do you lose in that positioning?

CAPTAIN SZUTENBACH: A few hundred miles. It's technically feasible to fly out of mainland Alaska rather than being in Adak.

GENERAL POE: One of the problems is that the activities of the Soviet fleet up there are really increasing. They are getting a lot more modern ships and they are getting a lot more activity in the Adak area.

CAPTAIN SZUTENBACH: It's more than a Naval air station. There's a Naval station, a Naval communicatio station and a Naval facility, if you are familiar with



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those up at Adak.

Your mobilization requirements would play a part and day-to-day peacetime requirements.

CHAIRMAN EDWARDS: What Marine air bases are in that same California area?

CAPTAIN SZUTENBACH: We do have [redacted]

[redacted]

MR. HANSEN: It is really encroached.

CHAIRMAN EDWARDS: Is that the only one?

MR. HANSEN: There is a small helicopter base nearby, called Tustin.

CHAIRMAN EDWARDS: Is there any opportunity to merge a Miramar and El Toro, or something?

CAPTAIN SZUTENBACH: I would think not because Miramar, again, is loaded, and El Toro is --

CHAIRMAN EDWARDS: It's what?

CAPTAIN SZUTENBACH: It's a heavily loaded base. El Toro has a Marine Corps wing there. You couldn't take that wing and put it onto Miramar without probably buying a lot of land or spending a lot. It's probably not economical to move it.

But right now, the way they are situated, as I understand it, you couldn't take a full wing from El Toro and move it over to Miramar.

We didn't study that, though, sir. I'm

not saying that we stupid that.

MR. HANSEN: We'd have to do more on that one.

MR. HOFFMANN: How about moving that into some of the Air Force base capacity in and around that area?

MR. HANSEN: Well, that may very well come up tomorrow.

MR. HOFFMANN: March Air Force Base.

MR. HANSEN: That may very well come up tomorrow when we do the Air Force. If you will remember, two of the closures for the Air Force were Southern California.

GENERAL POE: What do you do at Moffett?

MR. HANSEN: P-3s. It is also a major research center for NASA. It has a wind tunnel. I know that.

GENERAL POE: Maybe NASA ought to pay for it. I just speak from the point of view of a Service that has been paying for things for NASA for a number of years. Maybe now it is their turn.

CHAIRMAN EDWARDS: I think, Doug, that I want to feel comfortable with the whole array of bases, air bases, in the Southern California area -- the Air Force, Marine, and Navy. I don't mind facing the inevitable if, in fact, there is nothing to close or merge. But it just seems to me that the population growth out there, when you drive out, like by El Toro and out that way, and you see the houses rushing up on the mountains, just as fast as they can build


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them, there ought to be some opportunities and it just looks like we ought to be sure that we have stated that.

MR. HANSEN: We will do an analysis, a cross Service analysis, of all Southern California bases.

GENERAL POE: Now the Air Force will probably kill me, but you've got 19 airplanes at Moffett, of which ten are Air National Guard, and we've got several air bases up there that I would imagine could absorb -- I don't know what else they are doing there, but that is NASA's problem, as far as I'm concerned.

CHAIRMAN EDWARDS: I'd feel more comfortable if we did an inter-service study.

Is there any other discussion on the Pacific air bases?

MR. HOFFMANN: So, we're going to bring that back and have a kind of East Coast - West Coast look, and correlate the Air Force and the Navy, and all of these various air stations and facilities up and down there? Is that it?

CHAIRMAN EDWARDS: I don't think we actually asked for the East Coast one, but I think it is something we ought to do.

MR. HOFFMANN: Yes, I think we ought to do it.

MR. CLAYTOR: We have three air forces and we really ought to be able to more use more common bases than

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they do.

MR. HANSEN: A regional look, as opposed to a full -- you know, sections of the East Coast, like Southern California is for the West.

CHAIRMAN EDWARDS: Yes.

MR. HANSEN: And maybe Northern California, the San Francisco Bay area. Up in Puget Sound, there are only a few air bases. There is no Marine Corps, and one Air Force base, which is a small MAC base.

CHAIRMAN EDWARDS: I'm talking about where the concentrations are.

MR. HANSEN: Yes, the concentrated locations. The Norfolk area, if you will, probably would be one of the three areas. The Mayport-Jacksonville area. So that's four areas.

CHAIRMAN EDWARDS: Okay.

MR. HANSEN: The next category is operational training bases.

These are the installations where they train pilots. Again, we looked at the training. Naval Air Station Memphis, in Tennessee, was the lowest rated base. However, again, we could not ferret out any excess capacity, and, therefore, did not do any Phase II analysis.

Did we ever get the training load?

CAPTAIN SZUTENBACH: We had a chart -- I don't have

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it -- but we asked them for a chart on training.

MR. HANSEN: Right. So we've got the training loads for these bases?

CAPTAIN SZUTENBACH: Yes, the training loads. We also asked them to do an analysis on the bases, plus the outlying fields, to determine whether they were at full capacity or not. We have an array on that area.

MR. HANSEN: I think, in summary, it is kind of like the rest of the categories. We have a lot of informatio but it didn't lead us to anything.

CHAIRMAN EDWARDS: Are these bases, in varying degrees, for training? In other words, some are basic, some are advanced, or are they all similar?

MR. CLAYTOR: Pensacola is largely a base.

MR. HANSEN: It varies.

CAPTAIN SZUTENBACH: Well, there are two major differences. For one, NAS Memphis is not really for pilot training. It really is for training of enlisted people in the aviation rating. So they are not doing pilot training out of there.

Near there, they happen to have Millington, which iswhere the Headquarters for CENA is located. But not on the base.

Then the others are pilot training per se. But they go through some more basic stuff, I believe, at Corpus

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Christi. I am not an expert in this area and would have to go back to the book again. I think it's probably more basic actual flight training; I think they do a little more schoolwork in Pensacola.

CHAIRMAN EDWARDS: How about Meridian?

MR. CLAYTOR: We know that NAS Meridian was untouchable, as long as Senator Stennis was there. Now I just wonder whether it really has that great a need.

CHAIRMAN EDWARDS: Well, you have Meridian for the Navy and, I believe, Columbus for the Air Force, both basic -- at least Columbus is basic. I guess Meridian is.

GENERAL POE: Mr. Chairman, one problem that we have which I think has all the air training guys running scared, and with some justification, is --

CHAIRMAN EDWARDS: It's called "Claytor and Edwards on the Commission." That's what has them all scared.

GENERAL POE: Well, seriously, what has happened in the last two or three years, for example, is the Air Force is losing 80 percent of the pilots that are eligible to get out, from 7 to 11 years. We have never had anything like that for 15 years. It is really a serious problem.

We have been essentially competitive with the airlines for some time. I would imagine the Navy has the same problem.



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So, all of a sudden, you find yourself back in the business of training a lot more people than you thought you would have.

CAPTAIN SZUTENBACH: Now, in the training area, we did go after the Navy, quite frankly, because they had indicated they were having a reduction in budget and weren't going to be training as many pilots over the next several years. So, we seized upon that and said well, maybe you don't have enough bases, or maybe you have too many bases.

The analysis comes out that that is not the case and especially upon mobilization, which is a part of the consideration. But, even with a reduced training load, their bases are, for the most part, fully utilized, the air stations, the operational training bases.

MR. HANSEN: And it's not just a physical thing, a land thing, either. Every air station needs a place to operate over to do the training it needs. Those are limited, too, very limited, and heavily used, and in Navy not large enough.

So, when you start looking at relocating activities and moving an activity away from its ranges, ther that degrades training to some extent, in some ways measurable and in other ways not.

GENERAL POE: It hurts me to give away my age, but, for example, in basic training, a primary training



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for me was in a Steerman biplane, and all you needed was a few crossroads to do section eights. Now these guys are going to 20,000 feet and they want more than I even think they should have. They want ejection seats and 40,000 feet and all that sort of thing. Whatever they want, they have.

We had all the room in the world for the Steerman and nobody else was flying. And now they don't have any room at all.

So it is a real problem to get the sorties off of onestation.

I hope you know that I'm not defending a lot of these things. I think we could do better at closing things. But training is a scary situation right now.

MR. HANSEN: Well, you know, Chairman Edwards mentioned that we have, in fact, a difficult time getting the Navy on board. We brought that up to you.

What that did to us, as the staff, is it turned out focus on the Navy, and we have been in an intense focus mode on the Navy ever since, even though they have now corrected their problem with giving us information.

And yet, in all of that, basically nothing has come of it.

I don't think we'll ever get a process where we can be absolutely certain that we have found everything

there is to find. But with the type of analysis that we have done, we have been able to find excess capacity in some categories, Army, Navy, and Air Force, and perhaps after a while, after you keep digging and digging and digging, one comes to the conclusion, I am more and more getting close to the feeling that maybe there is nothing here.

But I would not want to swear on a stack of bibles that I know there is nothing here.

MR. CLAYTOR: Undergraduate helicopter training is no longer feasible from Pensacola to Rucker?

MR. HANSEN: All of this analysis, sir, has been done within the categories within the Navy. All of the inter-service discussions are still on our plate.

DR. SMITH: My recollection of the [redacted] training is [redacted] but everybody would do it in Pensacola. Everybody would be flying. And then, if you were going into jet training, you went to Corpus, Kingsville, or Meridian. If you're going to multi-engine, you stayed at Pensacola and learned how to fly P-3s.

So the question was always do you need three jet pilot training bases. Do you need Kingsville, Corpus and Meridian? Meridian always came up as the base that you maybe ought to take a look at. Do you really need Meridian? You have weather problems at Meridian and it's not quite as cost effective, and if you are going to close one of your



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jet pilot bases, Meridian was the base you took a look at. You took a look at capacities at Corpus and Kingsville, and did some numbers as to whether or not they have enough capacity to handle the planned throughput.

But I think those numbers ought to be available and o ught to be something they could do.

Then the helicopter stuff was done at Whiting Field, and there was never any way to combine the Navy and the Air Force helicopter training.

MR. CLAYTOR: It was the Army in the helicopter training that we were working on, because Rucker had the advanced equipment plenty of room, and Pensacola was out of date and overcrowded, and we still couldn't do it because the politics got into it. But it should have been done then.

MR. HANSEN: We will include that in the analysis. I'm not sure Whiting is still doing helicopter --

MR. CLAYTOR: I think Rucker is probably full now and it can't do it.

GENERAL STARRY: Yes, but it is able to be expanded. I was in charge of the force structure when that exercise took place. It was ridiculous. We should have gone ahead and done it.

MR. CLAYTOR: It should have been done the, right.

CHAIRMAN EDWARDS: We just didn't have the horses.

MR. CLAYTOR: Right.

The Navy Reserve got into it, and they busted it in the Armed Forces.

MR. HANSEN: All right. That will be included in our cost service work.

MR. HOFFMANN: Now here is a category -- and, again, excuse the brown boot aspect of this approach -- but here you are not tied to homeports and you are not tied to that sort of thing. Okay. Obviously you've got weather problems and operational effectiveness.

In the context of Meridian, have you looked at the Air Force situation to find out if they have some excess capacity? These are not site specific places, by definition. They could be done anywhere, subject to operational conditions.

MR. HANSEN: With some confidence, we should be able to say that where we found excess capacity we have done something about it. Where we have not found excess capacity, there was nothing to do.

So in the case of air training, we have not found excess capacity in the Air Force, no air training bases, flight training bases are recommended for closure.

MR. HOFFMANN: I am getting worried that we are making these little compartments to satisfy ourselves,

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and yet, if we took a practical view over several categories, it would be different. You know, there may be reason to put Naval tactical air training at an Air Force nontactical training center.

The fact that you haven't got capacity in both of those categories does not exhaust the possibilities, it seems to me, and we ought to be taking a look at that.

You're talking about runway space. You're talking about weather. You're talking about facilities.

MR. HANSEN: And the ranges.

MR. HOFFMANN: Yes.

The other thing it sounds to me like you are talking about is some naval stations and air stations where the future is closing in on you, where the apartment houses are right next to the runways, in El Toro and other places. I don't know what the implications of that are.

But I think it promotes a long look by us, to take a look at some of these doggone places and see what we can do.

CAPTAIN SZUTENBACH: The Navy, sir, has a peculiar problem with what they call the air installation compatible use zones. This is the point that I think would answer your comment. As you are probably aware, when the Navy lands, they always land as though they were going to land on a carrier. So they come in low and they come parallel to the runway,

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and make a quick turn and land on the runway.

So they end up requiring more land for their stations than the Air Force might otherwise.

I'm not an expert in Air Force here, but they also have ACUZ problems, as they call them.

They have looked at that. Are they encumbered? Well, they have been encumbered. But they started about 15 to 20 years ago-- I suspect Secretary Claytor would recall some of these -- to work with the local community, buy land, acquire it fee simple, or to get easements, et cetera. So that problem of encroachment has been addressed over a couple of decades. It's not that there aren't any problems today. But for the most part I think they have operational space, where they have to do a lot of training at operational bases. Just to keep proficient, they go to outlying fields.

You will find a number of outlying fields, and we have looked at those, too, you'll see.

MR. CLAYTOR: All of that is certainly true with respect to helicopters. But with respect to carrier pilots, there are a hell of a lot of Navy fliers who never land on a carrier.

CAPTAIN SZUTENBACH: But for most of the bases, they do have the ACUZ problem. They have accommodated themselves generally with the local communities and continue to do that today. We find that they are still



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buying land or easements to make sure that their encroachment won't destroy the base.

I don't think we'd find that we have a base today that is not usable. We find some outlying fields that have been severely encroached, and then the Navy takes action. Essentially, they swap land for those.

CHAIRMAN EDWARDS: How about putting your slide up on Memphis.

MR. HANSEN: We would not have one. This is a category where there was no excess capacity. The determination was no excess capacity. We have done no analysis of Memphis.

CHAIRMAN EDWARDS: But Memphis, you said, is not really a Naval air station. It's a training facility for enlisted men. Did I hear you right?

CAPTAIN SZUTENBACH: It is a Naval air station. I meant for training. But it doesn't do pilot training. It does training for enlisted personnel.

I'd have to get the loading for that.

CHAIRMAN EDWARDS: Well, I look on a Naval air station as something where planes fly.

CAPTAIN SZUTENBACH: They do fly in and out of that, sir.

We can check here, and we will, with the aircraft that they fly.



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CHAIRMAN EDWARDS: How many people are there? How many trainees are there? Is that a facility that could go somewhere else?

CAPTAIN SZUTENBACH: Not within the Navy. The Navy has no capacity to accommodate the people that are training at Memphis today.

MR. HANSEN: Even if you could find the land, you would have to build the facility.

MR. CLAYTOR: Could an air station accommodate more flying Navy people, since they don't do any flying out of there except for transportation? Would they find it usable for other purposes?

CAPTAIN SZUTENBACH: Well, 927 aircraft are in Memphis, so there be a lot of transients there.

MR. BARRETT: A major function at NAS Memphis is enlistment training and an aviation rating. Several years ago, the Navy did move a considerable number of the schools from other air stations, such as Jacksonville and other air stations in Florida to Memphis. They are all related to enlisted aviation training. That is the primary purpose -- NAS Memphis is a training facility.

MR. HOFFMANN: But what does it look like? Does it have taxi ways and runways?

MR. BARRETT: It has runways and taxi ways.

MR. HOFFMANN: Control towers?

MR. BARRETT: It has a base; it has a hospital; it has housing.

CAPTAIN SZUTENBACH: We are finding that this is one of those bases where they do have a Reserve force, a P-3 squadron. They have eight P-3s, a couple of DC-9s, 34 Reserve aircraft on board. So that's a combination base.

MR. HANSEN: Yes.

The most significant statistic was --

MR. HOFFMANN: Where is it located? Is it in downtown Memphis, or the suburban area?

MR. BARRETT: It is 30 miles north of Memphis, at least 30 miles north of Memphis. It's near a town called Millington.

MR. HOFFMANN: So, it's not impacted by --

MR. BARRETT: It's out in the country.

CHAIRMAN EDWARDS: I don't find anything in there.

MR. HANSEN: The statistics that we have here are that there is a 927 average daily of transients.

Now, what could very well happen, I have been at many air stations, for instance, I am at a Marine Corps Air Fighter Wing, and all of a sudden C-5s start dropping in on the place like crazy. Well, they flew over from doing some training someplace else, and they're doing touch and go's off the Marine Corps runway. It sounds like that's going on in Memphis.

MR. HOFFMANN: Yes. You go to a little used airport and have them do flying. The Air Force used to do that when we were hopping across the country. It was very distracting.

(General laughter)

CHAIRMAN EDWARDS: Are there any other questions?

MR. HOFFMANN: You'd get free rides.

(No response)

MR. HANSEN: We have some more work to do on that category.

The next category is Outlying Airfields.

On outlying airfields, we had a call on whether or not you would look at these as individual sites or whether you would look at them with their parent unit.

An outlying airfield, as Mr. Hoffmann described it, is little used, except that that is not really what happens. What they are is a runway with very little else -- a small building, perhaps, or crash-fire rescue teams. No one lives there. They'll have a gate guard and they will have to do a little maintenance around the yard and they'll have to keep the pavement up.

This is a place where they take off from their home station and land, and practice, hopefully away from the congested area where they tend to be in.

We have traffic pattern load patterns on all of

these, and they are all heavily used.

SENATOR EAGLETON: Suppose we wanted to close one? What would you say?

MR. HANSEN: Nothing. Well, I mean very little, sir. They don't cost much to operate because they're just there. There's only a little maintenance to keep them up. There's nobody living there. We're not closing an infrastructure or anything like that.

So, there's nothing much they need and they are a dying resource.

There is not much political problem with these, either. As they get encroached, often what will happen is they will make a local trade. They'll trade that outlying airfield for some piece of farmland a little bit further away. They're not too political and they can usually can get through.

GENERAL POE: What do you use them for?

MR. HANSEN: Really, just landings and takeoffs.

CHAIRMAN EDWARDS: Half those facilities up there are in my old Congressional district.

MR. HANSEN: It's really for training. Fort Rucker may have a bunch of these also.

CHAIRMAN EDWARDS: My greatest claim to fame was trying to get one of those away from the Navy. Folks around there were so proud that they named it "Jack Edwards Field."



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(General laughter)

MR. CLAYTOR: Is it listed there?

CHAIRMAN EDWARDS: No.

(General laughter)

CHAIRMAN EDWARDS: Right now I think it's civilian. You know how they finally got rid of it? I finally went to Bob Sykes, and he was so powerful, and I told Bob to call that admiral and then they got that outlying field. I couldn't get anybody in the Pentagon to talk to, but Bob Sykes got it.

CAPTAIN SZUTENBACH: What that poor, downtrodden admiral did was probably swap that for something else, because that's what they had to do.

MR: HANSEN: Yes. There's not too much difficulty. They're very small. They're just a runway with not much else.

General Poe, did you have a question about an outlying field?

Are you satisfied.

GENERAL POE: I was talking to him (indicating) and now I am satisfied. Yes.

MR. HANSEN: The next category, then, is Naval Ports or Naval Stations.

These are the real ones, not the support activities. These guys have piers and everything else.

This analysis includes deep water ports, and we're

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talking 40 feet and 50 feet.

What is included in here are the 17 existing or proposed Naval stations. I mentioned five air stations had piers for carriers, and we looked at only the waterfront of that, and the Naval Education Training Center in Newport also is a homeport.

This (indicating) is where they are located. The utility array showed San Diego as the lowest rated port, primarily, I guess, because of things being right on top of each other.

GENERAL POE: I have to make a comment here. You know, it's probably unfair, but this reminds me of the promotion boards I used to sit on, where the commander would put his best man down in here because you knew you were going to promote him anyway. But sometimes we'd fool him and didn't promote him.

So, I notice Mare Island comes drifting by down here, and San Diego. I hope I don't see that tomorrow with the Air Force.

MR. HOFFMANN: It is the philosophy of the gold watch.

CHAIRMAN EDWARDS: They put Mobile down at the bottom because they just don't think I'm going to let them close Mobile.

(General laughter)

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GENERAL POE: Now that was just an aside. Don't pay any attention to that. But it catches your eye, San Diego does.

MR. HANSEN: In any category like this one, where we have not found any excess capacity, the utility array becomes an exercise in collecting information, without being able to use much.

The ports are severely crowded, with a lot of nesting of ships, putting them side by side at times. Again, I visited San Diego, and was surprised at how tight things were. Just flying over it, I saw three ships grouped together quite regularly.

Hayden Bryan and some of the other staffers who went to Norfolk came away with the same impression.

GENERAL POE: Seriously, now. We have Everett, which doesn't have a thing, and it's way up there on the utility list, compared to San Diego, where the ships are stacked right up against each other.

CAPTAIN SZUTENBACH: Yes, sir. The reason is that Everett is going to be built to provide what is needed. So it's rated in the future and its rated well because it's going to be built, not exactly from the ground-up, though.

GENERAL POE: Has money been appropriated?

CAPTAIN SZUTENBACH: Yes, sir.

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They are doing some work on it.

MR. HANSEN: What we used as our basis for analysis was the Defense Department's Five Year Program. If it was in the Five Year Program as far as force structure,-- actually, construction, we didn't even allow that. It had to have been approved by Congress, or appropriated by Congress.

The homeports have not been constructed, but the appropriations have been authorized and appropriated.

MR. HOFFMANN: But, you see, if you go in it from the philosophy of whether or not you have bases that are wasteful, or whatever, then you are going to go along and take off the lower 10 percent, the lower 15 percent, and everybody is going to have to tighten their belts a little.

But this kind of analysis is irrelevant because if everybody was doing belt tightening, you are going to start cutting off things, and obviously you would be cutting off things like Everett that are just getting started.

What would happen -- again, how much of this is driven by those two additional carriers? I think if you would add up all the people who are knowledgeable, you would find that not an awful lot of people in their hearts really think those two carriers are coming along.

If you went and took another poll as to how long

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it was going to take everybody to figure that out, that would also be surprising to you.

Now, it's still not within our range of consideration. But how much of this kind of thing is driven by that sort of thing?

MR. HANSEN: There are two things.

First, the Navy's strategic homeport analysis, which added eight or nine ports to the --

CAPTAIN SZUTENBACH: Four.

MR. HANSEN: Four? I thought there were more down in the Gulf.

CAPTAIN SZUTENBACH: Well, overall ports. There is some mix.

MR. HANSEN: At any rate, the analysis said we've basically got two things we can do. We can load up San Diego and Norfolk and a few others some more and make them even more crowded, build more piers and whatever, and then concentrate our fleet in these few areas; or we can spend $800 million more than the cost of --

CAPTAIN SZUTENBACH: It's $200 million.

MR. HANSEN: -- $200 million more than the cost of that and do it in places like Everett.

Now, the figure that is widely used is $800 million. That, in fact, is the cost, the total cost, to do all the construction at the new strategic homeport.

But what is missing from that is that to build the pier space necessary at some other place was going to cost $600 million. So, the actual net difference was $200 million. So, it is a $200 million cost difference, as opposed to an $800 million one.

MR. MILNES: Maybe I can add to that the fact that that particular issue, Congress went a bit overboard on that to get initial information that required the Navy to go back to the books and go back through a detailed cost analysis. They defended that program exhaustively, unlike a lot of other programs we have seen come up on the Hill, so that they had to spell out, almost building by building, every single attribute of these new homeports.

I think they convinced the Congress, anyway, that the $800 million was an accurate amount, to the point where Congress even said that they could have no more than $800 million. They put a cap on the homeport program.

MR. HANSEN: Yes. And, in fact, it is that cap that is the reason why you see Brooklyn and Sandpoint on our recommendation -- because they couldn't do what they really wanted to do, which was spend the money to put those activities up at Everett and Staten Island. We are kind of picking up the pieces afterward. That is exactly what happened.

MR. HOFFMANN: Can you identify the new homeports



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here? Does everybody else know them?

MR. HANSEN: Everett and Staten Island, for sure.

CAPTAIN SZUTENBACH: Let me see if I have a chart that really answers this question.

(Pause)

MR. HANSEN: We can apparently take the question mark off Hunter's Point. There was a plebiscite there about whether or not San Francisco would honor its commitment to provide $2 million in support of a homeport at Hunter's Point, and apparently it agreed to do that.

The result was yes, we will honor our commitment.

CHAIRMAN EDWARDS: For $2 million?

MR. HANSEN: For $2 million.

As you can see, most of them are Gulf Coast, and, in fact, are basically recreating what we had up in San Francisco.

Everett is an addition. The major area of movement into is the Gulf.

SENATOR EAGLETON: Graham, may I ask you a question? I know this may go beyond our charge, but if we don't have the two carriers, the two nuclear carriers, and if Navy military ship construction is flexibly frozen--I think everybody in this room knows that the military budget is going to be flexibly frozen.

MR. CLAYTOR: Right.



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SENATOR EAGLETON: In fact, it may be cut over four years. A generic question is do we need all that or would you have all that?

MR. CLAYTOR: I don't think you would. I have made that statement publicly. I didn't think we were going to homeport all of these big ships in those places.

What you are going to have to probably do is to homeport a whole bunch of FFGs, FFG-7s, for the Reserves. They have to be scattered. The Reserves are going to have to be scattered. But homeporting a frigate is a hell of a lot different from homeporting a battle group, consisting of carriers, battleships and a bunch of cruisers.

I think that is the way it is going to end up, from a money standpoint, because there is not going to be money to do it. I don't think we're going to see the other two carriers, and I don't think we are going to be homeporting more than one battlegroup in a new place. That was the whole schmear -- by the time we are through. That is just my guess. But I can see there is not going to be the money.

I mean, I was over there when we didn't have enough money even to keep the planes flying that we already had, and we didn't have enough planes, either. I think that time is rapidly coming again, and the Navy hasn't faced it yet. There is nothing we can do about it in this Commission. But my own view is that the moeny isn't going to



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there.

GENERAL ROE: Mr. Chairman, one thing we might do with this addendum that we are talking about, that we could even proceed into after the list was out, to show that we weren't stupid and didn't miss this sort of thing, is to to have something that also might point to setting this kind of operation into operation year after year; is to say four years from now, at the time of the next transition, these are the things you think we're going to have to look at that we can't look at now because we don't know whether or not this currently approved and funded by the Congress thing is going to live.

So that might give us an opportunity to not clobber what the Navy is trying to do in some of this, but still to indicate that we aren't blind and that we have said it's worth another look. That is just a thought.

CHAIRMAN RIBICOFF: Wouldn't it be easier to say to incoming presidents a more flexible freeze and not no new taxes. In a flexible freeze, this would be some of the flexibility.

MR. HOFFMANN: But even assuming that we can't get into that program, that Congress approved the program, that everybody approved the program and that's terrific; but, at the same time, if you take the given, that you are going to get all these ships at some point, I think there is still

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a question as to whether you can eliminate one of these fugure homeports and still run with a little more compression.

We are asking everybody to tighten his belt. God knows, we were into heavy belt tightening here this morning. These things that we are talking about doing in the Army aren't going to be free. Some of them are not all that tough, but some of them are going to be tough.

So, the ones we have asked to be looked at are tough because there is going to be turbulence. It's removing very desirable things to do.

What we are doing is looking at priorities and saying well, it's not a question of whether it is desirable or somebody wants to do it or not. Of course it's desirable, and of course they want to do it. But we are going to draw the line short of that, and that's what we're talking about here.

My problem is I have not studied, you know, how many ships are in one of these task groups and what it takes to homeport them. You know, if you are rafting, instead of going up to piers, and what the impact of that is I don't have a feeling for that yet. I think I will go out and get it.

MR. HOFFMANN: But if these are the new ones --

CHAIRMAN RIBICOFF: Excuse me, but how many of those are new?



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MR. HANSEN: They are all new.

CHAIRMAN RIBICOFF: That whole chart is new?

MR. HOFFMANN: Everything on there is new.

CAPTAIN SZUTENBACH: We are doing new constructions, planned construction, actually, for strategic homeports.

MR. MILNES: I might comment that it is a little bit misleading in the sense that $800 million buys that many, most of which is going up to, most of the money goes to Everett and New York. By contrast, to do Fort Drum was a billion dollars-plus program.

So, it looks gigantic and it is spread around. But when you start adding up dollars, at least the Navy has declared that it won't cost any more than X, and the Congress has not only agreed to it, but capped it.

The Navy also was forced to contrast what it would cost to basically do what Mr. Hoffmann is talking about: go to the existing ports and use them.

They substantiated that the Delta there, the difference, was $200 million, which we could take issue with, you know. But that's another one where the Navy went around and around with the Congress over those numbers.

MR. HOFFMANN: I am not saying it is either-or. I am not saying don't do it or do it. What I am saying is, you know, we are talking about giving up Fort Dix. That is not an easy thing to do in the structure of things.

It requires pushing out, tightening belts, and this and that.

What I am saying here is this is an awful lot of new building. I don't know what the money is in all of that, but I can't imagine that, in the overall scheme of things, you can really justify all of this building down there in the Gulf Coast to do this sort of thing.

CAPTAIN SZUTENBACH: This might be a little bit misleading. These are "oneses and twoses" down here. You have an AE or another ship, a single ship, at Ingleside or Galveston. That's not a whole squadron of ships that we have there.

MR. HANSEN: The bigger one is the Everett and Staten Island.

CAPTAIN SZUTENBACH: Everett, Staten Island and Hunter's Point.

What is occurring actually in the Navy is that they are building these ports consistent with the initial operating capability of the ships, the IOC approach, where you build to meet your requirements for your new weapon system.

So, there is a match there. They do that not just at these particular ports, but in other ports, too. An example is the submarine ports, where we already have one at Bangor and one at Kings Bay. There is more

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construction yet probably required for the submarines that would come on-line, but they're going to build to fit.

The strategic homeporting program is really moving along those lines. They're not just building because they believe they are going to have a 600 ship Navy tomorrow; they're looking at when they're actually going to bring those ships on-line, within the next few years, and building for that.

If it's beyond the POM, it's not really in this program.

MR. HANSEN: There's another issue, too, to be fair to the Navy's program, and that is it's not just an issue of I need room for some ships. It's also an issue of dispersal, it's an issue of being able to get battle groups together so that you can train as you fight, and so forth and so on.

We'd never get the Navy to answer the question if we were to pose the question to the Navy where would you take away the two carrier battle groups if you don't get the two carriers. I don't they'd answer.

But if they did, I wouldn't be surprise to see if they wouldn't say I'll take one out of San Diego and one out of Norfolk.

CHAIRMAN EDWARDS: You know, it may be anyway that it isn't the carrier so much as the battleships

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that have been brought out and reconditioned, which may be the ones to go back into mothballs.

MR. HANSEN: Battleship battle groups are also part of this new strategic homeport plan.

CHAIRMAN EDWARDS: Why don't you put back up, now that we have seen this, your main chart that shows all of the bases.

MR. CRAIB: Has construction started at all of these homeports?

MR. HANSEN: Very little at Everett.

ADMIRAL ROWDEN: New York has a fair amount of construction, as does Pascagoula. I know that personally. But I cannot speak for the rest of them.

CAPTAIN SZUTENBACH: At all ports, if it hasn't begun, they have contracts now. They had the money appropriated for virtually all the ports as of this fiscal year.

GENERAL POE: In Everett, for example, they are hung up on dredging and environmental problems.

CHAIRMAN EDWARDS: Everett and New York are delayed at least two years because of the inability to get them to put up the local share.

CAPTAIN SZUTENBACH: And Hunter's Point, also.

CHAIRMAN EDWARDS: I don't know if they have really come up at all with this request. Maybe they have.



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But I don't know.

MR. HANSEN: And then Everett had an environmental problem. So there has been some delay in those three, which are, in fact, the three with the most construction dollars associated with them.

ADMIRAL ROWDEN: There is practically nothing at Hunter's Point, as I recall.

CHAIRMAN EDWARDS: The Gulf ports are really primarily dispersal. They are all small in number of ship type ports. All of them have an awful lot of local money in them.

DR, SMITH: Mr. Chairman, this whole issue of strategic homeporting is one that I think we ought to look at, notwithstanding what the Congress has done. I don't see any reason why we can't take an independent position on whether homeporting makes sense or not.

Quite frankly, the strategic justification I don't think holds any water, and I, for one, would be willing to vote against the whole strategic homeporting program and tell them don't open those bases.

I think, to spend the extra couple of hundred millio dollars up front -- that is just your one-time cost. You are going to have operating costs that are going to be higher, and I don't think that has been quantified.

I really think that to go into this program is

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a mistake.

CAPTAIN SZUTENBACH: You could address that in your addendum.

MR. HOFFMANN: I always think of Admiral Rickover, who I regard as an absolutely fabulous contributor to national defense. He had some ways of kind of isolating an individual ship and building it into the woodwork, so it couldn't go away. Methinks I see some of that going on down in the Gulf Coast, either the intended ship or the ship that is here now. It makes it very hard to get rid of that ship, and it ties the hands of future generations particularly if there is no strategic justification for it.

CAPTAIN SZUTENBACH: Well, what is driving the Navy is that the program is still to increase the size of the fleet. They cannot accommodate the fleet. The current fleet is really overloading the existing ports. They're bringing out more ships. They're looking at about 20 more ships in the next five years. And then, shortly after that, hopefully they will go to 600.

But they are not accommodating 600 in the current program. So they have to build at any rate.

MR. CLAYTOR: And that doesn't take into consideration the fact that I think when you get those 20 more ships, you are going to be retiring 20 ships into mothballs,

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because you are not going to have enough money to keep them all going. They can be tied up wherever you can tie them up.

CAPTAIN SZUTENBACH: Currently, the plan is to increase the size, the overall force numbers.

MR. CLAYTOR: I realize that, and I don't think it's going to happen because you can't man a ship without a hell of a lot of money, and there is not going to be enough money. If we have the ships delivered, the older ships are going to go into mothballs, whether you like it or not, because that's just the way it will be.

If you get a president who will tell me that he is prepared to raise taxes to cover this, then I will buy it. But there is not going to be "tax one," and if there is no revenue, there is no money.

GENERAL POE: You have to understand, they called me back the other day for the same reason they probably talked to you. They said we just woke up to the fact that we've been managing money for seven years and we'd like one of you folks who was around to have to manage a deficit.

MR. CLAYTOR: That's right. That's what I keep saying.

GENERAL POE: Now you will have to be managing deficits. It is a totally different world.

MR. CLAYTOR: Yes.

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DR. SMITH: I think another significant point is a former Secretary of the Navy reminded me when this thing first came up that he had 1,200 ships in the Navy when he was there in 1973, and he didn't understand how the Navy couldn't handle 600 ships today, half the fleet that existed in 1973. That's John Warner.

CHAIRMAN EDWARDS: I think part of the answer is when they shut down --

DR. SMITH: They shut down some ports, that's right's right.

CAPTAIN SZUTENBACH: They went from 65 ports to about 34, yes.

ADMIRAL ROWDEN: You know, they had tens of ships buoyed in San Diego and not a single one now. There's a difference between buying a buoy and buying a pier.

MR. HANSEN: They went from 65 to 34 ports. But they had 65 connected with 976 ships. Maybe they had 1,200 in the same 65, but I don't know the statistics on that. They did drop about half the ports.

MR. CLAYTOR: But they didn't drop half their port capacity.

MR. HANSEN: No, they dropped the smaller ports.

ADMIRAL ROWDEN: How many ships did you accommodate to in numbers when you did your analysis? Was it 586 or 585 or 600, or some other number?

CAPTAIN SZUTENBACH: It comes out lower than the 585 because some of those ships are, in fact, homeported overseas.

ADMIRAL ROWDEN: But you did account for some number of ships and put them around there, around the area?

CAPTAIN SZUTENBACH: Yes, sir. We have been loading at the individual ones.

ADMIRAL ROWDEN: And that's how you determined your loading capacity?

CAPTAIN SZUTENBACH: Each base. We took each base and looked at the exact loading index.

MR. HANSEN: We didn't try moving ships around. We took that as a given. We took the size of the fleet as a given, as we took the size of the Army and the Air Force as a given. We didn't attempt to try to move ships around. We just said where are these things and how much pier space do they need, how much do you have.

The answer is I need more than I've got in almost every case.

MR. HOFFMANN: Is it true that a ship, when it was not out on the ocean and operational must be at a pier?

ADMIRAL ROWDEN: No, it doesn't necessarily have to be at a pier. But if it is not at a pier,


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it must run the engineering plant, it has to run its sewage facility, it has to generate its own power, it has to create its own water, it has to perform all those housekeeping functions that must be done underway.

When you put a ship alongside a pier, it doesn't have to do those things. It hooks up to all of that sort of busines. It's a tradeoff that's involved in that.

MR. CLAYTOR: It's the same as having a trailer parked in your backyard and trying to live in it, and having it in a trailer park, where you can get all of your hotel services.

MR. HOFFMANN: But the difference is if you come in from your vacation and you park your trailer and everybody is off ashore and doing these other things, there is not that much of a load on the facilities, is there?

MR. CLAYTOR: You can't leave it. You can't leave a ship in buoy, not for very long. In many parts of the country you couldn't do it at all.

MR. HANSEN: My understanding is that most of them are sophisticated enough, but the air conditioning plant has to be kept running or they deteriorate.

CHAIRMAN EDWARDS: You can't park them like you do a train, or a tank.

MR. CLAYTOR: The engineering department has to stay running.

MR. HOFFMANN: What I was getting at is there is no intermediate stage between being underway and they've got to be at a dock, where you say the savings in being at the dock are compelling.

ADMIRAL ROWDEN: They are compelling both from the standpoint of money and from the standpoint of wear and tear on the people -- moreso on the wear and tear on the people --

MR. CLAYTOR: I agree.

ADMIRAL ROWDEN: -- than from the standpoint of money.

You'll just drive people out of the Navy by having them stand heel and toe, firing boilers and stuff like that, whatever you happen to have, in order to maintain hotel services.

MR. CLAYTOR: And you can be nested. You don't have to have one ship. You can nest it. You can have destroyers three or four deep.

I have been the fifth ship out a couple of times, when I was out in the Pacific, and it can be done.

CAPTAIN SZUTENBACH: And they do that still today. It is still done.

MR. BARRETT: There is an environmental problem in that and that's one of the reasons I commented about San Diego and the number of ships in the piers, versus to



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be in buoys. Buoys disappeared because of the environmental problems and the largest plumbing job in the world is to replumb the ships for shore facilities to catch their sewage, so it goes ashore instead of in the bay.

So the thing of anchoring it or tying it to a buoy away from the facilities is not only one of the crew; but there is an environmental problem of pollution of the bay.

CHAIRMAN EDWARDS: Is there anything else?

CHAIRMAN RIBICOFF: The only thing is there seems to be almost unanimous skepticism about this whole range, and, with that skepticism we yet don't know what to turn to. I think you could have on the addendum a very, very hard point of view, to take into account the budget, the money to pay for it, and whether this should not be scrubbed or mothballed itself, until they make up their mind what they want to do.

I don't think anybody around here has come out for this.

MR. HANSEN: A delay, then, is what you are suggesting?

CHAIRMAN RIBICOFF: A delay.

MR. HANSEN: Well, the budget realities are sort of there.

CHAIRMAN RIBICOFF: Not being facetious, I would

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say if there is anything subject to that flexible freeze that the President says he is going to put in, if there was a candidate, it's that one there.

MR. CLAYTOR: That's right.

MR. HANSEN: Well, any new construction that is large is always a candidate, I am sure.

CHAIRMAN RIBICOFF: And it's an easy way out for him, when it comes to cutting the Defense Budget, which it will be for both the Executive Branch and Congress.

CHAIRMAN EDWARDS: I think I have tried to be quiet here because I feel like I sound parochial when I talk about this particular one. But I do think we have to be careful that we don't assume that there is going to be a cut in ships to the extent that we propose to do something here, not knowing whether they will, in fact, cut back on those ships.

The policy today is still to strive to the 600 ship Navy. Whether it get there a year or two late is not known.

So I don't mind language on the subject, and I would not want to presuppose that there will be a reduction in the effort of the 600 ship Navy.

MR. HANSEN: It is a very difficult choice. What we have done in the analysis is clearly to take what was given to us from the Department, as far as the

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force structure, the milcon plan, the requirements, and so forth and so on. We can check some of that, but on that one, the deal is what is the next administration going to do and what is going to give first -- the no cut in defense or the no new taxes. That's a tough call.

They seem like trains heading for a collision.

CHAIRMAN EDWARDS: I guess what I am saying is that we should recognize that there may be a collision out there and, that being the case, if there is, then we would suggest that the Navy has to look at the areas where the collision will be avoided.

MR. CLAYTOR: I think that is as far as we can go. We cannot take a position on this. We cannot make a policy.

My talk was what I was guessing was going to happen, and we ought to keep it in mind as a possibility. But it can only be a possibility. It can't be that we have taken action on the basis that that's the way it's going to be.

MR. HOFFMANN: But, I wonder. I am still going back to this point. Assume you do all of that. It seems to me we could still take a look at that Gulf port exercise and see whether, in the ethos in which we are operating across the board, each and every one of these new little departures along there makes sense, and couple this language with sending a message on a million dollar saving that it doesn't.



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That's what I am saying. Don't argue about the size of the ships, but say look, you know, this is a pretty rich platter. This was laid out two or three years ago. The standards were laid out again, you know, in addition to the uncertainty as to whether it's going to happen, which we don't have to act on. But you can take into account that this is a pretty large-scale indulgence with the taxpayers' money, and you are opening up expense streams here for the future. You are paying good, hard cash to put two or three ships in, and maybe we can just wrap them all up, a couple of them, take the Ingleside piece and put it up in Galveston, or something.

CAPTAIN SZUTENBACH: You wouldn't find that there was a great expenditure in the Gulf Coast, because they are not bulding large bases.

MR. CLAYTOR: The biggest expenditure is Staten Island and Washington.

MR. HOFFMANN: That is terrific. But what we are trying to address here is to work our will on a state of affairs in which we don't have a hell of a lot of flexibility. And we're talking about writing strong language, which I think will be quickly eroded by time. But it's sending a message that says hey, you can save, you know, a million or a million and a half in expenses, in operational expenses and in these other expenses, by consolidating


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Ingleside up into Galveston, or taking them both up into Lake Charles. It seems to me that that would be worth looking at, even if it is only a million and a half or $2 million bucks.

You know you've got $200 million of pure strategic deployment because the Navy said that. We can do all this for $800 million and it's only going to cost us $200 million to go first class. I think we ought just to take a look at that $200 million and see if we think it comports with what we are imposing on other Services in the course of doing our job.

If we don't, it looks to me like we could catch up with a couple of things. It wouldn't violate a 600 ship Navy. But it would say hey, friends, we need to be a little more practical, we don't find these strategic doctrines are all that appealing -- and so on.

GENERAL POE: Mr. Chairman, I think this homeporting causes the Navy a problem in another way. It has tied a lot of things to it.

I really don't think that what you have offered us today is going to be in any way credible. Those two little bases are not going to be credible in any way.

So it almost means that if you can't do what the gentleman here said (indicating), you are going to have to go back and look at the rest of it again. If homeporting

is actually not touchable, you are going to have to touch something else.

I can see the kind of beating we are going to take if, when you look at the entire United States Navy, you would almost do better to come up with nothing than with what we saw today. Somebody is going to ridicule you for that. I really think that.

MR. HANSEN: It gets back to the fundamental problem, which is having a quota. In this case, the quota is not a numerical one, but it just says that everybody has to be somewhat equal in order to be credible. And if that means we truly cut the Navy to the bone, this may not be the right approach.

GENERAL POE: Let me put it this way. I am on the wrong side, but it reminds me of trying to explain to some people in Kentucky that if they stop this nuclear power plant they turn out 80 percent of the lights in the area and all that sort of thing. Then you go through all of the statistic like you guys went through, and the answer is think of the poor children.

You don't have to have statistics to beat you to death. All you have to have is a perception.

I told somebody they sent me up to look at an airbase one time and the guy says blacks have no problems on this base and here are all the reasons for it. They

burned their goddam mess hall down.

So, you know, the perception was bad enough to get you into trouble.

I think you're going to have a perception problem here for the Navy unless you are much more persuasive than I have heard today.

SENATOR EAGLETON: I would like to underscore that. I guess all I do is think about the politics of it and all I do is think about these two men, Jack and Abe. When we fade away, these two guys are going to have to take the brunt of this.

When you issue a report that says we close one rinky-dink -- which one did we close? I forget, it's been so long ago that we closed one. Which one was it?

MR. HANSEN: Brooklyn.

SENATOR EAGLETON: We closed Brooklyn -- that says we closed Brooklyn and we're going to save $2.86 --

(General laughter)

SENATOR EAGLETON: -- and that's all we could find in the United States Navy to close, and there's all of this yelling and screaming about saving money, and you're going to say well, it wasn't our fault, it was that goddam Grace, and he got everybody confused and all that, and Brooklyn is all we could find and everything else is just vital to the United States Navy -- you know, I don't believe it.

I just don't believe it. Now, I don't know what else to cut, and I've listened to everything. Jack Edwards always asked is there an objection? I have not objected to anything. I'm not smart enough to object. But I just can't believe that that's all there is, and it won't be credible. In the court of public opinion, it will be rejected. It will be laughed at.

MR. HANSEN: The dilemma I have, sir, is I'm not sure what I can do to change that.

SENATOR EAGLETON: It's probably not your fault. No. I am just crying here to the gods.

(General laughter)

CHAIRMAN EDWARDS: God, did you hear him?

(General laughter)

CHAIRMAN EDWARDS: Maybe this is a good time to take a break.

CHAIRMAN RIBICOFF: Yes, let's take five minutes.

(A brief recess was taken)

CHAIRMAN EDWARDS: If everybody is ready, let's get started again.

MR. HANSEN: If I could ask a question, did any of the conversations during the break help us with any ideas on what we want to do with the strategic homeports or homeports in general?

CHAIRMAN EDWARDS: I think Senator Eagleton's

paragraph may have answered not only for homeports but for all of the Services.

Have you seen it?

SENATOR EAGLETON: It's just go over it now. It's very short. This obviously is not a work of art, but I think somewhere up front in our report we have to have something akin to this.

"Every decision that the Commission has made is based upon the Defense Department's Five Year Program. If that program were to change -- and over time it likely will -- then additional facility closure and realignment most certainly can be accomplished."

Or, we can phrase it in another way. I would even have a for example, with homeporting, or for example this, or for example that, and all that sort of thing.

We have to have up front somewhere in this report that if all we are going to do is Brooklyn for the Navy, if that's all we say we can do, we're going to have to explain why. This is the best explanation that I can come up with, that our hands were tied, that the ground rules were such that this is all we could do. But we could have done more if we had been given a larger mandate, or something.

MR. HANSEN: Or a better crystal ball of what the future administration is going to do with the budget.

SENATOR EAGLETON: There are all of those questions

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that should be included.

CHAIRMAN EDWARDS: Does anybody have any problem with that?

(Nays)

MR. CLAYTOR: I think that's right. That's a good idea.

MR. HOFFMANN: Well, I have a problem with just kind of buying off on that right now because I think it will lessen our discipline. I think we have to say something like that, but I am not sure if it should be up front in the report.

One problem I have with it is it suggests that our process and the whole, you know, six month look is so precise that we can absolutely assure you that we have cut right to the bone.

Now, if the budget gives a little, you can get a little more. But we are within this magnificent precision, or that idea, that we are, I don't know.

CHAIRMAN EDWARDS: I think, Martin, what it really says is that we accept the force structure as we understand it to be over the next five years, and based on that we have tried to deal with it, and it doesn't presuppose that the force structure might change over the next few years.

MR. HANSEN: But the homeports are tied to the force structure. However, it is a tie; not a direct one for one.

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CHAIRMAN RIBICOFF: I think we would be in a better position when we finish the whole thing, the Navy, Air Force and the Marines to address this again.

MR. CLAYTOR: I agree. Let's finish first.

CHAIRMAN RIBICOFF: I would say once we know we are finished and you people are putting together the report, a draft report, this is something we might look at in the final three days. What are they, the 13th, 14th, and 15th of December? That is when you are going to have draft reports and you could have alternative language in the interim.

They will have a chance to look at in between the 28th and 29th and the 13th, and 15th, to look at that.

GENERAL POE: That paragraph will get the Commission off the hook. But I have to tell you it's not going to get the Navy off the hook, because I think you are headed for real trouble.

MR. CLAYTOR: Admiral Rowden and I are both going totalk to the Secretary further and see if we can't get the message across. But I don't know.

MR. HANSEN: That would be very helpful as the staff gets further into sacred cows -- whether you want to call them that or whatever. We can meet more resistance for sure.

CHAIRMAN RIBICOFF: There are other questions that

are going to develop between now and before we are finished. We can put them together then, instead of presupposing any particular language now or any particular formula.

MR. HANSEN: Yes, sir.

The next task force is Naval Amphibious Bases, of which there are only two -- one on the East Coast and one on the West Coast, critical to the needs of the Navy and the Marine Corps.

CHAIRMAN EDWARDS: Any problem with these?

MR. CLAYTOR: No. I don't see any way out of that.

CHAIRMAN EDWARDS: Okay.

MR. HANSEN: Next is Navy Submarine Bases, of which there are five.

Again, we could not find any excess capacity in that They are strategically located. Two of them are brand new. One is recently new and one is just finishing up.

CHAIRMAN EDWARDS: Any problems?

MR. CLAYTOR: No, I don't see any problems. I don't think I would do much with that.

CHAIRMAN EDWARDS: I don't, either.

Okay. Go on.

MR. HANSEN: Naval Training Bases is next. We have quite a variety of training, as we do in most other things. The lowest base on the array is Saufley Field.

Saufley Field is an outlying field that happens

to have as one of its major activities an admin office for a training activity.

We looked at moving that activity, but we also discovered, though, as this was a target of opportunity there, this was a heavily used outlying field, from Pensacola --

CHAIRMAN RIBICOFF: Excuse me, but where is that located?

MR. HANSEN: In Florida. It is heavily used as a training base from Pensacola and other stations, such as Jacksonville, and, consequently, the move of the training activity at Saufley Field would have been a move just for move's sake. They are okay where they are. So, incurring the cost would not make any sense.

MR. HOFFMANN: It wasn't cost effective. That is what you are saying, and there is no saving to be had there?

MR. HANSEN: That's right. I should shorten my responses, I guess.

The next one up, Naval Training Center San Diego, is a major activity. That is one of three activities -- San Diego, Great Lakes and Orlando -- where all of the recruits in the Navy --

MR. CLAYTOR: That is the recruit training.

MR. HANSEN: Yes, recruit training.



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DR. SMITH: I don't see any reason why you can't combine recruit training and either close Great Lakes and leave it all at Orlands or San Diego, or close San Diego and Great Lakes and move it all to Orlando. The Air Force is training all their recruits in one place.

MR. CLAYTOR: Or at least close Great Lakes and keep it at two coasts.

There is a Marine Training base at San Diego, and also one down at Parris Island.

MR. HANSEN: East Coast and West Coast, yes.

DR. SMITH: I think one of those two could be closed.

ADMIRAL ROWDEN: There are other training facilities at Great Lakes. There are also at San Diego. I think there is as well in Orlando, but I'm not sure.

For example, at Great Lakes, there are two or three hot plants out there, a steam hot plant and I believe two gas turbine hot plants, which would be very, very expensive to move.

CAPTAIN SZUTENBACH: There is a brand new aviation training facility also at Great Lakes.

MR. CLAYTOR: They have some technical schools ther too.

ADMIRAL ROWDEN: The point I was making is it is more than just recruit training at those places.

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CHAIRMAN EDWARDS: How about Orlando?

ADMIRAL ROWDEN: I think that is only recruit training.

MR. BARRETT: It is primarily recruit, but it has nuclear training, sort of basic training for nuclear.

It is the only Naval training center for females.

CHAIRMAN EDWARDS: For what -- for females?

MR. BARRETT: Yes. Basic training for females.

CAPTAIN SZUTENBACH: What the Navy is saying is that its physical plant is accommodating the loading and you couldn't move the loading that you have and the students from Great Lakes to Orlando or San Diego without construction, and there isn't available operating space there, at the other locations.

MR. CLAYTOR: Or the other way around, Orlando to Great Lakes?

CAPTAIN SZUTENBACH: Yes, sir.

DR. SMITH: There is no space at Orlando to put the facilities for training out of Great Lakes?

CAPTAIN SZUTENBACH: They don't have any facilities there. Thereis space and land, but no facilities. I'd have to double check on the land in Orlando, sir. I'm not sure how much space they have over there.

MR. CRAIB: How about San Diego?

MR. HANSEN: San Diego is very crowded.

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CAPTAIN SZUTENBACH: Yes,it is.

MR. HANSEN: Great Lakes is somewhat crowded. I have been to both, though not as a part of this.

MR. CRAIB: Well, you could close the San Diego MCRD, which is adjacent, contiguous to the Navy training station and have the Navy take over the whole thing, and move the Marine Corps training up to Camp Pendleton, where they do all their rifle range training right now, and save the shuttle back and forth.

CAPTAIN SZUTENBACH: Yes, sir. But there are a couple of problems with that. For one, they don't have so much space at Pendleton. But that's not the big problem because it does have the land, generally. But they are also constrained by water, as a matter of fact, today.

They did a study about ten years ago which addressed the alternatives for MCRD at San Diego and determined that they really couldn't get into Pendleton, and the water situation has gotten worse.

So they just could not accommodate it from a pure groundwater standpoint and water availability.

So that doesn't work. But that is the Marine Corps.

MR. CLAYTOR: What is the problem at Parris Island? Can it go there, from San Diego to Parris Island, and have the Navy take over the whole thing?

CAPTAIN SZUTENBACH: I don't have a good answer

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for that, except that the Marine Corps is indicating they don't have space to accommodate. Now they may have land.

MR. CLAYTOR: I think there is plenty of land at Parris Island.

MR. HANSEN: Some of it is pretty marshy.

MR. CLAYTOR: That's right. That's why it is a good training base for the Marines.

MR. CRAIB: The Marine Corps leases out hundreds and hundreds of acres to farmers to irrigate crops, so it is beyond my comprehension that they don't have adequate water. The Marines don't need that much water, anyway.

CAPTAIN SZUTENBACH: They are crucial to the potato industry in the United States.

MR. HANSEN: No joke. This is the only place they grow the seedlings for potatoes west of the Mississippi or something like that, right on the Marine Base.

GENERAL POE: Are the Marines in the potato business, then?

MR. HANSEN: No, sir. But they lease the land. This is under a Congressional mandate.

GENERAL POE: I am talking about the beanfields that they have, not the potatoes.

MR. HANSEN: Most of the land at Pendleton that is leased, if not all of the land that is leased for farming, is below the flood plain. You can't build on it. You

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could train on it, but you can't build on it.

Acreage-wise -- we skipped over into the Marine Corps, and it was not intended that this be included in here -- with the three Naval training centers, San Diego is 523 acres, with an average student load of 8,500. Great Lakes is 1,649 acres -- three times as large -- with an average student load of 13,500 -- almost double, I mean, 50 percent more. Orlando, although they say it has 2,000 acres, they have a 254 acre lake included in that, and they say that the ~~National~~ NAVAL Training Center proper occupies 1,000 acres, which puts it in between San Diego and Great Lakes, and their student load is in between San Diego and Great Lakes.

That's a very, very rough way of looking at how to train people. But, building space is obviously important, too. In each case they have answered the question is there land available to build on and they said no.

SENATOR EAGLETON: Why was your Great Lakes evaluation so much higher than the San Diego evaluation, on your score sheet?

MR. HANSEN: I suspect -- I would have to look -- but I suspect it's because of constrained facilities at San Diego.

(Pause)

MR. HANSEN: In the area to be able to run around

and do things on, Orlando scored the highest and then we saw that it had the most acres. Both Great Lakes and San Diego were low.

Facilities-wise, Great Lakes and San Diego have poorer facilities availability than Orlando.

SENATOR EAGLETON: I am asking you to compare San Diego to Great Lakes. Orlando clearly wins the race up there and San Diego runs last up there; second to last is San Diego.

MR. HANSEN: Great Lakes scores better than San Diego because primarily of the facilities areas.

SENATOR EAGLETON: I move, Mr. Chairman, that in the interim we have a study, or a restudy, of San Diego-Great Lakes, combining three into two.

MR. HANSEN: Combining three into two.

CHAIRMAN RIBICOFF: San Diego seems so saturated with everything. Is there anything in San Diego that could combine? In almost everything that has come up there is a San Diego presence. Is there anything that can be combined with San Diego?

MR. HANSEN: I would have to do a detailed analysis of the numbers, but, based on the visit, we didn't see anythin that had any expansive space at all. Everything is just piled on top of each other in San Diego.

SENATOR EAGLETON: Would it help San Diego if we moved something out and gave it a little breathing room?

I'm talking about the training center?

MR. HANSEN: If we move out the training center and allow the Navy to expand into it, then we don't get any saving. All we do is incur a huge construction bill at some other place and we don't get any proceeds from the land.

DR. SMITH: Why don't you just sell it? It's some of the highest value real estate you will find. Close the Navy training base at San Diego, close the Marine Corps operation -- it's right off the end of the runway -- close the Marine Corps Recruit Training Base, sell it and get that money, and if you have to, put Marine Corps recruit training at Pendleton. I think Parris Island probably is going to be a cheaper alternative. Just have one location.

The Air Force trains all their recruits, again, at one location. Have the Navy look at putting everything in Orlando. To suggest they can't get the throughput of students at Orlando, with 1,000 or 1,800 acres, is ridiculous.

I have been in Orlando. There is plenty of real estate down there for them to put training facilities and barracks down there to house the entire Navy recruit training group, for training in Orlando.

To suggest that they can't, then somebody needs to go back and take another look at it, because they can put the facilities down there to train them.

MR. CLAYTOR: There is plenty of room. I have been

down there. I know it well.

DR. SMITH: Sure there is. They can close Great Lakes. Sell that off and use the proceeds to help build up capacity in Orlando as well.

MR. HOFFMANN: Can you give me a notion of how close Great Lakes is to the Lake?

CAPTAIN SZUTENBACH: It's right on the Lake.

MR. CLAYTON: It is just south of Waukeegan.

CHAIRMAN RIBICOFF: Where is Sheridan? Is that in the Great Lakes area?

MR. HANSEN: Yes, in the greater Lakes area. It is a different area, but a better area.

CHAIRMAN EDWARDS: I think that we probably have to pay attention to the potential for closing Great Lakes.

I do think we need to be careful here, though. If it is your suggestion, Tom, to take a look at those three, I think you are absolutely right. But we need to think in terms of Fort Sheridan. Also, Chanute is on our list already, from the Air Force. Maybe they are all prime suspects. But, nevertheless, we have to be cautious how we go about that.

MR. HANSEN: It might not be that cost effective, but it could be done.

DR. SMITH: We should not prejudge it until we take a look at the number. Let's take a look at the numbers

rationally, logically, and then decide whether it is cost effective. Let us not prejudge this.

CHAIRMAN EDWARDS: Do you have it?

MR. HANSEN: Yes, sir.

Now, the other activities were much smaller, often only in large buildings. We will focus on that one for you.

The next category is Navy education bases. There are only two. There is the Naval Academy, which I understand was on some list, though I don't know which one, and the Naval Postgraduate School, which is a small, postgraduate campus located in the old Del Monte Hotel, a very pretty campus. It's in Monterey, California.

If no one is going to argue that we ought to do away with the Naval Academy or the school, we ought probably to keep them where they are. They are perfectly situated.

MR. HOFFMANN: What do we know about the school? What do we know about the rest of Monterey?

MR. HANSEN: Monterey has two other activities in it. Fort Ord is the major one, the Army post at Fort Ord. Then there is a post called the Presidio of Monterey, which is a language school. It occupies a small, little post on the hill just out of town.

MR. HOFFMANN: Where is the Naval Postgraduate School in relation to those?

MR. HANSEN: In between the two.

MR. HOFFMANN: Is it a separate entity?

MR. HANSEN: Yes. All three are separate entities. Both the Presidio of Monterrey and the Naval Postgraduate School are very small. Like I said, the Presidio is just a tight little thing on top of a hill, and the Postgraduate School itself is in an old hotel, and they have built education buildings on the grounds.

MR. BARRETT: It has a housing facility.

MR. HANSEN: Yes, a small housing facility. The hotel is quite nice. I have stayed there.

CHAIRMAN EDWARDS: What do you think, Graham?

MR. GLAYTOR: I don't think there is much there.

CHAIRMAN EDWARDS: Any problems?

(No response)

CHAIRMAN EDWARDS: Okay.

MR. HANSEN: The next category is Naval Administrat. Bases.

The Navy doesn't have many. In fact, it has one. It's called the Naval District Washington, D.C. There is a Military District Washington for the Army and there is -- I guess the Air Force doesn't have any equivalent

This is an administrative -- it would be hard to find it. It has an office building located in the Navy Yard, which, I suppose, is the headquarters. But its role



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is to be the support for all Navy activities in the National Capital Region.

So, most of their assets are in leased space in Crystal City and so forth. We don't have a target of opportunity on Navy leased space like we did on Army leased space at Belvoir. We didn't find any land available at Andrews or Bolling, say. Bolling is already packed in.

So, there was just nothing to do with it.

MR. CLAYTOR: Now, there was a proposed consolidati that got killed politically of getting rid of all of the leased Navy facilities in Crystal City, with a very high rent, and putting it all in the Navy Yard, where the Navy owns the whole thing.

The Virginia Delegation pretty well killed that. Why can't we get back into that one?

MR. HANSEN: Well, we could.

Generally, when asked the question should we get involved in leased space, our general rule was no. But then, we already broke it with the Army's leased space because of the target of opportunity at Belvoir.

They are doing an awful lot of moving into the Navy Yard already.. I'm not sure how much room is left at the Navy Yard.

Why don't we find out how much room is left and look into it?

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MR. CLAYTOR: Yes, why don't you look into it.

CHAIRMAN EDWARDS: How much space is there?

MR. HANSEN: Literally millions of square feet of space, if you are talking about Crystal City.

MR. CLAYTOR: This was actually proposed and got killed on the Hill. The Navy Yard is not going to go away. I mean, it's a national historic place. We are always going to continue to own the facilities. But the old Naval Gun Factory, of course, is not used for that. We have a museum down there. We have some residential houses.

I would think that we ought to look seriously into taking all of this damned high rent stuff that we have in places like Crystal City, and even some of the downtown Washington areas, that the Navy has.

MR. HANSEN: May I throw another suggestion on the table?

Having done the Navy, and if we do the Navy and the Army leased space, what about the building that the Department of Defense wants to build in the South Parking Lot? That has been stopped politically, too. That was, in fact, another building to pull in activities close to the Pentagon that need to be close to the Pentagon. They have not been getting very far with that one, either.

The National Capital Region leased office space, we could consume ourselves with it, I think. I am honestly

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concerned about how much I can accomplish.

GENERAL POE: Well, you can get a leg up because the GSA has a list that you could take a cut at.

MR. BRYAN: We will take a look at it.

GENERAL POE: Do you have that?

MR. BRYAN: We can get it.

GENERAL POE: The GSA list is a pretty useful exercise, I would think.

MR. CLAYTOR: Well, the reason I raise this is this is one that has already been studied, looked at, and approved by the Defense Department and the Navy, and then it got killed.

MR. HANSEN: The same with the South Parking.

MR. CLAYTOR: So, to that extent, a lot of that work has been done.

MR. HANSEN: I think the South Parking is the same thing.

MR. CLAYTOR: Yes, it may be the same, and I think we ought to look at those.

CHAIRMAN EDWARDS: Does everybody agree?

DR. SMITH: I would like to suggest that we expand it a little bit because I think it was an option at one time, rather than put then in the Navy Yard to put them out around the Beltway somewhere on a Defense installation-- like the old Model Basin, or like Andrews

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Air Force Base. There were a couple of others.

MR. CLAYTOR: Whatever is cheaper.

DR. SMITH: Yes, and it was probably more cost effectiveand more palatable from the socio-economic viewpoint.

MR. HOFFMANN: Well, you have all of that ground at Fort Belvoir. There is no reason that you can't have a multi-service exercise down there.

CHAIRMAN EDWARDS: Okay.

MR. HANSEN: We also get involved then in the traffic problems, and it gets pretty hairy. We will do the best we can.

The next category is Navy Supply Centers.

There are nine Navy supply centers. They are located at the major homeports, to supply the fleet. The DOD goal for supply centers is 85 percent utilization of space. The supply centers are operating at 82 percent. They are all in downtown kind of areas, on ports, very constrained, with no land available for extra expansion.

There was no excess capacity, in our view.

CHAIRMAN EDWARDS: Any comments?

MR. CLAYTOR: They are obvious targets.

CHAIRMAN EDWARDS: Anything else?

(No response)

MR. HANSEN: We have one last category, which is the Naval Aviation Depots. There are six of those.

These are the production facilities of the Navy to

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repair Navy and Marine Corps airplanes, engines, missiles, and components.

The DOD goal for utilization of depots is 100 percent of one shift. The aviation depots varied in their utilization, from 87 percent to 121 percent, but averaged right around the goal. That was the way we -- again, they are constrained inside. They are usually a tenant of a larger thing -- like we mentioned, the Naval Air Station Norfolk.

MR. CLAYTOR: Unless there are any of those that are obsolete and very inefficient and it would pay to combine them with another one in order to increase efficiency, I cannot see any basis for doing much better.

MR. HANSEN: Right. The utility arrays were pretty tightly grouped. So what the Navy is trying to tell us is that they are all about in the same boat.

MR. CLAYTOR: I see.

GENERAL POE: They are all involved in inter-servicir and the Navy, Air Force and Army are all inter-servicing each other. So the permutations and combinations of changes to depots are pretty complex.

DR. SMITH: But aren't there some duplicates? North Island, I forget -- doesn't it do F-4s? Doesn't the Navy also have an F-4 depot capability?

MR. HANSEN: Do you mean the Air Force?

DR. SMITH: Yes, the Air Force. I mean, the Navy



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has F-4s in North Island.

GENERAL POE: You know, that changes all of the time.

With the height of the F-4, the Air Force had actually three places in contract F-4 work. Now those are all disappearing and the old F-4 places are now in the F-16 places.

What I meant was the A-7 engines are done for the Air Force by Alameda. That's an example. All the choppers are done for the Air Force by Corpus Christi. We do at Newark Air Force Station a bunch of gyros for the services.

I guess my point is in the 1970s, we began to take a very big beating about lack of inter-servicing, and there is about 75 percent of what you do that you can't inter-service. Even if you deliver a battleship to Ogden, Utah, we really wouldn't know how to start on it. But that other 25 percent is now pretty well in hand. It was folks like you (indicating) that gave us hell about it.

MR. HANSEN: There is an organization called the Joint Logistics Commanders, who meet regularly to do ad hoc things, as well as regular studies of inter-servicing. It is a topic for later discussion, tomorrow afternoon, to see if there is any more that we might be able to find.

GENERAL POE: They have a continuous multi-service

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staff that looks at every make or buy decision over a certain level to see whether or not it can be done. Before you put the money out, you have to prove that you can't get it done somewhere else. So that is taking care of a lot more than used to be the case.

MR. HANSEN: Then I guess the sense is there wasn't much we could do here, unless there is something that comes up in inter-servicing later on. There wouldn't be enough, there certainly wasn't enough excess capacity where we could talk about closing old depots. We're talking about maybe some more economies or scale or shifting workloads around.

GENERAL POE: Are you going to look at DLA depots?

MR. HANSEN: We have an analysis of DLA, yes.

GENERAL POE: Those are single mission, and they are more vulnerable than any of these, or so I would think.

MR. HANSEN: We did not find any excess capacity there.

GENERAL POE: Just so we take a look at them.

CHAIRMAN EDWARDS: Okay.

MR. HANSEN: That concludes the Navy.

We have 20 minutes; that is, we are 20 minutes ahead of schedule, believe it or not. At 5:00 we were going to discuss the press release.

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CHAIRMAN EDWARDS: Can we do the Marine Corps pretty quickly?

CHAIRMAN RIBICOFF: From what has gone by here earlier, I think this is no time for the press release. Didn't we conclude that it was premature?

CHAIRMAN EDWARDS: Well, we have a problem that we need to discuss about it, rather than just rejecting it as out of hand. We can do that now, if you wish.

MR. HANSEN: I think we have time to do the Marine Corps tomorrow. It will mean that we don't finish early for tomorrow, of course.

CHAIRMAN EDWARDS: Well, there are some who I think would like to try to get out of town as early as possible tomorrow. It was suggested that maybe if we went on till 5:30 today, that would be very helpful to our schedule tomorrow.

CHAIRMAN RIBICOFF: I would rather be later today than later tomorrow because Tom has a plane to St. Louis, and I have to get back. I would rather spend an extra few minutes today, if that is all right with everybody else.

CHAIRMAN EDWARDS: Is the Marine Corps the next Service, the next best one to take up?

MR. HANSEN: Yes. It is the shortest one. I would not want to begin the Air Force today.

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COMMISSION DELIBERATIONS - MARINE CORPS, DOUG HANSEN AND CAPTAIN LARRY SZUTENBACH

MR. HANSEN: In summary, the Marine Corps is -- do we have those slides here?

(Pause)

MR. HOFFMANN: Is there anything in our books on any of this?

MR. HANSEN: No, there wasn't on any of these.

MR. HOFFMANN: Well, there was on the Army. There was a nice index there.

MR. HANSEN: Oh, we are doing it out of order, sir. So it would be the last index.

First is Operational Considerations for the Marine Corps.

First of all, the Marine Corps has to be near the Navy. They are a team. That is why the Services of the Navy and the Marine Corps are under one Department, the Department of the Navy.

The air stations need to be near the ground stations. They need amphibious training areas. That is why the two amphibious training areas that the Navy has happen to be very close to Marine Corps bases. And, like the Army, they need large areas to train on.

The Marine Corps has already combined its flight training with the Navy. All of the Marine Corps

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pilots are trained at Pensacola. They have quite a lot of joint Navy-Marine Corps Reserve stations, et cetera.

They have the same problem with their weapon systems out-stripping the rangeland they have. They do have a couple of things going on. They are adding training area to Camp LeJeune, and they want to move their finance center to what used to be Richards Gobaur Air Force Base.

For the Marine Corps, we have analyzed 21 installations in five categories and determined that no Marine Corps activity had excess capacity. We have, therefore, no closure recommendations, except for the relocation of a finance center, which, I mentioned earlier, is in leased space now, moving to leased land, on which they are going to build.

Here is where the Marine Corps is located (indicating) in CONUS.

In general, the Marine Corps is a three division, three wing service. One division is on the East Coast; one wing is on the East Coast; and one support group is on the East Coast. There's one each on the West Coast and one east in Okinawa, an island off Japan.

So the Marine Corps has a lot of two-of-each: one on the East Coast and one on the West Coast. You will see that as we go through this.

The first category was Air Bases. The Marine

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Corps has two kinds of air bases -- if you will, fixed wing jet type bases and helicopter bases. Tustin, the lowest rated base, is for helicopter; Cherry Point is for jets; Kaneohoe Bay is Hawaii; El Toro is jet; Pendleton is helicopters; Beaufort is jet; Yuma is training mostly, but jets; and New River is helicopter.

So they are kind of mixed and matched.

Tustin and El Toro are right next to each other. Cherry Point is fairly close to Camp LeJeune. Beaufort is a little south of there, close to Parris Island, and so on.

We found them saturated regarding range capacity, places to train. We could not add any more squadrons to their existing bases, and, based on their locations, they were difficult to even try and think about moving. If they did move, they could not be picked up and put in Kansas -- let's put it that way.

So, their locations are where the divisions are. In fact, one of their air stations is co-located with the division at Camp Pendleton. New River and Camp LeJeune are co-located. So you can see how tightly grouped they are.

So, in the Air Task Force, as will be the case in others, we did not find any excess capacity.

Now, on the inter-service part, in the Southern California Air Base Analysis, something may come of this.

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El Toro is constricted. It's in Orange County. We have heard figures that it might be worth as much as $450,000 an acre. But in order to find a home for a major air base like that, you have to have some place to put it. There may be some possibilities coming out of the Air Force. We don't know. It has to be compatible and all that sort of thing.

DR. SMITH: Did you look at closing El Toro and possibly moving it to Pendleton?

MR. HANSEN: Yes. We asked for data on that. Actually, Pendleton's air base is already quite loaded.

DR. SMITH: Well, you would have to build facilities at Pendleton, obviously. But if you were going to get $300 million or $400 million for those facilities at El Toro and Tustin, that's a lot of money.

MR. HANSEN: To describe the lay of the land at Pendleton Air Station is it's on the marginally high ground, above the flood plain, of the Santa Margarita River, with the mainroad into it on the edge of it. Any expansion would have to be on the other side, right in the middle of the flood plain.

So, absent finding a place to build in a bean field or something, it would have to be a whole new air base.

MR. CRAIB: You'd have commercial air traffic problems. They are having that now. When they practice landings along the beach at Pendleton, they can't provide

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adequate air cover because of all of the San Diego to L.A. traffic back and forth.

DR. SMITH: It can't be any better at El Toro and Tustin.

MR. HANSEN: That's right.

MR. CRAIB: I would agree that those should be moved, maybe to Arizona or some place like that, maybe to one of these air force bases.

MR. HANSEN: I think that is the best opportunity for getting out of El Toro, probably into one of the other bases that is being freed up.

CHAIRMAN EDWARDS: In the Marine Corps submission have they been anywhere near realistic about doing an El Toro type move?

MR. HANSEN: What they basically have said is it costs a billion dollars to build another El Toro, so give me another billion dollars and I'll build another El Toro on the land, and all that stuff.

So I guess, to put it mildly, they called our bluff. But that is an attitude that you will hear, because, until they can see the opportunity, no one is giving up anything, and we don't have any opportunity to offer them. You know, if we say where could you put El Toro, the answer is I like it where it is.

SENATOR EAGLETON: Could we give then one of

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tomorrow's bases and make money?

MR. HANSEN: Tomorrow?

SENATOR EAGLETON: Tomorrow we're going to "X" some Air Force Bases.

MR. HANSEN: Yes, that is a possibility.

SENATOR EAGLETON: Can we give them one of those free of charge and get a billion or whatever it is out of what they've got?

MR. HANSEN: Yes, sir. That is a possibility.

MR. CLAYTOR: We would need to look at that very hard. That is the only way I can see to go.

CAPTAIN SZUTENBACH: Of course, you may have a base you are giving up because it has problems. And so, we will have to look at it.

MR. HANSEN: We'll have to look at how bad the problems are and so on. What we're really saying is is the lowest rated Air Force Base in the category still better than El Toro?

GENERAL POE: Some of those Air Force Bases, too, are vulnerable because you have traffic problems with another base or with commercial air. So they might not be able to fly.

MR. HANSEN: That's right. And one of those air bases is a prime candidate for being a regional Los Angeles County airport, which makes it worse, if they start putting

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in commercial jets.

That whole Southern California area, as Mr. Edwards points out, is severely constrained in air space, and there are a lot of air bases there -- valuable ones, important ones, like Top Gun school and stuff like that.

SENATOR EAGLETON: How far away could you move El Toro and have it do its current mission?

MR. HANSEN: We would have to do some analysis on that. The further you take it away from Pendleton, the more they will scream, I am sure. And where the ranges are that they use -- it depends on whether they are flying out over the sea or doing training over the sea.

SENATOR EAGLETON: Well, look at tomorrow's list overnight. You guys will work all night, won't you?

(General laughter)

SENATOR EAGLETON: Look at tomorrow's "X's" and see if there are any possibilities there.

MR. HANSEN: I think we will have to leave, if I could say respectfully, that kind of analysis until the 28th or the 29th.

SENATOR EAGLETON: Okay.

MR. HANSEN: There are a lot of nuances that need to be worked out.

SENATOR EAGLETON: That's a good idea.

CHAIRMAN EDWARDS: Okay. What's next?

MR. HANSEN: The next category is the Marine Corps Administrative Headquarters.

Most of these headquarters are quite small. For instance, Camp Elmore, we really probably should not call it an installation. It is a tenant at the Naval Base at Norfolk. Its role in life is to be the home of the Marine Guard which provides the armed guards for the Marine Corps, in many cases, particularly the ones where they need a combat trained Marine. That is the term they used.

The finance center I already mentioned. It's in leased space. It is the worst building I have ever seen in my life. It needs to get out of there. What they have done is they have an ongoing deal with the state to lease land that used to be Richards Gobaur Air Force Base but no longer is. Now it all belongs to the state. There is a milcon project there.

We are going to have to do some legal looking at that one to see if we have to wrap our arms around it -- it's a good idea -- in order to make sure it doesn't not happen because we didn't wrap our arms around it, if you will, because of the all-or-nothing provisions.

Henderson Hall is here (indicating). It is the home of the Commandant -- well, it's not the home of the Commandant. Actually, Marine Barracks Eighth and Ninth is the home of the Commandant of the Marine Corps. That's



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where the drill ground is here in D. C., a very small little post, one of the "crown jewels," you might say. But I take it from this morning that "crown jewels" are not too important.

Henderson Hall is the home of the administrative, of all of the support for the Marine Corps in this whole town.

The First Marine Corps District in Garden City is in leased space, I believe.

CAPTAIN SZUTENBACH: Yes.

MR. HANSEN: Camp Smith is the home of CINCPAC. So, here is the Marine Corps, one of the smallest services, the home of the Commander-in-Chief of the Pacific. They like it. The building itself, though, is going to cost them some money to fix. However, that is my personal knowledge, not the information they gave to us. They are saying everything is just fine in Camp Smith, and they rate it very, very high.

So, the bottom line is nothing there.

SENATOR EAGLETON: Well, you're on Honolulu. What about that stuff that was on "60 Minutes" and everything else, the beachfront property in Honolulu?

MR. HANSEN: We'll do that tomorrow.

SENATOR EAGLETON: Which one is that?

MR. HANSEN: Fort DeRussey.

MR. CLAYTOR: Maybe Camp Smith could go in there.

MR. HANSEN: I think there is already a plan for it. Camp Smith, if it could go anywhere, it probably could go on Ford Island, in the middle of Pearl Harbor.

MR. HOFFMANN: Have we looked at that? Is that possible? Is there any money in that?

MR. HANSEN: I think so. We didn't get much cooperation on that one.

CAPTAIN SZUTENBACH: The Navy has some development already proposed for Ford Island. We don't know that it's compatible or if there is space for them to take the Camp Smith.

MR. HANSEN: It would have to be a high rise headquarters.

CAPTAIN SZUTENBACH: Yes.

MR. HANSEN: I don't know what that type of operation does to the air traffic patterns, because we have Hickham Air Force Base around there, too.

MR. CRAIB: How many employees are in Kansas City?

MR. HANSEN: Oh, thousands. It's huge. It's the finance center for the whole of the Marine Corps.

It's an old warehouse building and is a very large operation.

GENERAL STARRY: If they go to Indianapolia, they could be next to the Army finance center at Fort Benjamin Harrison. There's a big empty field there, just


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waiting for them, for something.

GENERAL POE: The Air Force is in Denver.

MR. HANSEN: Actually, their plan is more than to just move the finance center. They have a number of activities centrally located. The Marine Corps Recruit Command is in Kansas City, and they are going to put them all under this leased land.

It's a good deal for them, I think.

CHAIRMAN EDWARDS: Good enough that you think we ought to be satisfied with that move?

MR. HANSEN: Oh, yes, sir. Anything to get them out of the finance center where they are at right now. That's cruel and unusual punishment, to have to work in that building.

The question is this. The Marine Corps is afraid, I think, that we might mess it up. They think they have the deal cut already that there is no problem and that if we get involved, we'll somehow mess it up. My fear is the opposite, that if we don't embrace it and it doesn't become part of our all-or-nothing, then, as Mr. Aspin has said, this is it, you're safe for now on. If you're not in the list, then you're not doing this.

CHAIRMAN EDWARDS: Then what are you saying we should do?

MR. HANSEN: I think we need to do a little



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research. There are two options. Either we embrace their plan because we want to -- let me drop that until the 28th. We'll do some legal research on it.

CHAIRMAN EDWARDS: Okay.

MR. HOFFMANN: Are there other things at Kansas City that we ought to look at? Are the Marines pulling out of other leased space and going down to Richards Gobaur, and are they going to lease the space down there?

MR. HANSEN: Yes. They are going to lease the land and build on it. There is a long-term lease on the land, to build on it, for a dollar a year. Of course, the construction cost is not a dollar a year. But the land is a sweetheart deal.

CAPTAIN SZUTENBACH: Yes. It's a sweetheart deal from the city, and they do need to build the facilities.

MR. HANSEN: So it works out quite well for them. They have a program for the construction. They get out of very, very poor spaces and into newer spaces on leased land next to Richards Gobaur.

MR. CRAIB: And they don't have to relocate any employees, then?

CAPTAIN SZUTENBACH: No, sir. There is no environmental impact and there is no impact on the community.

CHAIRMAN EDWARDS: Well, it sounds like it makes sense and, if it does, then we clearly ought to embrace it.

MR. CLAYTOR: Yes, that's right.

MR. HANSEN: Other than that, the finance center -- Camp Elmore actually is moving, too. But that's a shifting of existing resources within the Naval Complex, so, therefore, it's not a new kind of installation.

I think that's it for that one.

The next category is the Depot Task Force.

There are two depots in the Marine Corps, East Coast and West Coast, somewhat located near, again, their operating units. They are multi-function depots in that they do both maintenance and supply, inventory control points, et cetera, and they are operating either at or above capacity. Therefore there is no recommendation to do anything with them.

CHAIRMAN EDWARDS: Any argument?

DR. SMITH: Could they not be combined with the Army's?

MR. HANSEN: I think they do a lot of work already inter-service-wise. As far as combined, we did not do an analysis of that -- shift all of the workload say to Anniston, or something like that?

MR. BARRETT: Anniston is already "chocoblocked," both of those places. You could do it if you wanted to pay the costs of construction. We didn't do an analysis on it because in looking at the capacity of the Army depots,



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they were already full.

DR. SMITH: Well, it would depend on what these pieces of real estate are worth. They might not be worth much.

MR. CLAYTOR: Well, Albany, Georgia, is not a high rent district, nor is Barstow.

MR. HANSEN: Barstow is in the desert.

MR. CRAIB: And it's not even in Barstow.

MR. HANSEN: It's a railhead, too. So Barstow I think is an important asset to the nation.

CHAIRMAN EDWARDS: Okay.

MR. HANSEN: I take it there is nothing more to do there.

The next category is, well, we already discussed somewhat the admin training. There are three locations: the two recruit training at San Diego and Parris Island and the officer training at Quantico, just down the road in Virginia.

For those who are not familiar with some of the conversation we had before, the recruit, the Marine Corps recruit depot in San Diego is very constrained land-wise. They do classroom training there. They do P-T and they do marching, in parades. It's a showcase base, with Spanish architecture. It's beautiful, well kept, et cetera.

For I think two weeks of the training period, they


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bus up to Camp Pendleton and do the range training they need to do there, the firing and whatever else they do, running around in the mud or whatever, assaulting beaches -- whatever they do.

Mr. Smith has mentioned why couldn't you move the actual physical classroom and barracks, et cetera, up to Pendleton. Mr. Craib and I received a land use briefing at Camp Pendleton, I think fortunately, and they sure didn't indicate -- well, why don't you describe that.

MR. CRAIB: They are averse to the idea. They want to keep San Diego, I think, for other purposes. But it's my judgment that that training could be handled at Pendleton. They'd train them all up there for two weeks. It's rifle range kind of training. If we wanted to expand the Navy training base, San Diego is contiguous to that, or it could be sold off for dollars per square millimeter.

MR. HANSEN: Yes.

SENATOR EAGLETON: How big a hunk of land is the Marine San Diego training base?

MR. HANSEN: A pretty big size.

MR. CRAIB: About 20 acres.

MR. CLAYTOR: A pretty good size for downtown real estate.

MR. CRAIB: It is right off the bay, right off theend of Lindberg Field, which is the commercial field

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down there.

CHAIRMAN EDWARDS: Let me ask a question as I am a little confused.

When I went through Parris Island many years ago, I was kind of in the mud, as I recall, for three months. It's been a while. You tell me that these kids in San Diego don't do that?

DR. SMITH: They do not.

CHAIRMAN EDWARDS: Do they still do it in Parris Island?

DR. SMITH: Yes.

The better, most cost effective, solution, I think, is to close San Diego and move it to Parris Island.

MR. HANSEN: I think there is an interesting point about acreage and size. Mr. Craib said that it's only about 20 acres, which is pretty small. Well, it turns out to be 503 acres.

MR. CRAIB: Is it -- in San Diego?

MR. HANSEN: Yes. It is amazing how acres add up.

And that place is small. Anyone who was there would say that that is small, compared to what's on it. And yet, it adds up to 500 acres.

CHAIRMAN EDWARDS: It ought to be worth a ton of money.

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MR. HANSEN: It is.

MR. CRAIB: But with the size of the Marine Corps and the training, you could make a good case to have one --

MR. BARRETT: It's right at the end of the runway.

CHAIRMAN EDWARDS: It is?

MR. CLAYTOR: You could build the necessary facilities at Parris. Couldn't Parris Island, doesn't it have the geography to take it?

MR. HANSEN: We'll have to do an analysis of that.

CHAIRMAN EDWARDS: If we were going to have one thing that would set everybody on his ear, this would be it. And yet, maybe we need one thing to take the heat off of some of these other things.

MR. CLAYTOR: Yes, a little diversionary move.

CHAIRMAN EDWARDS: I don't know how many recruits go through the two facilities nowadays. Does anybody know?

MR. HANSEN: I don't know.

Do we have the training modes?

(Pause)

MR. HANSEN: It's 5,500 students a year, it looks like.

CHAIRMAN EDWARDS: Total?

MR. HANSEN: No. Out of San Diego.

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(Pause)

MR. HANSEN: Parris Island would be the same size -- 5,100.

SENATOR EAGLETON: So it's 5,000 for San Diego and 5,000 for Parris Island.

What about Quantico?

MR. CLAYTOR: Quantico is for the officers only.

MR. HANSEN: That's right. It's for officers.

What is the acreage at Parris Island?

(Pause)

CHAIRMAN EDWARDS: Would you count the swamps?

MR. HANSEN: Yes, sir, you would.

MR. CLAYTOR: Let's find out if you could build the necessary housing and other facilities. There is plenty of room for their exercises in Parris Island, I'm sure. Furthermore, they have a lot of support facilities there.

One of the best dental facilities in the Army and the Navy is at Parris Island. I went through that. It's a hell of a dental hospital, really. I think we ought to look at that. We need more than just that information. We look to look hard at that.

MR. HANSEN: It's 8,000 acres.

MR. CLAYTOR: A lot of it is stuff you could not build on. But let's find out how much it is.

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CHAIRMAN EDWARDS: It's also good training land.

MR. CLAYTOR: Excellent training land.

GENERAL STARRY: Is that the total Marine Corps training load, about 10,000?

MR. HANSEN: Yes, for basic training.

MR. CLAYTOR: When we had to have one on each coast, we were talking about taking three days to get across the country on a train and very difficult stuff. Hell, fly them. Let them gather in San Diego, when you are going to form a recruit class, and fly them right into Quantico, or East, in 6 hours or something.

MR. HANSEN: There is one other issue that will complicate the matter. We will have to build it into the analysis.

The new Commandant, General Gray, has changed the training pattern for the Marine Corps to put it back to the old way. The old way was every Marine was a rifleman, and then, as a secondary duty, they might have been a cook or a driver or something like that, or an administrative person.

They got away from that and only those that were going to become riflemen went to advanced individual training for riflery. Now they are all going to go through it again.

So, that taxes your resources.

MR. CLAYTOR: Except for the females.

MR. HANSEN: Yes, and Parris Island is the only

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place where they do females.

GENERAL STARRY: Are they called "rifle persons?"

(General laughter)

CHAIRMAN EDWARDS: It seems to me that with the new doctrine, Parris Island would be even more important.

MR. CLAYTOR: That's right.

MR. HOFFMANN: It would seem to me to be invidious discrimination.

CHAIRMAN EDWARDS: This may be our sleeper.

(General laughter)

SENATOR EAGLETON: Yes. It will make them go right through the roof.

MR. HANSEN: For the Marine Corps, this is not a sleeper. This is a slam-dunk, I'm afraid.

CHAIRMAN EDWARDS: I understand. We may decide not to do it, but we ought to know why.

MR. HANSEN: The last category is the Ground Maneuver Bases for the Marine Corps.

The Marine Corps has very much like the two coast situation again, for two divisions and one Fort Irwin type activity, to do training out at 29 Palms, in the desert.

They need them. That's without a doubt.

GENERAL POE: Yes, that is needed, and nobody else wants it.

MR. HANSEN: Well, I think the Army would take it.

Wouldn't the Army take 29 Palms?

CAPTAIN YANKOUPE: Yes.

MR. HANSEN: It is a big area. It is not as big as Irwin, but it's big enough to do some work.

MR. CLAYTOR: There is plenty of room at 29 Palms for expansion, if you want land to expand into. It just goes on and on.

GENERAL STARRY: It is just a little bit smaller than Irwin. That's why we when we originally conceived of that western desert range thing, we started at 29 Palms and worked it up to Irwin, and up through Nellis, and so on, as one whole national range up there.

We were going to call it the National Range.

GENERAL POE: All the way to Salt Lake.

GENERAL STARRY: That's right.

CAPTAIN SZUTENBACH: They have 18 ranges that split up the Marine Corps at the 29 Palms air station. They do combined arms training there.

MR. HOFFMANN: What is that 29 Palms? Is that a Camp Irwin type installation?

MR. HANSEN: Yes.

MR. HOFFMANN: Does it have basing for a division?

MR. HANSEN: They have some units there, but it is primarily for training.

GENERAL STARRY: It has more infrastructure than



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Irwin.

MR. HANSEN: Yes, it does.

MR. HOFFMANN: What I am getting at is if they have space there and you're still hung up on the Western training over there, you might be able to put the San Diego basic training unit up there. It would give you a different kind of training, if you are going to have to build facilities, and everything, anyway.

I don't know what the impact is of doubling the size of the facilities at Parris Island and doubling their training load.

MR. CLAYTOR: Let's find out.

MR. HOFFMANN: It may be easier to do it at some place like 29 Palms, if you have to build a bunch of that stuff anyway. For the permanent part of it you'd have, you know, family housing and one thing or another, but not for the trainees.

MR. CLAYTOR: About all you could train them to do would be to fight in the desert if you are at 29 Palms, particularly in the summertime. I would hate to see a bunch of recruits in there. They would have to march for 20 minutes and then rest for half an hour.

MR. HOFFMANN: But the problem you have now is you are only training them to fight in downtown San Diego.

(General laughter)

MR. CLAYTOR: That's why we were talking about the great advantages of going to Quantico?

(General laughter)

MR. HANSEN: That may become very important if the civility of the country continues to deteriorate.

(General laughter)

CAPTAIN SZUTENBACH: The Marine Corps, as I indicated, has done a study on that, and we can go back and talk to them and relate to that study. We probably couldn't do a full-blown study in a couple of weeks to say what is the best alternative. But they could begin from where they ended up before and provide us some information.

MR. CRAIB: There is an air facility out there and and we could move the air-ground support activities. You'd have the planes right there.

MR. HANSEN: We will get the answers to that.

MR. HOFFMANN: It is easy to cure concrete in country like that.

DR. SMITH: Actually, it makes it hard. You have to have ice to make it well.

CHAIRMAN EDWARDS: Is there anything else on ground maneuver bases?

MR. HANSEN: Not from me.

CHAIRMAN EDWARDS: Then that's it for the Marine Corps?



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MR. HANSEN: Yes, sir.

CHAIRMAN EDWARDS: I would just like to see that we need to talk about the pres release for a minute or two.

I would say after one day's work that, first, I'm proud of the Commission, and, second, I know we have loaded you guys up with a lot to do. I think we all understand that. But it's essential what we have asked you to go back and do, essential, I think, to a proper report from us.

Abe, do you have any questions?

CHAIRMAN RIBICOFF: Well, I think we have had a number of discussions and things have come up, and I think I raised a question of whether this is the type of press release we should have.

CHAIRMAN EDWARDS: Let me tell you why the press release is here.

SENATOR EAGLETON: Where is it?

CHAIRMAN EDWARDS: It is under Tab 8.

If you would, also pay attention to Tab 2, the Charter. I will explain to you what the staff tells me is the reason for the press release.

The Charter says, under Section 2, that we, the Commission, should determine, by November 15, the best process, including the necessary administrative changes, for identifying bases to be closed or realigned; how to improve and best use Federal Government incentive programs to overcome

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the negative impact of base closure or realignment; and the criteria for realigning and closing bases to include at least - and then it sets out all the criteria.

Now, as I understand it, this release is designed to set that milestone, that as of NOvember 15, we have done what we have been charged with doing.

Am I right on that, Hayden?

MR. BRYAN: Yes, that's right.

CHAIRMAN EDWARDS: The release really, if you've read it, fairly well states how we have been going about all this.

I think if we are to adopt the release or approve it, we ought to say in there, somewhere in the early part, that we are making this report or this release in keeping with the requirements of the November 15 date set out in the Charter.

In this way it is kind of understood up front why we are putting out this release. That's what I understand to be the purpose of it.

MR. BRYAN: Let me give you a little bit further background, and that is that our first interpretation here in the staff was that we did not need to make a report on 15 November, that this was done as a milestone, so that the Commission did not get ahead of the election. We understood that and didn't plan to do anything formal.

However, there was an expectation generated erroneously with the Office of the Secretary of Defense and with the House and Senate that we would be producing some type of report on the 15th of November.

I talked to the House staff and they had indicated to their members over there that something would come out on the 15th. So I said that, rather than doing a full-blown report, we would do a simple press release to accommodate that desire.

MR. MILNES: To further underscore that, there was a colloquy on the House floor, when the bill was being considered, and that question was asked, whether a report will be issued on 15 November, and they basically took the words out of the Charter. Mr.Aspin answered that there would be.

CHAIRMAN RIBICOFF: I don't think we have any alternative.

I read this when it was sent out, and I was satisfied with it. I just wonder if we're going beyond this. But I say that would basically cover it.

MR. BRYAN: Let me point out one other thing about it, and that is that we say that this is a general procedure, that this does not lock us into this procedure for every little category, if somebody feels that a category did not work appropriately.--

CHAIRMAN EDWARDS: I think we probably have to do something.

I would say that most of what is in here, in interviews that I have had with the media over the last month or two, I have laid it out here and there, in bits and pieces, that this is what we are about.

I think what this does, really, is just bring together about in about two and a half pages the process that we have been following, and given the comments, I'm not sure we really have much choice but to put something out.

Jim, I think you were the one who raised the question.

DR. SMITH: I just think that what we are doing is inviting questions from everybody in the world when you put out something like this to the press, particularly in advance of even talking to GAO about it.

But if we have to do something, I would vote for something that was much foreshortened, which did not talk about the procedures, because we will be held to this and held to public scrutiny when we get through.

I think we could satisfy the requirement, if you will, with half a page that says the Commission did meet, it's in the middle of its deliberations,


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it has agreed on a process and that the process is working.

CHAIRMAN EDWARDS: Without saying what the process is.

DR. SMITH: Yes, without saying what the process is.

CHAIRMAN EDWARDS: Do you have a feeling that that would not do?

MR. BRYAN: I do not believe that would meet the expectations of the House or the Office of the Secretary of Defense.

DR. SMITH: Let's brief them separately and quietly and tell them what we are doing.

MR. HOFFMANN: I'll tell you another reason for doing a long release, to stop people from coming in later and saying hey, we laid it out, and if you had a problem with it, you could have come in and told us about it. To some extent it would tend to do that.

Now, I realize it's a myth because the Congress is scattered to the winds, the staff is hibernating.

I would like to square away the second paragraph. I have a proposed change in the critical sentence in the second paragraph, though the rest of it seems to go along all right.

CHAIRMAN EDWARDS: And what is that?

MR. HOFFMANN: In the second paragraph, the last

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sentence says that we'll judge either the relevance of the process to other installations and whether alternate analytical processes --

CHAIRMAN RIBICOFF: What page are you on?

MR. HOFFMANN: I'm on the first page of the press release.

CHAIRMAN EDWARDS: He's not on the last sentence. He's on the next-to-the last one.

MR. HOFFMANN: Oh, I'm sorry.

I would suggest we say that the process below -- and the process below is everything that follows that second paragraph, as I see it -- that we say we're going to follow the process on everything, and the Commission will adopt a process to other installations through alternate analytical processes, where appropriate. Leave it within our purview to modify it. But the thrust is the same throughout. You have a very generalized thrust here, and all we're going to do is just adjust the analysis for specific characteristics only.

SENATOR EAGLETON: Why don't you just take out the whole sentence, and have it read: United States and its territory, blah, blah, blah, and its possessions, period. And then skip down: The goal will be to narrow the number of, and so on. Take out that process that describes it.



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Therefore, it gives you greater liberty because the key words in the paragraph are "becoming general procedure."

We're going to change this procedure probably tomorrow.

MR. BRYAN: Sir, we already have. In fact, category 6, those analyses are done in a different way, depending on the type of installation you are talking about.

We have to have an understanding that it is not all done in the same way.

SENATOR EAGLETON: What was that?

MR. BRYAN: The reason that sentence is in there is so that the Task Force 6 or other changes the Commission may make as it goes through this process, which we are already talking about, so we are protected from the charge that we didn't use the process correctly. People may try to hold us to this press release, so we need a little leeway.

SENATOR EAGLETON: That's why I think it is better to take the sentence out. I'd rather not be held to the sentence.

CHAIRMAN EDWARDS: Hayden, if we just say, as the Senator said, that we have established a general procedure for evaluation and so forth, doesn't that general procedure include both the process that we have called our process, as well as our own effort at dealing



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with the process from many different angles? So if we say we have a general procedure, doesn't that really answer the question?

MR. BRYAN: It does, except for something like 2,000 installations will not be judged by this procedure and that is a problem.

CHAIRMAN EDWARDS: But that's why I think if you take the sentence above it and leave out the one that we are talking about, you have left all the wiggle room you need because you talk about the fact that the Commission has established a general procedure and that procedure includes the process that we have been going through, and it also includes the wisdom of this Commission in trying to interpolate that process in a way that will bring about some positive results.

GENERAL POE: I could not agree more. I think you have to carry that on over to pages 2 and 3. I have this terrible vision of someone saying what were the relative scores, and I think words like "score" and "rating" don't belong in here.

If you take the last paragraph on page 2, each of the potential receiving bases will be reviewed, instead of "rated," and in the first line on the third page, the potential receiving location determined best for mission enhancement, instead of "with the best score." I think

we ought to stay away from "score."

This is at the top of page 3: the potential receiving location determined best for mission enhancement, instead of "with the best score."

Somebody is going to ask how did I rate, what is the score, and the score is just one of the things we are looking at.

SENATOR EAGLETON: Where was your other change?

GENERAL POE: The other change was on page 2, third line from the bottom: receiving bases will be reviewed, instead of "rated." That would be one way to say it.

CHAIRMAN EDWARDS: Okay.

Those of you who I know have no pride of authorship what do you all think about this?

(General laughter)

MR. HOFFMANN: Well, Hayden still has trouble with that.

MR. BRYAN: I still don't have an answer to how we explain 2,000 installations that aren't rated under the process we described.

If you want to take that chance, we can cut that entire second half of the paragraph. But I think you are leaving yourself the potential for trouble.

CHAIRMAN EDWARDS: I'm not sure that I understand. Tell me about those 2,000 again.

MR. BRYAN: The third line, the last half of the paragraph, that the process described will be used on large bases as well as on other small installations --while the Commission will judge either the relevance of this process to other installations or whether alternate analytical processes should be employed.

We're talking about 2,000 bases where the alternate analytical process was employed, and you're not talking about that.

SENATOR EAGLETON: Well, then, put in evaluation, put in the word "major" or something like that, "major installations." That gets you off the hook.

MR. BRYAN: That the process described below will be used on major installations?

SENATOR EAGLETON: No, no, that the Commission has established a general procedure for the evaluation of major installations, or "substantial" ones -- whatever modifying word you want.

Then drop the process. That tells you, if you read it sharply, that we are not going to look at Camp Pipsqueek, where there is one guy working on a missile site.

CHAIRMAN RIBICOFF: And then cross off the next sentence?

SENATOR EAGLETON: Cross out the next sentence.

MR. BRYAN: Okay, take that one out.



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MR. HANSEN: If I could add something, Chairman Aspin had put out a press release on November 7, and in that he asked himself some questions and answered them. One of the things he said was that he expected us, the Commission, to look at the major bases -- 350, 375 or however many they are. So he anticipated that we would not do much with the smaller activities.

CHAIRMAN RIBICOFF: That makes it consistent with this press conference and the way it has been changed.

MR. HANSEN: Yes.

ADMIRAL ROWDEN: In the third paragraph on page 1, there is, the line that says the Commission will assign all installations -- isn't "all" too definite? Do you want to say will "assign installations to categories?"

The way it is, it is too definite.

CHAIRMAN EDWARDS: All right. See how you can improve it. This is going to look like some kind of camel by the time we get through.

ADMIRAL ROWDEN: Like a piece of legislation.

(General laughter)

CHAIRMAN EDWARDS: Any other comments on it?

MR. CLAYTOR: I think those changes are all good.

MR. HOFFMANN: I think we ought to leave some room for the staff to comform the rest of the release to the changes that have been made.



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MR. BRYAN: We will make sure it is consistent.

MR. CLAYTOR: We can look at the revision tomorrow morning, when we come in.

CHAIRMAN EDWARDS: What do you think of the idea of saying in the release, of referring in the release to the fact that we were required by November 15 to establish a process?

SENATOR EAGLETON: That's part of the law. That's why we are doing it.

CHAIRMAN EDWARDS: It is part of our Charter.

SENATOR EAGLETON: Isn't our Charter by reference incorporated into the law?

GENERAL POE: I may be dreaming, Mr. Chairman, but is there any way to put a final sentence on that, saying due to the nature of the activity, individual members will not be making statements until this is completed, or some words to that effect?

CHAIRMAN EDWARDS: Well, you know, without saying yea or nay, it might not be a bad idea to maybe say up front that this is the Commission's release and we will have nothing further to say at this time.

GENERAL POE: That one sentence would take all of us off the hook.

MR. CLAYTOR: That's right.

MR. HOFFMANN: I don't have any trouble with


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Bohanan. I mean, you can just say look, this is a collegial body, we're supposed to act as a group, that's what we're trying to, and so on.

The difficulty I have is in taking a guy like a Bohanan or two or three Congress people who would do it, they'd say look, you spent all this time going to breakfast with the Defense Department, listening to all of these guys, staff was meeting with them, and we called up to chat with you and you wouldn't even listen to our input. Well, I'd like to avoid that. I also don't want to tie our hands.

CHAIRMAN RIBICOFF: I would not like to see us put in here that we won't talk to anybody. It looks like you are afraid of something. When anybody asks you a question, just say that we have not completed our work and until we finish our report, there is nothing further to say. That would be the easiest thing.

MR. BRYAN: I can tell you that we have been answering questions, just as a routine matter. We have taken input from members who have written letters. You have probably seen a couple of them.

MR. HOFFMANN: I think we can assume that people will want to tell us that we had better, by God, do a good job and we are happy to be told that. That's about all they can tell us.

CHAIRMAN EDWARDS: I just did a 30 minute interview



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last week with Armed Services Radio.

CHAIRMAN RIBICOFF: You can't close yourselves off.

CHAIRMAN EDWARDS: You can't ignore them. All of this is designed to make you at least comfortable with the process.

The poll has not been shut down.

(General laughter)

CHAIRMAN EDWARDS: Does anybody else have anything to add?

ADMIRAL ROWDEN: Is there a final stage for when the report will be submitted? While it is very obvious to us, it might not be in the release. Should you say the report will be submitted to the Secretary of Defense on the 31st of December, or something to that effect?

MR. HANSEN: Do you want to say the 31st or the 30th?

CHAIRMAN EDWARDS: Just say that the law requires us, the Charter requires us to submit our report by the end of the year.

CHAIRMAN RIBICOFF: You can just give them a schedule for when we will meet again and that the report will be drafted after our last meeting on the 15th or 14th of December.

CHAIRMAN EDWARDS: I think I might just say that the law says "X" and we are going to meet the law's requirements and have our report in by 31st December.

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SENATOR EAGLETON: Are we going to need those three days, whenever it is in December? I have marked down three days? Will we need three days?

CHAIRMAN EDWARDS: Yes. We are all going to get drunk together.

(General laughter)

CHAIRMAN RIBICOFF: I have to be in Hartford, Connecticut that night, I believe. I hope it's not a Thursday. That's what you assured me.

CHAIRMAN EDWARDS: Okay, everybody. We thank you. Abe, thank you.

I've got 5:26. We have four minutes to go yet. Is there anything anybody wants to say?

DR. SMITH: Mr. Chairman, may I suggest something. Since the staff is going to have the night off --

(General laughter)

DR. SMITH: -- it might be helpful if they prepare a list of bases which it would be good for the Commission to visit, so that we, in some orderly fashion tomorrow, before we quit, agree which bases we are going to get to and who is going to get to them, so that we try to cover as many as possible.

CHAIRMAN EDWARDS: Good point.

I have given, for example, to Hayden dates that I think I could be generally available. If the rest of you



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can do that, it would be helpful. Some of you have already been going off and seeing bases. If the rest of you could think about a schedule that might allow you to at least see a few places, one or two, that is going to be important when we sit down in that Senate hearing room.

DR. SMITH: The other thing I might suggest is when we do that, we probably ought to do that quietly and without public notification, and just limit it to two or three people on the base. I mean, if we suddenly fan out to all of the bases that are on our list, well, I don't know what effect that will have.

MR. BRYAN: That is the way we have handled it so far, very quietly.

GENERAL POE: What I did last time was I carried with me a very brief release -- we have a copy of it here -- that says essentially all we are doing is sampling the data that has been provided by the Services and the staff to memers of the Commission. You might want to take a look at that.

Then I told the Commander, the commanding general, well, you didn't say anything and if you get backed up against the wall, here is what you can use. To the best of my knowledge, none of the three had to use it.

SENATOR EAGLEton: Do you call in advance or do you just knock on his door?



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MR. HANSEN: The Services called in advance.

GENERAL POE: You have to call in advance enough or you will waste a lot of time trying to get these people.

CHAIRMAN EDWARDS: I mean, don't do what Poe did. He went in there with a red flag and with sirens blaring.

(General laughter)

CHAIRMAN EDWARDS: And it had "Base Closure Commission" in big, bold letters on it.

(General laughter)

GENERAL POE: I have to tell you, the Army's reaction, the Army guy at Fort Lewis said to the guy at the gate, you've got a four star general coming in here in a rented car and civilian clothes, and he says I don't have anything on it here.

(General laughter)

GENERAL POE: I didn't know whether I'd get in the base or not.

(General laughter)

CHAIRMAN EDWARDS: Okay, everybody. We will see you all tomorrow.

Listen, everybody, there will be a camera here in the morning for pictures of the Commission. I would appreciate it if you could show up and be recorded for posterity at 8:30.

I think the Armed Forces television may also show



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up for some silent filming of us kind of coming into the room and sitting down, but there will be no comments.

So if you could get here at 8:30, I would appreciate it.

(Whereupon, at 5:29 p.m., the Commission recessed, to reconvene the following day.)

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BUSINESS MEETING

- - -

DEFENSE SECRETARY'S COMMISSION

ON

BASE REALIGNMENT AND CLOSURE

8:50 a.m.

Tuesday, November 15, 1988

1825 K St., N.W., Suite 310

Washington, D.C.

MEMBERS PRESENT:

HON. JACK EDWARDS, Co-Chairman

HON. ABRAHAM A. RIBICOFF, Co-Chairman

HON. W. GRAHAM CLAYTOR, JR.

DONALD F. CRAIB, JR.

HON. MARTIN R. HOFFMANN

GENERAL BRYCE POE, II, USAF (Ret.)

GENERAL DONN A. STARRY, USA (Ret.)

HON. THOMAS EAGLETON

ADMIRAL WILLIAM ROWDEN

JAMES SMITH

ALSO PRESENT:

HAYDEN BRYAN, Executive Director

DOUGLAS HANSEN, Research Director

RUSSEL MILNES, Counsel

JAY WINIK, Deputy Executive Dire[illegible]

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PROCEEDINGS

CHAIRMAN EDWARDS: Mr. Chairman, I suggest we ask Doug to give us just a brief recap of yesterday so we can try and get our mental processes working again.

CHAIRMAN RIBICOFF: Go ahead, Doug.

MR. HANSEN: Thank you very much, sir.

Just briefly, to show you the chart we showed this morning.

(Viewgraph.)

The Commission approved 14 installations for closure, which was all the ones reserved for the Army and the Navy. And then this morning we will begin with the review of the Air Force, hoping to find a few more candidates.

MR. CRAIB: How about the Marine Corps?

MR. HANSEN: The Marine Corps was more work, but no closures. That's one of the reasons we suggested a recap, so we could be clear of the work that's been asked of the staff.

As a general recap, the clear indication was as we do more analysis, we were given suggested ideas for cross-service utilization, but the clear message there was that, wherever possible, the staff should pursue cross-service analysis.

In reading through my notes from all the services,



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I caught a number of times where the Commission was uncomfortable with the utility arrays, the dot charts, if you will. And I thought I would spend just a few minutes to describe why I think there is a problem with that. And I would like to use as the example the Navy's rating of San Diego lowest on the utility, when obvious to anyone who knows about San Diego that this has got to be one of the best ports in the world.

And it's almost -- the way I might describe it is almost like human nature: If you've got a good thing, you tend to overuse it. And therefore one of the outcomes of the utility arrays, it showed us overstressed bases, bases where you have put too many units in there, in this case too many ships.

And then we come along and say, all right, how many ships do you have there, since we weren't in the ship moving around business. And they say, let's say, 200. And then you turn to them and say, okay, well, how many feet of pier space do these 200 ships need? And they give you an answer.

And then you say, well, how many do you have? And they go, I don't have that much. And therefore it gets a low score.

We will do a short analysis, a brief analysis for next time, to make sure that we follow up on this.

But I am convinced that any base we close, we're not closing it for administrative reasons unless it's an administrative post. We're closing it for mission reasons: This is a lousy place to fly airplanes, right.

The buildings, whether there are a few shortages of buildings isn't the one that made the difference. But on an array where there was no excess capacity anyway, everything is crowded, then the most crowded base may tend to be on the bottom.

And so I wanted to describe that process. What we took was the loading, the mission loading, at every one of these installations, the needs for that loading, and then looked at what the asset was. And so therefore, overcrowded bases tend to be lower.

And it seems also somewhat intuitive that good places may tend to get overcrowded.

CHAIRMAN RIBICOFF: There is one thing that I recall, looking at all of your figures. Where did you get the value figures for the property? Did you have -- I'm assuming, did you go out and get real estate appraisers?

MR. HANSEN: No, sir. What we used was the real estate experts within the service to value those properties.

CHAIRMAN RIBICOFF: Real estate experts?

MR. HANSEN: In each armed service. We did not go out to private. The main reason was we couldn't give them

the names of the places we needed the values of early enough for them to get an answer back to us.

ADMIRAL ROWDEN: Could you describe their competency to do that?

CHAIRMAN RIBICOFF: I was just going to ask that.

MR. HANSEN: Each of the services has an agent -- they're usually the engineer: the Army Corps of Engineers, the Naval Facilities Engineer Command -- who regularly does excessing of property, not on the scale of whole properties. GSA normally does that.

But they do regular real estate business. Maybe, Russ, you could add a little bit to that.

MR. MILNES: Sir, basically these people are in the business of disposing of properties. And what we asked them to do was to look at the rules in which they had to operate under, and these are going to be the GSA rules. That's the way our statute reads, that we will use the Property Act and the GSA rules that follow from that.

Applying those assumptions, they went through and evaluated the properties the best they could, given an arm's length distance. They couldn't go down there and do a real estate appraisal.

So they have a pretty good idea, based upon highest and best use, what those properties are valued at. Now, it is certainly not as precise as a real estate appraisal



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would be on the ground UNCLASSIFIED

CHAIRMAN RIBICOFF: Now, what figures did the Grace Commission use?

MR. MILNES: The Grace Commission approached this from a totally different angle, sir.

CHAIRMAN RIBICOFF: Where did they get their figures?

MR. MILNES: Well, basically, they never went to value of properties. What they did was they looked at the inventory of bases and they said, we believe that there is enough flexibility in the base structure that we could cut 10 to 20 percent.

CHAIRMAN RIBICOFF: This was just a guesstimate, then?

MR. MILNES: Well, it was an educated guess, but that is sort of the way they approached it. It was a 10 to 20 percent reduction.

Then they looked at what the base operating support costs are, which is really where the emphasis is. You want to cut off the cost of operation. That is where you get most of your savings. And they looked at what is the total cost of operating United States bases in the continental U.S., its territories, and possessions.

And that figure was around $30 billion annually. And then they applied that 10 to 20 percent number against

the $30 billion and they arrived at the range of $2 to $5 billion. And that's generally the way they approached it. So they never got into the detail of individual installations and the individual properties. Their charter really didn't provide that kind of time.

CHAIRMAN RIBICOFF: Which we have done in your method, going to the services.

MR. MILNES: Yes, sir. We've done it much more detailed.

MR. HANSEN: The value of the property was not at all a determination, and in fact, for all the discussions that we've had with not only real estate experts in the Department, but the real estate experts in GSA --

CHAIRMAN RIBICOFF: You have had discussions with GSA people?

MR. HANSEN: Yes, we have, sir. They are telling us that in the five-year time frame that we have to implement, the likelihood of realizing proceeds from the sale of this land is not good.

And that is the next bullet I had on my recap, that the other thing that I wanted to discuss briefly with the Commission was the difference between payback, which includes the value of the land, and affordability, and affordability to the Department.

I mean, affordability to the Department means the

military construction bills that the Department will have to pay out of the base closure account. If in fact very few proceeds of the sales of the land get into the base closure account because it takes so long to sell land or there are so many competing interests for it -- we talked about yesterday giving it to the National Guard, airports, prisons, homeless, drug-related things, national parks, et cetera, et cetera.

The Commission has decided that, regardless of the ultimate use of the land, we will still value it for its highest and best use.

CHAIRMAN RIBICOFF: Well, I think it's very important, when you get your report out, to note where those figures came from.

MR. HANSEN: Yes, sir, we will.

The issue of affordability, however, breaks down to how much of the defense budget has to be taken away from other things, like buying airplanes, in order to build property, build the construction that we need to do our analysis.

So the next time we do analysis, we will add military construction costs to the analysis, to highlight that for us.

MR. EAGLETON: So what you're saying is that in the scheme of things in the real world, much of what we do



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here is going to cost more money in the short term, and hopefully recoup some moneys in the long term, because we're going to have a lot of money that has to be spent for reconstruction, moving this group here and this group there. They have to be put in buildings and mess halls and what have you, and that's going to cost a lot of money now.

MR. HANSEN: Yes, sir.

MR. EAGLETON: So a year from now, some Secretary of Defense will say: My God, what did they do to us? It would cost me a lot of money today.

Now, Mr. Claytor will tell them, well, we saved you a lot of money downstream.

GENERAL POE: The Air Force list you saw yesterday, I'm sure, to do, and I don't know what we will see today, what you have to do. But my guess is you'll destroy the Air Force O&M budget if you make them take it out of their hide.

So that's one of the things you've got to do in playing the game, know what is required. But the Department of Defense even is required to take that out of their hide. You need a separate fund for this, I believe, and that might be something we consider in the report.

MR. HANSEN: We have the fund. The key is how much proceeds of the sale gets into it.

MR. CRAIB: Some of that land is really prime

stuff. For example, Fort Sheridan I would think, as soon as you can free up the title on that, you could walk away with a billion dollars.

MR. HANSEN: There is one school of thought that says the more prime it is the ~~more~~ harder it is to sell, because of the competing interests coming in wanting a piece of that action and tieing you up in negotiations, et cetera. And also, the zoning becomes a lot more difficult, the decisions on zoning, when properties free up like that. When you free up a property in the middle of farm land, it's not so difficult.

When you do it in the middle of a big city like Chicago, there can be an awful lot of discussions over how is this going to be zoned. The environmentalists want it to be clean space, the homeless want all the barracks for the homeless, the drug people want this, the prisons want this.

The people that live in the area don't want the homeless and the people in the prisons in there, and you just go on forever in these zoning discussions. And until it's zoned, it doesn't have any value at all, except as just raw land, which isn't very valuable.

GENERAL POE: Excuse me. An example of what you're talking about, on something like eight or ten acres at [redacted] Air Force Base, with the agreement of all the



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members of Congress from the State of Colorado and the United States Air Force and the Department of Defense to transfer that for use to build a school complex of a junior high and a high school, that took almost three and a half years to get the authority.

MR. HANSEN: So the issue, to follow up on what Senator Eagleton said about affordability, is it depends upon your perspective. The Commission clearly needs to look in the overall best interests of the nation perspective, and that is what our payback does.

It looks in the perspective of the best interest of the nation. But when you sub-optimize down to what happens to the Department of Defense's budget, we have the real ability to not be able to afford to do what we recommend. They pay back, but we can't afford to do it.

So we will collect those statistics. It was part of the decision process. We will collect those statistics as we go into more and more of the area of selling property in order to obtain payback.

To the extent we can sell property that doesn't have any use, then that's good money. To the extent we have to move something and build a lot someplace else, we keep adding to that Mil Con bill to the Department.

MR. HOFFMAN: We might just put a note in our file to consider putting some language highlighting this

problem in our report, because in the Defense News yesterday we had Congressman Aspin having discovered the loophole in the Base Closure Act. I don't know if any of you saw that article. I don't think I brought it in.

The loophole being that until -- you can't close the base until the follow-on activities are funded and the move is funded. And it seems to me we may want to address that in terms of the report, in saying, you know, that Congress would do well to do X, Y, and Z, to make sure this land can really be moved off the government rolls, or that as a practical matter the Mil Con Committees are prepared to advance the money to make the thing work out of some other fund.

Otherwise, I think it is -- I mean, we've recognized it before, but it continues to be a problem in the implementation of our recommendations.

MR. HANSEN: All right. To move on, the staff was asked to collect maps of all bases. I would like to plead for some relief on that, if I could. Could I suggest that we collect maps on every base that has been impacted by our deliberations, either as a gainer or loser, and not collect maps on those that we just did nothing with.

MR. HOFFMAN: Well, you may want to -- I would take the bases that we have asked questions about, and kind of spread a fairly b[illegible]e.



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MR. HANSEN: The losers or gainers or any questions about, if that's acceptable.

MR. HOFFMAN: Maybe a couple to give us cover. I think if you reach for a map of Fort Sill or maybe Fort Knox is a good one, and maybe let's get a map of Norfolk.

ADMIRAL ROWDEN: Could you give us a list of the maps you're going to get? That seems to be not too difficult.

MR. HANSEN: We will collect as many as we can.

MR. HOFFMAN: I would just say, the ones that I think that came out of yesterday's discussion and today's discussion are clear, and just put a few more in there so that it doesn't assume a directional arrow pointed at the heartland.

MR. HANSEN: We have a way to collect some maps that no one could figure out why we would want them. They don't even know who we are.

COMMISSION [illegible] ARMY

MR. HANSEN: All right, going to the Army, then, the staff will provide a detailed analysis of the potential to close Fort Dix or Fort Jackson, but not both. And it ends up doing both anyway, I guess, if you would like both.

MR. SMITH: The numbers looked to me yesterday like both could be closed.

MR. HANSEN: We will look at turning [redacted] over to the National Guard, perhaps swapping it for Camp [redacted]

CHAIRMAN RIBICOFF: When you say that, what do you mean, we will look at that? In other words, does that mean you ask questions of Massachusetts first?

MR. HANSEN: [redacted] We will get more status on the details of those negotiations.

CHAIRMAN RIBICOFF: [redacted]

MR. HANSEN: [redacted]

CHAIRMAN RIBICOFF: [redacted]

MR. HANSEN: [redacted]

In the Army [redacted]ory, we will perform

a payback analysis of all of what have been referred to as the chestnuts: Fort Sheridan, Fort Monroe.

MR. EAGLETON: Are those the only two that came out of that discussion?

MR. HANSEN: If there is other chestnuts, we will include them. "Chestnuts" to us means it was on some previous list.

MR. EAGLETON: I want to discuss the previous list, but I think I will do it at the end.

CHAIRMAN EDWARDS: Does anybody have any question about that?

MR. SMITH: Well, there is a long list of Army admin headquarters, and I think almost every one on that list except McNair and Myer probably are worthy of a look. If you get out of -- if you close the post and zero back into just the admin facility, or even replace the admin facility with leased space, I think it's an option.

We're going to look at McPherson, for instance, and it was on that list. You have Fort Meade on that list and Fort Belvoir on that list. I think all of those can --

CHAIRMAN EDWARDS: I think it is broader than your recollection.

MR. SMITH: I think everything on that list except Myer and McNair. That's the only two I recall that just obviously didn't make any sense to look at.



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MR. HANSEN: All right.

MR. SMITH: Closing those two would be like closing West Point.

CHAIRMAN EDWARDS: Are you proposing that?

(Laughter.)

MR. HANSEN: Also coupled with that was a real estate analysis of those types of bases to look for excess. And then, finally, the staff will study whether a third area of depot is needed.


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MR. HANSEN: In the Navy and Marine Corps, we will look at combining Naval Air Station Brunswick with Loring Air Force Base. We will do four regional air base studies: for the southern California, San Francisco Bay Area, northern Florida, and Jacksonville regions. We will look at pursuing Moffett Naval Air Station and turning it over or closing it and turning it over to NASA, although we have discovered that the information we gave you on the number of airplanes at Moffett yesterday was inaccurate. We said 19. It's 50 or 65 airplanes. So that's a more significant movement.

We will look at the types of training conducted at Navy training bases, and looking for split functions, ability to move, et cetera. We will look at combining the Navy training center at Great Lakes and/or the San Diego and/or move to Orlando.

We will look for previous studies of getting the Navy out of leased space in Crystal City. My understanding was that the status of where previous studies are, implementation or whether that got stopped, that we wouldn't start a new study.

COMMISSION DELIBERATIONS - MARINE CORPS

MR. HANSEN: We will look at moving the Marine Corps recruit depot, San Diego, to either Camp Pendleton or Paris Island. We will look at building a Marine Corps Air Station at 29 Palms.

And the last thing was, I did not get any sense that we figured out any way to do any analysis of strategic home porting. I could not think of what more I was supposed to have done or what more to do. And so, absent that, we won't be doing it.

CHAIRMAN EDWARDS: There are two ways, I think, if we're going to consider that. One would be to look at one of the two major home port opportunities, Everett and Staten Island. And I'm thinking out loud now, and I'm not suggesting you go off on a tangent.

The other would be to, on the Gulf Coast, would be to pick up bits and pieces out there. And I think -- again, I'm laying all this on the table -- that Key West, Lake Charles, and what's that place south of Galveston -- Ingleside -- all of which, as I recall, only have one or two ships involved.

And I haven't looked at that in a long time.

MR. HANSEN: We have those.

CHAIRMAN EDWARDS: If you're going to look at home ports, I think that's a way to [illegible] thing.



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MR. HANSEN: Would we be looking at them as a closure or looking at them as just where do they stand in the construction phase, or what information would you want?

CHAIRMAN EDWARDS: Well, they're all basically just starting. I think if you're going to look at a closure, those I think are your opportunities, because I don't see -- you see, we're monkeying with force structure there, is our problem if we do that, with the Navy. Then do we do it with the Air Force or whoever?

But if we should look at individual facilities, then I think that may be the way to look at them.

MR. EAGLETON: I'm confused now. Are we looking to see how far along they are?

CHAIRMAN EDWARDS: They're all just starting. They're all in their second year of basic funding. The Gulf Coast ports are. Everett and Staten Island may even be a year behind, because they have a fuss over who's going to pay what share. And they may just be in their first year of funding.

So they're all ripe in the sense of not a whole lot of money has been spent.

ADMIRAL ROWDEN: My sense, Mr. Chairman, is that Staten Island is a little bit ahead of Everett. And I'm a little fragmented in looking at both of them, but just I think it's, somewhat subjectively -- I mean, the pier, the



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pilings, for example, are in up there. All of the bulkheads have been put in. I believe that there is family housing being built now, as I recall.

CHAIRMAN EDWARDS: Then they are further ahead.

MR. HANSEN: Hunter's Point might be the first one.

GENERAL STARRY: Mr. Chairman, could I risk being the perennial devil's advocate and make an observation here. What you're dealing with in the case of the Navy is an objective structure that's based on a presumption that there is going to be 600 ships. They came and testified to that effect.

So what you're looking at is a home porting system that supports a 600-ship Navy. If we are to tackle that concept by saying there is likely not to be a 600-ship Navy or this, that, and the other thing will fall by the wayside in the course of Congressional actions and a new Administration, then it seems to me we're also obliged to go back and look at things like the Army's program to expand its force structure to include more light divisions which are not now filled and for which we're spending a shah's ransom in construction funds at places like Drum and Greeley and so on, because that too is an objective force structure.

And so it would be inc[illegible] it seems to me,

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of us to tackle one service on that basis and not -- I'm not saying we ought to do it one way or the other. I'm just saying we ought to be consistent in the way we look at these things, because you could argue, you could make as strong an argument for the Army's inability to support the expanded force structure and the light divisions that are a part of that structure as you could make a case for the fact that the Navy will likely not have 600 ships.

CHAIRMAN EDWARDS: Well, I think that's the reason that Tom drafted his paragraph that we looked at and put aside for a while. You know, there is a problem that the Navy has not really come up with a whole lot, and so I think we're all kind of looking for something to see if the Navy is vulnerable.

MR. HOFFMAN: Mr. Chairman, could I put a gloss on this, the very thoughtful set of remarks by my fellow Commissioner? The fact is that in the home porting regime, without tackling force structure, without in any way questioning what the Navy aims to do in terms of 600 ships and all of that, we know that they have undertaken a program that says, if we get more dispersion, it will only cost us $200 million more to do these things.

And I would like to make about four or five paragraphs that would lead to the following point, and I will omit the paragraphs, but I will make the point. If

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you want to indicate, to the extent that you don't think the Navy is going to get to 600 ships, then the thing to do is go after that $200 million and say, look, nice idea to disperse, but probably not cost effective, and it will help you hedge your risk, okay, that you will not get to 600 ships if you don't do this dispersion and spotting, and you tend to put them at this, that, or the other places.

Now, you could do that in the context of either relieving them of one new home port and some of those single ship opportunities then on the Texas coast, or you could come up with a combination of those.

But I thought that is the direction we were going yesterday in taking an analytic look at that, because we -- it is just common sense, and I don't think we ought to do that from the point of view of saying we're going to reduce the force structure or we're making that kind of a decision.

We're not. But we know, within the confines of the 600 ship structure, there is a very ambitious and in some senses a high option plan to get this dispersion for $200 million. And I think that is what we ought to look at, because I'm not sure that if you are doing basing in a thoughtful way in contemplation of the years ahead that you would take what I think is a high risk $200 million, that it is only going to cost us $200 million to

do those other things, and I don't know what the increased operational costs are and all the rest.

It certainly means more [redacted] to spread those things out and have those home bases each focused on keeping their particular set of ships.

So that would be what I would recommend in terms of an analysis. Let's take a look at how you do the 600 ship force structure without such an aggressive and ambitious stretch plan.

MR. SMITH: Mr. Chairman, I think I agree completely with what he said, because I think it is not an issue of whether you're going to have 600 ships or not. It's an issue of whether you put them in the existing ports or whether you spread them out.

And I think it is well within the Commission's perogative to say, we have looked at it, we think it's dumb to do the home porting and spread the ships out; you just can't afford what that strategic decision is going to cost you; let's not go with home porting; let's close New York, Everett, and the Gulf home ports, and insist or suggest that the Navy home port these ships at their existing home ports, spend the $600 million instead of the $800 million.

And that's just the beginning. I mean, that's the one-time up-front cost differential you're talking about. There will be an operating cost differential. There will

also be a value for the real estate at New York and a value for the real estate at Everett. The Navy can sell that real estate, very high value real estate.

That money would be available to them to do the construction at Norfolk and at Charleston and at San Diego. And I think, as I said yesterday, that it's well within the prerogative of the Commission to say, close the base at Staten Island and Everett and at five or six locations on the Gulf.

And I think that is something we can make a decision on, and it doesn't have to wrap ourselves around the axle on force structure. It is just two ways of doing what the Navy wanted to do. They've selected the more expensive way and they have done that under the conclusion that it makes sense strategically.

We can either agree or disagree with that conclusion.

GENERAL POE: Mr. Chairman, I agree with that, but I have got another problem, and that is that I think it would be great if we weren't in an all or nothing, have two wickets. We have to pass on all or nothing, and I'm afraid we might lose the rest of it, because either at the Secretary's level or on the Hill that might kill the rest of what we're trying to do.

I don't know [illegible] nothing business makes



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me a little shaky about that particular part of it. I would much rather see the Navy come up with more conventional things that we could do.

We're going to have a problem anyway unless the Navy comes up with something. And so I am sympathetic to that, but I've got a feeling that people who are looking for an opportunity are going to say, well, they're getting into the risks to the Navy, they're getting into dispersal, they're getting into the fact that you want to get closer to the new threat in the North Atlantic or the North Pacific and that kind of thing, and say they've gotten out of what they want and this is our chance to say, nothing.

And that's my concern about this.

RHt2

MR. HOFFMAN: I wouldn't take on the whole home porting concept, but I would take on the fringes of it, where it doesn't look cost effective and where you can hedge your bet against the 600 ship Navy.

CHAIRMAN EDWARDS: So what you're suggesting is that as we task Doug's group to go back and look at other things, that they go back and look at the whole home porting concept, not only the new ports but the old ports; in other words, come up with a proposal that may or may not include exactly what the Navy is proposing?

MR. HANSEN: Clearly, we will have to look at how much money has been spent.



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MR. HOFFMAN: I think we need to see the status of it. But I would make an overall analysis of the home porting strategy. I would make that secondary to the point of trying to do a more streamlined, less costly job of implementing the home porting strategy, given the kind of spread we're seeing here in their current plans.

MR. EAGLETON: But still using 600 ships?

MR. HOFFMAN: Still using 600 ships.

GENERAL STARRY: Or whatever is in the approved program, whatever's in the approved program.

CHAIRMAN EDWARDS: Do you understand that, Doug?

MR. HANSEN: Yes, an analysis of just the new ports, with obviously, if you were going to have a proposal that says we're going to do something, then it obviously goes back to the old ports. They get involved at least, not necessarily all of them; just sort of looking at including how much has been spent.

We know how much has been appropriated, but how much has been spent, and I think that is important.

And one other thing I would like to mention is cost, if cost is the only criteria we could use. Cost effective starts to get into us making strategic decisions, and I'm not sure, from what I understand as to what I heard, that that is what we want to do.

We're looking at efficiency here, instead of



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strategic.

MR. SMITH: We're sure affecting the Air Force's strategic thinking. We're moving airplanes all over the place with what we're proposing to do. I'm not sure there's any difference between the proposals that we're going to look at for the Air Force and what we're talking about here with the Navy.

And I'm not sure there is any difference in looking at cost here than there is in looking at cost at Fort Devens or anyplace else, because you've got a base, you've got certain amounts of sunk costs, you've got brand new construction at Fort Devens.

And so the cost implications of the home porting are no different than any other base that we're looking at. You're going to look at how much is there, how much has been sunk, and how much you're going to save if you sell that base and do it another way. So I don't think the cost implications here are any different than they are at any other base.

MR. CRAIB: Does San Diego have the facilities to handle the ships that are now earmarked for Everett and Hunter's Point?

MR. SMITH: Not without spending money.

MR. HANSEN: That's the $600 million.

MR. CRAIB: Well, you can't create any more water

and you can't create any more land at San Diego Bay.

GENERAL POE: You've got another thing here. Everett is two and a half days closer to the threat, five days more training time on station than southern California. And that's the kind of thing I'm afraid is going to get bounced back at us.

And I really am nervous any time we get to a marginal thing, Mr. Chairman. I'm nervous about this all or nothing. I think people are going to be looking for an excuse and say, well, this is a political decisions, and it's something they don't agree with.

And that doesn't mean it is a political decision, but once again the perception bothers me. And I would hate to have some real savings go down the tubes because we went on the margin.

MR. HOFFMAN: But I think all we're asking for is more resolution of exactly whether that's true. We have gotten a very arm's length approach in terms of analysis. It has been a binary kind of a situation, and what I would like to do is have the comfort that I'm not going to get the other result.

You talk about marginality, where everybody looks down and says, hey, this Commission went to work and got stiffed by one service and the load has gone to everybody else, and therefore we think this is an



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inadequate job, and we would like to turn around and go back.

And I think the reaction from the Commissioners generally yesterday was exactly that: We've got a very large problem in the credibility of what we're doing.

ADMIRAL ROWDEN: What I heard the staff say there was not what I understood that Commissioner Hoffman was saying, that what he, in simplest terms, said in my way of thinking was to look and see if the $200 million is certain to be paid for bedding down the Navy in a home port, in a dispersed home port situation, is the logical way to go, or should it be bedded down in some other way, namely the present ports that it's in.

It seems to me that you can't just look at the new home ports. You've got to look at the entire picture. And I just want to make sure.

MR. HANSEN: That is a daunting task, added to the list that I already read off, is the problem here. We will have to do the best we can with all of these analyses. But there is a lot of information available on the strategic home ports, and we will just collect more and present it to you.

I only have one other announcement.

MR. HOFFMANN: I think the other thing is that the Navy clearly can help, and I hope they get the message that that would be a very worthwhile thing for them to do from

the Commission's point of view. They could help in doing a regression analysis to show us what some of these things imply.

I cannot imagine in their heart of hearts they assume there's no risk in getting to the 600-ship Navy. And what you're talking about is compression on existing bases. Basically, the notion of getting dispersion is because of the compression on existing bases, which we recognize.

But the point is there is some place you can go short of the total package. We're being handed all or nothing, and there is some kind of a regression analysis that could be done to indicate that there are some savings there that could be taken.

And part of those savings is going to be a hedge against actually getting to the 600 ships.

MR. CRAIB: But the dispersion is part of a military strategy of not having all of our eggs in two baskets. Two bombs takes care of our navies for both oceans.

I don't think the Commission should get involved in questioning the strategy. And personally I agree that we shouldn't have our eggs in two baskets. I could see where we might just want to have two home ports on either coast and do away with Hunter's Point, maybe consolidate



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the Gulf ports down to two or something like that.

To try to jam even 570 ships into two home ports, one in Norfolk and one in San Diego, I think is impossible.

MR. HOFFMANN: I don't think anybody is suggesting that, number one. And number two, if the way to protect the base is simply to cloak it in a presumed strategic objective, okay, then we're lost. If that becomes the keys to the kingdom, I can make you some absolutely fabulous arguments for probably anything in the Air Force and anything in the Army and, if I think about it, anything in the Navy, that would bring tears to your eyes and wrench the flag out of your vest pocket and put it over your head.

But that's not the point. We've got to look at some of those. I'm not saying yes or no. There is a matter of degree there and I think we're capable of doing that.

MR. HANSEN: I think it was fruitful to do that. Only one other thing: Commander Zuttenbach will need to talk to Mr. Craib, Mr. Eagleton, Mr. Starry, and Mr. Train, who is not here, about the Navy shipyard paper just to wrap up a piece of polling business.

Okay, we're ready for the Air Force. Is the Air Force ready?



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COMMISSION DELIBERATIONS - AIR FORCE

COLONEL SANDEFUR: The Air Force is ready.

(Viewgraph.)

MR. HANSEN: We will begin in the same style and format as we did for the other services. The Air Force, the operational, overall operational considerations we found affecting the Air Force was a large encroachment issue in many areas -- southern California is one -- outdated facilities at some installations, although that's not a general problem for the Air Force. They're in pretty good shape.

The distance to range is important for every flying type service. It costs a lot of money to fly these airplanes.

And then we had the strategic -- and here we are with strategic again -- problem of having some nuclear alert facilities located too close to the coastline and putting them in harm's way of a Russian submarine-launched missile.

(Viewgraph.)

The proposals we have for you today that the process has come up with would reduce the Air Force by a total of 12,851 people --and I always suspect when I see those down to the last one, but I'm sure that's very accurate because the Air Force knows their numbers -- $458 million in steady state savings at five major installations.



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(Viewgraph.)

[redacted]

We started by looking at [redacted] installations. Within our validation and raw data checking effort, we found two categories that had -- or three categories that had information that needed a change. As a result, one of those materially changed the order and we eventually dropped one installation from further considerations. [redacted]

[redacted]

(Viewgraph.)

I would like to start now with the tactical Air Force. Now, the tactical Air Force is separated. The tactical air forces were broken into two categories, operational and training. And what we want to look -- the operational category had excess capacity, we felt, and the training category did not.

So we reviewed the training category later. In the operational category, we had nine bases that had the capacity to absorb a squadron-size flying mission. However, air space and ranges might limit the aircraft in the size



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of units that could be put in.

And we asked the Air Force to analyze, analyze the one base at the bottom, George Air Force Base.

(Viewgraph)

I think there was a clear distinction between

[redacted]

ens to also be the [redacted] So it's a major headquarters command.

George Air Force Base, located in southern California, part of the main problem with George is --

(Viewgraph)

-- it is a long distance away from the ranges that the type of airplanes that are at George right now need. And it also is in the Los Angeles International Airport area, and flying in that area is severely restricted.

The recommendation is to close George Air Force Base. It pays back almost immediately, with a steady state savings of $75 million a year.

(Viewgraph)

CHAIRMAN EDWARDS: The land is only worth $2.7 million?

MR. HANSEN: Yes. The land, while it is in the Los Angeles -- and do we have a map? It's on the other side



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of the mountains, desert side of the mountains. This is the one that I think we might look at as a potential home for a Marine Corps air base, because it's close to 29 Palms, which is where the Marine Corps trains, et cetera. I'm not sure where the air training is done in the Marine Corps, though.

So before we go too far --

GENERAL POE: They will have the same trouble with the traffic from Los Angeles.

MR. HANSEN: They will, but they have the same problem where they are now. They're in the San Diego-Orange County area. The whole area is a mess. It will definitely change.

MR. CLAYTOR: Where do you put the planes from George now?

CHAIRMAN EDWARDS: Before you go, how many people are there now?

(Viewgraph)

MR. HANSEN: It's a total of 6,000. But the impact on local employment of closing George is .8 percent of the total employment in the area.

(Viewgraph)

MR. HANSEN: Now, the migration diagram is very interesting for this. It's very hard to read, so if you might just focus on the large arrows. What is happening is



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George Air Force Base had two kinds of airplanes at it, F-4's and OV-10's. And in order to get the airplanes close to the ranges --

GENERAL POE: Let's explain that. The F-4G, which is the Wild Weasel which hunts missiles, SAM missiles, and that's a very specific kind of F-4, which requires the electronic ranges.

MR. CLAYTOR: What's an OV-10?

GENERAL POE: That's a forward air controller.

MR. HANSEN: In order to move the airplanes closer to the ranges, what the Air Force has done is taken the F-4's out of George and put them into Mount Home Air Force Base in Idaho. But in order to have the room to put them into Mount Home, they had to move something out. So they took F-111's out of Mount Home and sent them down to Cannon.

Now, what that does is, that's good for everybody. That's good for the F-4's going to Mount Home, it's good for the F-111's going to Cannon.

On the other side, the same thing: move the OV-10's to Davis-Monthan in Arizona. In order to make room for them, we have to move 130's out to Bergstrom.

Now, in the process in each case that improved the mission effectiveness of those units that flew those types of airplanes. So this is a good example of how when moving things around you make improvements and yet - because

you're not building a lot, it doesn't cost you that much.

(Viewgraph)

MR. HOFFMANN: And you have a 6,000 person capacity, then, in terms of facilities to look at in conjunction with our Marine relief?

MR. HANSEN: Yes, sir. [redacted]

B-1. GENERAL POE: [redacted]

We have been criticized a little bit on that.

MR. CRAIB: How many people does the Marine Corps have in El Toro? 4,000, 5,000?

MR. HANSEN: I don't know, but the key there is going to be the air ranges and the air space to make any of these big kind of moves like that.

GENERAL POE: It's not done easily. Every fighter pilot in the world -- and that's what I can say my trade is -- is going to hate my guts for closing George Air Force Base.

MR. CLAYTOR: It's a nice place to live.

GENERAL POE: And there's a lot of tradition to it. But you can't fly out of there like we used to do



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because of the trouble with the air traffic.

MR. HANSEN: General Poe mentioned the airplanes coming back, and part of the analysis, to be up front with the Commission, they started off by saying the Air Force had nine bases that could accept a squadron size. Now, we moved twelve squadrons out of George. But by making room around, there is still some capacity left in this category to accept additional flying.

Now, the Air Force's position is they need that flexibility for these unknowns. But I have to be open with you. There is some capacity there.

COLONEL SANDEFUR: Could I make a point here?

MR. HANSEN: Sure.

COLONEL SANDEFUR: One point we have to consider with the degree of flexibility that we need is the fact that overseas is a big question mark. We could see as many as 50 percent of our bases down over the next ten years. We have got the problems in the Philippines, we have got the Spain problem, we have got the Greece problem. We have got potential problems in Korea.

And so the Air Force is sensitive to the fact that it is cutting itself pretty severely in this operation so far, and we wouldn't want to cut too deeply. Of course, that's obviously up to the decision of the Commission. But it is just something to bear in mind, that we do need to

maintain a certain degree of flexibility.

The other thing you might want to consider is the fact of, again, air space and ranges. Just like the Army, we're suffering from a lack of air space access for air to air maneuvering and air to ground maneuvering. And so if we say there is space at a particular base to accept a squadron, it may be a non-fighter type squadron. It may have to be a support type of aircraft.

And so just a couple of things to keep in mind there.

MR. HOFFMANN: Do you want to make some remarks now with respect to the POM and Air Force aspirations in terms of fighter wings and various capabilities versus the realities that the Air Force is dealing with in making these suggestions?

COLONEL SANDEFUR: I could address that, sir. Traditionally, the Air Force has always gone for a 40 TAC fighter wing equivalent. Unfortunately, because of the fiscal constraints we're facing right now, we've been forced to reduce that number.

That doesn't mean that the Air Force has written that off as a concept. It is something that we still, as in the Navy with the 600 ships, that we are still striving toward ~~that.~~

But as you see the line flattening out, with the



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bow wave out there, it may be more difficult to obtain. However, there is no sense in cutting back too much. We have cut a considerable number of bases in the past. We took a very hard look at this for this particular Commission, and we feel we have given you a pretty fair product.

GENERAL POE: There's another thing, too. The coming aircraft I think -- the other point is that they are going to use a lot more air space, and even the ground support activities. The F-16 is requiring more than the F-4 did in working with the Army. The ATF is going to require more than the F-16 did.

MR. HANSEN: We've got the numbers on the loading at El Toro and Tustin. Tustin is the helicopter base and El Toro is the fighter base. El Toro alone has 12,000 people and Tustin has another almost 5, and so a total of 17.

It is quite a lot larger than George.

ADMIRAL ROWDEN: What's the civilian-military split there?

MR. HANSEN: It's almost all military.

ADMIRAL ROWDEN: How many civilians?

MR. HANSEN: Less than a thousand at both.

ADMIRAL ROWDEN: And there was 5,000 at George?

MR. EAGLETON: No, that was 5,000 military.

MR. HANSEN: About the same number of civilians.



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We have a housing problem for sure, if nothing else.

CHAIRMAN EDWARDS: The F-4 Wild Weasel is apparently phasing out or will be, with the F-15 or a Toronado or something coming in its place. Would that change anything or would that bring about any problems with what you're proposing?

COLONEL SANDEFUR: It shouldn't, sir. That was all considered.

CHAIRMAN EDWARDS: Any further comments?

CHAIRMAN RIBICOFF: Just one question, Doug. When you talk about closing a base or realigning it, have you discussed this with the Air Force?

MR. HANSEN: Oh, sure.

CHAIRMAN RIBICOFF: And were they amenable to your suggestions or did they take it hard? And I'm just curious.

MR. HANSEN: I think we can safely say that the list of [redacted]nstallations that we put up both this morning and yesterday, there ~~is~~ ARE no problems with any of those installations.

CHAIRMAN RIBICOFF: So in other words, there is cooperation? They feel that it's feasible?

MR. HANSEN: Yes.

CHAIRMAN EDWARDS: In fact, is this the Air Force



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solution to closing? That's not your solution, is it?

MR. HANSEN: They followed our process and came up with this solution. And we validated that that was good work, good analysis.

GENERAL POE: [redacted]

COLONEL SANDEFUR: It was not easy, however.

MR. CLAYTOR: There will be various people at various echelons that don't agree, or it would be a miracle.

MR. HANSEN: The Air Force, all services, these have gone through the highest levels of the services.

GENERAL POE: When I suggested that one of the major commanders, who shall be nameless, might have disagreed, the answer was: That's what you have a Chief of Staff for. So you can see that this was not an easy exercise.

MR. HANSEN: But I don't think we would have any problem. I mean, when we pursue other areas we will have more problems.

CHAIRMAN EDWARDS: Any other comments or questions? Any objection?

(No response.)

(Viewgraph.)

MR. HANSEN: The next categ



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MR. SMITH: Can we see the list in that category again?

(Viewgraph)

MR. SMITH: The one thing that's talked about from time to time is moving [redacted] from their base to closer to their support, [redacted] that the A-10's are with the Army units that they support on a regular basis.

Did we take a look at that?

COLONEL SANDEFUR: Would that be a benefit by means of, if they are able to fly there, then you're suggesting a co-location?

MR. SMITH: I'm suggesting is, if you can close [redacted] you close the base -- well, put the headquarters and two squadrons at [redacted] and a squadron at [redacted] or something. So you've got the flying capacity, but then they're co-located with the Army units that they're going to fight with.

Does that make sense?

MR. HANSEN: We would have to do some analysis of it.

COLONEL SANDEFUR: We could certainly take a look



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at it. Sometimes you get into command and control problems by splitting your assets like that. And that is 72 aircraft there, so that is quite a large move. They are contemplating that already with the buildup within this. That could be kind of the straw that breaks the camel's back. But we could certainly look at it.

MR. HANSEN: That probably would require some look.

GENERAL POE: The other thing you want to look at is that these are due to operate relatively short periods at forward bases, like from the United Kingdom, where they have all the shops and everything, to ~~Sinbach~~ Sembach in Germany, that sort of thing.

It's one thing -- if you split those up, I don't know whether you're going to have to have additional shop support or not. That is a very expensive exercise.

COLONEL SANDEFUR: And then the use of ranges, as well, is another factor to be considered.

GENERAL POE: We would have to know where [redacted] is.

MR. SMITH: They do most of their work at [redacted] and at [redacted] and at [redacted] with the Army that they support. There is an ACMR off the coast. I don't think they do much work there.

GENERAL POE: The thing that worries me the most



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is we don't want General Starry ~~to think~~ the damn things are assigned to him. We lost General Mitchell trying to get that straightened out.

(Laughter)

MR. SMITH: That's part of the inter-service problem. General Starry is not going to count on having those [redacted] when he goes to war, even though they're supposed to be.

GENERAL POE: General Abrams had the best answer. He said: I don't want the [redacted] assigned to me because that's all the Air Force would give me; I want to have the chance to have it all. That's why I would like to have them keep it. Peace.

MR. HANSEN: The only other point I would make is that to follow our array we would have to do an analysis of [redacted] and the cost of moving [redacted] would be, I'm sure, prohibitive.

MR. SMITH: Well, there are other A-10 bases, too. The other thing I don't know is that --

MR. HOFFMANN: But the arrays -- don't worry about jumping the arrays, because all you have to do is slide into that array and change a couple of screens and you can put whatever you want at the bottom.

[redacted] -- and we've already



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decided halfway through the day yesterday that is not what they do. It's just a handy way of starting a discussion about what is there.

GENERAL POE: Well, there are arrays and there are arrays. These things with this type of exercise may be a little bit different than the arrays you've seen before. Each array is different.

MR. EAGLETON: Doug [redacted] That was his first paragraph. Edwards just left the room. It made him sick. And he said -- he started off, I made a note because I was impressed, he said, why did [redacted] flunk when it's the best?

And he gave us a long explanation that what the array said was the worst was really the best, the best was the worst. So if we don't like the array, just turn the slide upside-down and [redacted]

(Laughter)

MR. EAGLETON: Don't anybody in this room be fooled by these crazy dots. You get dots out as to what you put in, and if you want [redacted] So I don't want anybody to be fooled that this is some kind of a magical slot machine.

MR. HANSEN: We do have a lot of information. I



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think I was maybe misunderstood. We collected a massive amount of information, but we did it based upon what was there. And the key, a lot of the keys to what we're talking about is taking what was there and moving it. And therefore, you would have to redo everything to get a new analysis.

MR. HOFFMANN: I don't think anybody is arguing there isn't good data behind it, but what I'm saying is, [redacted] what's the easiest, most conventional closing, what is it and how much does it cost -- and that's what, you know, you tend to want to see up there -- that is kind of not what we've got.

That doesn't mean it's not useful, but it is not doing -- it is not a regression analysis, is what it is not.

CHAIRMAN EDWARDS: It's useful as long as we understand what's in the equation.

MR. CLAYTOR: As I understood what you explained about [redacted] on the basis of the dots, is a candidate for moving things out of there. If you took 25 percent of the ships in [redacted] and put them



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somewhere else and left the rest of the base alone, that dot would move way over to the right, as I understand it, because [redacted] is overpopulated.

It's therefore a candidate for taking things out of it.

MR. HANSEN: That's correct, realignment.

MR. CLAYTOR: That's for realignment, not for closure but for realignment. And if you took 25 percent of the ships out of there, the [redacted] would move way up the scale.

MR. HANSEN: Exactly.

MR. CLAYTOR: That is what he was saying. So that it doesn't help you on the question of closing the base. It might help you in the case of realigning and getting stuff out of there and thereby improving the quality.

MR. HANSEN: That's very well put.

MR. HOFFMANN: Does [redacted] therefore give you some possibility, if you offloaded some assets, that would become a more valuable base? I.e., can you sever the headquarters function from the planes that are based there, okay, and take a look at that for some kind of a reassignment of those, and get rid of some of that property?

MR. HANSEN: The less costly move is to move the airplanes, just off the top of my head. But that is the one that has the most amount of land, if you want to count --



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GENERAL POE: Well, it's also the one you stage out of whenever you have an emergency. There goes the [redacted]

[redacted]

You see, the TAF is one whole force. That's Korea, USAFE, and the Tactical Air Force in the States. People in the States are required to do two things: train the guys overseas and rapid reactions.

Those guys, nearly all of them, the Guard and everybody else, are gone in 48 hours. But the immediate response to an emergency is out o[redacted]or its counterparts on the West Coast.

MR. HOFFMANN: Then how did it wind up at the bottom of the list?

GENERAL POE: It's because it's got an awful lot of -- and it's not very much at the bottom.

MR. CRAIB: It's got [redacted]

COLONEL SANDEFUR: The tactical fighter bases were pretty tightly grouped. They're all, again, pretty well looked after. They have been appropriated the amount of money necessary to keep them up to speed.

MR. HANSEN: The Tactical Air Command has also

UNCLASSIFIED ~~SECRET~~

gone to unit-sized maintenance shops and supply shops, squadron-sized, and broken up their centralized.

GENERAL POE: Well, that COMO enables you to do some things, but nobody is going to buy a $16 million test set for each squadron. So you've got to understand how COMO works.

CHAIRMAN EDWARDS: Anything else on this particular area?

MR. HANSEN: I take it we're doing an analysis of [redacted]

MR. SMITH: I would suggest at least a cursory look at the [redacted] bases and the utility of moving [redacted] in with the Army bases, as close as you can get them, and perhaps closing bases.

I think I want to recognize the Air Force has done a hell of a job, and to suggest that we're going to upset the whole applecart by looking at something else in the Air Force I think is wrong. We have got an obligation to look and see if there isn't something else that makes sense in this Air Force package.

And while we need to give kudoes, I also think we need to reserve the option of going and looking where there might be further efficiencies. I think the Air Force has always done a good job of funding its installations. If you look at them, compared to the other services they're



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in great shape.

And I think that the fact that they have taken good care of their bases and that they've kept plenty of bases may give us more opportunity for savings in Air Force installations. And so I would hope that, notwithstanding the fact that they've done a hell of a job, let's look and see if there isn't some other opportunity in the Air Force, because I think there will be.

And [redacted]s just one that I know that has been looked at previously, that there may be some merit to moving those squadrons and perhaps relocating them or co-locating them with the Army units that they're going to support.

GENERAL POE: That's another thing to say about the funding, then, because what you've got here now will break the O&M budget.

MR. SMITH: Unless you have the up-front money, I couldn't agree more. You're going to have to find a mechanism to fund the up-front costs.

GENERAL POE: Everybody's going to throw their hands up in the air if they don't get money for this, and then if you expand it --

CHAIRMAN EDWARDS: Take a look.

(Viewgraph)

MR. HANSEN: The next category then is the

Air Force mobility bases. There were three subcategories of that.

(Viewgraph)

The first subcategory is strategic air bases. The tactical airlift and special missions have no excess capacity, so we will review them later. In the strategic category, three bases in the initial analysis had the capacity to absorb a squadron-size mission. And so we asked the Air Force to do an analysis of Norton Air Force Base.

(Viewgraph)

Norton is very close to George. It has the same problems associated with air traffic and congestion, and on top of that it has outdated facilities. Therefore, it was recommended for closure.

Suitable homes were found for their missions there, primarily at March and McChord. It pays back very well. Again we noted, as General Poe has noted, both of these closure candidates had a significant one-time cost, a minus number. This is $137 million. That takes into account the land value, transition cost, and the Mil Con. So this is valuable or fairly valuable property.

I understand the FAA is interested in it as a civilian airport to relieve congestion, which may even make the problems around that area worse if they were to start bringing in jumbo jets or whatever.



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So a lot of implementation problems here, but it is a good candidate for closure.

ADMIRAL ROWDEN: Let me understand what you just said. If the land were not sold immediately, that net one year time savings would go to 197, $197 million?

MR. HANSEN: Yes.

ADMIRAL ROWDEN: It would increase by $60 million, so it is contingent upon selling it the first year?

MR. HANSEN: Yes. The one-time savings or cost, depending upon whether it's plus or minus, represents all of the costs or savings that you will incur during transition. So that includes the moving costs, the military construction, and any proceeds that you think you would get from the sale of the land.

So payback can look good and affordability could be terrible if those land monies don't get into the account, and that's what General Poe was saying. And that's why we will run a separate analysis of the bills, the Department's bills, the MilCon bills that will have to be paid on this, and then do an analysis of what money might actually be available.

As we value -- let's, to use a yesterday example, as we value the Presidio at San Francisco, all the land at Presidio, not just the part it can sell, we are going to come up with a very large number. It's going to make --

it might help us get to a $2 billion savings. [redacted]

Now, as a nation the payback I think is calculated right, using sound macroeconomic theory. But from the Department's perspective, there is bills to be paid. And right now the thinking is they are going to be taking out of the TOA and those sources.

The impact on closing Norton, we have another base that's 6,000 people.

(Viewgraph)

But again, because of the area it's in, it's a [redacted] And because of the air bases, most of the environmental impacts involve noise levels of airplanes flying around. If you would close the base, it improves the environment, it doesn't hurt the environment.

(Viewgraph)

The migration diagram for Norton. There were 141's, which are big transport aircraft, and small transportation aircraft. Norton was a transportation

command, if you will. Our moving to March Air Force Base and McChord, this gives me a chance to talk about [redacted] first.

[redacted] was one of the [redacted]ases we analyzed for closure. It is one of the two that eventually the recommendation is to realign into, as opposed to close. And we will talk about that later.

McChord is up in Washington.

Are there any questions about Norton?

GENERAL POE: I have to ask Jeff, did you find a home for the IG or just hope that it would go away? The IG is at Norton.

(Laughter)

MR. HANSEN: More importantly, let me make another point, because this is a good time to talk about it. There are one major activity at Norton which would not move and that is the headquarters of the Audio-Visual Command, primarily because they have a high tech building, a new one, which would cost a bundle to replace. And there's only a hundred and some odd people who work in it. It's got lots of machines and very few people.

And so the plan is it will become a sub-post of March. The housing would be kept in order to provide housing in the area for the military, perhaps the IG, I'm not sure.



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We want to coopt all of those kind of organizations on our side, don't we? And so this is a partial closure. Other examples within these which are partials, if you will, is we close the whole air base and then lease back a small amount of space for the National Guard or Reserves, so we don't displace them from their training area, primarily because the anticipated civilian use of this base will be as an airport and therefore the National Guard can train out of it.

And that happens regularly. I'm sure many of you are aware of a joint use type of arrangement like that. I believe [redacted]s a joint use air base already.

CHAIRMAN EDWARDS: Any comments or questions?

(No response)

CHAIRMAN EDWARDS: Okay.

(Viewgraph)

MR. HANSEN: The next category where we had excess capacity is the strategic category. What's important about the strategic category, one of the prime movers, is you will see some -- what do they call these things, Jeff, these lines?

COLONEL SANDEFUR: [redacted]

MR. HANSEN: This is how close an air base is to the Russian submarines who could knock it out. That's why



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it's Secret.

Obviously, further away is better. But at the same time, for other reasons, you can't have everything in Kansas. So there is a balancing act here.

What we found here is there were [redacted] ses with the capacity to absorb a squadron-sized flying mission, and so we asked the Air Force to look at [redacted] of the bases -- [redacted] I'm sorry, [redacted] ease Air Force Base.

One other base. We did ask them to look at three, but that will be under a different category or subcategory.

So anyway, the first one is [redacted] Force Base was lowest in survivability because, again, we got a condition here where the airplanes that were at [redacted] weren't very well located regarding survivability.

[redacted]

COLONEL SANDEFUR: [redacted]

MR. HANSEN: Which don't have a survivability problem. So the better solution for [redacted] as to take the strategic nuclear airplanes out of there and get them into a safer place, and then [redacted] ddenly becomes a good base. Mr. Claytor's example of move a few things around and all of a sudden this becomes a really good base.

So the recommendation here is that we do not

[redacted]ut realign into it and out of it. It provides a home for some stuff. So the migration diagram for[redacted] then --

(Viewgraph)

-- is to move the airplanes that need to be survived, move some airplanes out of Mather up into[redacted] In essence, what we're doing is not moving the airplanes out; we're moving the school from Mather into[redacted] and then [redacted]

MR. HOFFMANN: It looks like the KC-135's are in the same time zone if they go to[redacted]

MR. HANSEN: I'm sorry?

MR. HOFFMANN: It looks like your KC-135's, if they go to[redacted] are in the same warning time zone.

MR. HANSEN: Yes, that is what I was just looking at. We're going to check into that. That should not be the case. We should have moved them out of harm's way, not no difference in harm's way. Let me double check that. I just caught that, too.

I mean, it is no worse, [redacted] it should have been better. It doesn't fix any problem.

GENERAL POE: What it does do is put all of the training you already have at[redacted] where you train the bo[redacted]ers and the crews and all for the 135, and then you put



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the rest of the training in there, too.

MR. HANSEN: The navigation training from Mather, so at least consolidating the training is a good idea. And to make room for it, you do have to move airplanes out and make capacity.

But our process was designed to go for improvements in mission over no change to mission. However, no change was allowed. The only -- we did not allow a move that would actually degrade mission of any activity.

MR. HOFFMANN: Do we make any money doing this?

MR. HANSEN: Yes. It makes a lot of money. It will be down in the -- Mather is where the money is made.

Shall we come back to this one?

MR. CLAYTOR: You didn't look at [redacted] That was on the list, I noticed.

MR. HANSEN: [redacted] is in a different sub-category. It's a depot. It was difficult. Three of the five depots have alert aircraft or tactical aircraft.

GENERAL POE: You can lay that at my door. What I found was a large civilian work force at the depots really had a lot of things improved if they could look out every day and see the kind of responsibilities they had. So we put the F-16's at Ogden, where they had, and the F-4's before that, where they had built and worked on the F-16's, and they could see somebody's life was on the line.



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We couldn't get the proper airplanes into [redacted] so we put an alert facility there. We put the AWACS at Oklahoma City and supported those, and we went through that kind of exercise, C-5's at the depot at San Antonio.

But that's a deliberate thing. It is cost effective in that you have that. And also, it really does improve the productivity of those.

MR. HANSEN: What happens here is -- well, go ahead and explain it.

COLONEL SANDEFUR: Basically what you've got is, down here you've got your tankers and bombers mated, so you have a mating requirement. If you move your bombers out -- or your tankers, excuse me, out as we have done here, you then located your tankers and your reconnaissance assets in one area, so if you had [redacted] increased survivability condition you could then disperse your tankers out.

And that was the concept of combining the assets at Beale with the tanker and reconnaissance assets, keeping your training going on here.

MR. HANSEN: It just made it quicker to get them out, I guess.

COLONEL SANDEFUR: It just increases your ability to disperse them.

GENERAL POE: And it's a function of how many



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airplanes you can get on the runway at one time.

MR. HANSEN: But I guess, in our parlance, it is [redacted] a marginal -- it is not a degradation of mission, but it's certainly a marginal increase.

CHAIRMAN EDWARDS: It's a legitimate move, but we just need to be sure when we're explaining it that we don't trip over our tongues as to why we did it and then have to back up.

COLONEL SANDEFUR: There's another follow-on to that, where you're taking th[redacted]peration with Mather combined. It all interlocks, because if you wish to identify Mather for closure you have to put that undergraduate training somewhere.

Thereby, if you move the tankers out o[redacted] to [redacted]hat opens up slots for the aircraft associated with Mather that you see on the scatter diagram there. And that will give you the capability then to have the space for ~~the~~ these navigator training.

MR. CLAYTOR: Is the navigation training at Mather?

COLONEL SANDEFUR: Yes, sir.

MR. CLAYTOR: And that's a joint facility?

MR. SANDEFUR: Yes, sir.

MR. CLAYTOR: And the Navy does its training there too?



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COLONEL SANDEFUR: Yes, sir. So essentially, the thing comes together by virtue of the fact that it's a matter of a domino effect of moving your assets around. And in some cases, you couldn't move the undergraduate navigator training facility into [redacted] unless you moved something out. That something happens to be the 135's.

And you also get enhanced survivability from that.

MR. HANSEN: And the report back to us on what improves on moving from [redacted] to [redacted] is consolidating the split function, which is putting reconnaissance together, it improves their training and it improves the cost of operation.

I misspoke. It makes no change to their survivability, but it does allow them to get off faster, which is not measured on a chart like this. This is only time. But it is a function of how many airplanes you can take off at once.

CHAIRMAN EDWARDS: Any problem? Any objections?

(No response)

(Viewgraph)

MR. SMITH: Can we go back to that array a minute before we switch to another category.

(Viewgraph)

COLONEL SANDEFUR: We would still remain within the overall strategic category, but we would proceed to [redacted]

I will show you an array for that. It is just in a different sub-category of strategic. [redacted]s a tanker base.

MR. SMITH: That's a sub-category?

COLONEL SANDEFUR: This is an overall sub-category of strategic, bomber bases. We would then proceed to the tanker bases.

MR. SMITH: But how about Pease?

MR. HANSEN: We will do that next, unless you wanted to do [redacted]next.

CHAIRMAN EDWARDS: We thought you were leading us to [redacted]

MR. SMITH: I think it might be helpful if we could do it without getting classified. We're going from a B-52 fleet to a B-1/B-2 fleet. My impression is that the new fleet of strategic bombers is going to be smaller. Is there an opportunity in the overall context to talk about where the Air Force is going in the strategic bomber fleet versus this base?

I don't know how much you can tell us, and I recognize we don't want to get too much into force structure.

GENERAL POE: I think 1995, though, is pretty close.

MR. SMITH: That's what I mean.

GENERAL POE: What I mean is, what we're dealing with, we're going to be standing alert with airplanes older [redacted]

than the crews.

MR. SMITH: But the B-1/B-2 production lines are turning, and we're retiring B-52's.

GENERAL POE: Have you taken that into account?

COLONEL SANDEFUR: Yes, sir.

MR. HANSEN: We took into account that which was known through the five-year plan, which pretty much coincides with the period of time we have to implement.

MR. SMITH: Well, is the total number of strategic bombers going down dramatically over that period?

MR. HANSEN: No.

COLONEL SANDEFUR: We're still maintaining 52's. Let me not comment on that. I will have to check on that.

MR. SMITH: Well, I just have the impression that the strategic bomber fleet is going to get smaller by virtue of the fact that we're building B-1's and B-'2 and bringing them into the force structure. And if we're going to take the number of strategic bombers down by a significant number, it has basing implications, and I think it is something we need to look at.

GENERAL POE: We've got 100 B-1's, period, that's correct. That's all over, that's done. And so that impact has already been accepted to some extent.

Now we're carrying these cruise missiles for a period of time, and I guess my feeling is that for


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our exercise here -- we will have to check it, but our exercise here, I think we're still inside the window before the B-2 begins to allow us to take down the B-52's -- lord knows the Air Force would like to take down some of those things -- but before it allows us to take it down.

MR. HANSEN: We're looking right now for -- we know we've got some long time line charts.

COLONEL SANDEFUR: We have something called a bomber bathtub. You can see where it goes down in, but then it builds back up. And I can make a handout for you to show you what the influx of the B-2 will bring you back in.

CHAIRMAN EDWARDS: That will be helpful. But I think, given the state of the economy and so forth, that in the next four years a lot of changes could be made in what we're getting ready to look at.

MR. HANSEN: The bathtub refers to a dip and then it rises. Well, the rise is out there in the year 2000 and just before. And for us to be in a position as to whether that's ever going to materialize --

MR. SMITH: Well, the defense budget goes up in the out years. It always does. The only point is if there is some logical conclusions that can be drawn from what the bomber fleet is going to look like. I thought -- I'm surprised to see it going back up. Frankly, my impression was that, with the capability of the B-1/B-2, that we were

going to get two for one replacement with the B-52's or something like that, which would have significant basing implications over the short term.

COLONEL SANDEFUR: This was planned with the idea in mind of the bathtub effect. So rather than cut ourselves off at the beginning or halfway through, then not have anywhere to go, we figured that in.

MR. SMITH: Did you look at [redacted] I noticed, General Poe, you're scheduled to go to [redacted] I will try to plan to meet you there because I think that's a good one to look at.

GENERAL POE: I will be there the 21st.

MR. SMITH: [redacted] It is severely encroached. I don't know what its mission in the future is.

MR. HANSEN: The analysis of the capacity reserve in this category is, [redacted] does not appear. It comports with it is severely encroached. There is no room to expand. Now, whether you could close it is another question.

GENERAL POE: The problem is what do you with what' at [redacted] and what will it cost you to do that. I don't think anybody is talking about putting anything in [redacted]

MR. HANSEN: What's at [redacted]

MR. SMITH: B-52's are at [redacted] and if



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they ~~are~~ going out of the force structure, it certainly might make sense to close it.

GENERAL POE: It depends upon when they're going out and what replaces it.

COLONEL SANDEFUR: We would like to get these back.

MR. HANSEN: The rise is all based on the B-2. Everything else is either slightly down or levels out right near the end of our sort of planning period, at about 280 maybe, as opposed to 380. It's about 100.

MR. SMITH: In the window we're looking at, it goes down to 100 airplanes.

GENERAL POE: The real problem you have, we had a thing like this years ago and the B-1 slipped and slipped and slipped. And where you had this dropoff, the B-52 zeroed out off this chart to the left. So we shouldn't get trapped.

Now, for example, I sold all the drop tanks from the straight-wing F-80 -- bent-wing F-84 to the French, and then I got to buy them all back again. And they were happy to sell them all back for three times the price.

So I think you've got to be awfully careful with everybody talking about the B-2 up here. If it doesn't come in, the B-52 is going to stay around. These guys are playing a game with us. I would be awfully careful.

CHAIRMAN EDWARDS: Okay. Do you want to go to Pease or [redacted] Which is the most logical?



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MR. HANSEN: We will do Pease.

[redacted] is a visit and we will wait for further guidance o[redacted]

CHAIRMAN EDWARDS: When are you going down?

GENERAL POE: The 21st. What I intended to do at [redacted]s the same as anything else, just see if the data that we got is the same data you have on the books. I would presume the Air Force would make sure that it is by the time that we get down there.

(Viewgraph)

MR. HANSEN: Pease Air Force Base was th[redacted] [redacted] in the category. However, this was a fairly easy candidate because they're taking the main number of airplanes out of there and sending them someplace, and that's classified higher than I think we can get into.

GENERAL POE: The mission is changing for the aircraft.

MR. HANSEN: [redacted] It's also a prime candidate for a regional airport. The net one-time savings is a savings because of the move of the airplanes out. We don't have to construct new ones. And on top of that, there is a steady state savings of $134 million.

(Viewgraph)

[redacted] The impact on the economy is 2.3 percent of the



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local economy. However, it is a prime candidate for a regional airport, and that I think their ability to recover is pretty good because of that.

CHAIRMAN RIBICOFF: How far is it from Boston?

VOICE: About 55 or 60 miles.

MR. HANSEN: About 100 miles is suggested.

VOICE: No, it's not 100 miles.

(Viewgraph.)

MR. HANSEN: Right at the bottom of the map here is Gloucester, Mass. Portsmouth, New Hampshire, is where it is.

VOICE: It's a little more than an hour out of Boston.

CHAIRMAN RIBICOFF: That's where the great growth is, from Boston up to that point. So they could use an airport up there. That would be a great boon to that whole area.

MR. HOFFMANN: Are there going to be Reserve units or anything left there?

MR. HANSEN: Yes. Pease has Reserve units.

COLONEL SANDEFUR: We understand it is 75 miles from an expert.

MR. HOFFMANN: Here is what happened. There is a creature known as the Airport and Airways Act that requires the sharing of air facilities such as airports



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for civilian uses. And while it expedites the conversion into a civilian use, and they did this down at Orlando and they were looking to do it up at Rocky Mountain Arsenal, while it speeds the conversion to civilian use, it means there is no money exchanged.

And so the problem with that is, if you ask the local authority to come out with a tax-free bond issue and buy that thing, you would be in one shape, but the line of least resistance is to take the Airport and Airways Act and make an application. Unless the Secretary of Defense can state that he needs it under the statute, it has to go for that civilian co-use.

So that one, that is going to be problematical in terms of a recovery of money to get this job done.

MR. HANSEN: We had the FAA come in and talk to us, and they left the impression that perhaps the actual runway and maybe the taxiways are conveyed at no cost, but that when you built a regional airport like that there was the rest of the land which might have been unutilized at all, could be turned, converted to commercial use, and we would get some proceeds out of it.

I think it's all tied in with a part of, are we really going to get any proceeds out of this. And we've got a whole task force working on this with the service experts, with GSA, et cetera, to figure out, because that is the key



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to ~~the~~ affordability question, is what proceeds of sale of land are going to come out of this, if any.

The migration diagram for Pease then, with the F-111's [redacted] B-1 the only thing that's left is tankers. And what the best option for the movement of these tankers is, instead of trying to find a single place to put them in and cost a lot of money in construction, they would be placed close to or at the installation where the bombers that they needed to support are.

And therefore it's two planes here, three planes there, five, and so on and so on. And so the plan is, that is why there was not a cost, that one-time cost. There was very, very little, if any, construction required to make this move.

B-1

GENERAL POE: Excuse me. You mentioned [redacted] and everybody in this room ought to really sit on that and not say anything. It's got all kinds of political and other implications, and so we shouldn't talk about it at all.

If you didn't hear it, good. If you did, forget it.

MR. HANSEN: Or if you have to say where you heard it, say you read it in the Washington Post, because it was in there.

The problem is is that the word got out before



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any of the delicate negotiations with the host nation had occurred, and they get a little piqued over things like that.

CHAIRMAN EDWARDS: Any problems with this one?

(No response)

CHAIRMAN EDWARDS: Any objection?

(No response)

(Viewgraph)

MR. HANSEN: [redacted]ir Force Base. We've got a category of tanker bases with only two in it, if you will. Again, it was a survivability problem. But looking at the analysis of the array, if you were to move the problems out the base itself was very good.

And if you recall from an earlier discussion, Norton Air Force Base was a mobility base. They had large mobility aircraft, and there is a requirement to have two of those on each coast or three on each coast. And therefore, by doing away with Norton, you had to find a coastal location for those.

And [redacted]was the best coastal location for them, and so in essence what's happened is, between the two bases, [redacted]nd Norton, we have taken a look at the two and said which one is the better of those two, and the answer was [redacted] And therefore, we changed the type of base [redacted]ll be to a mobility base and clesed Norton.



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GENERAL POE: [redacted]

MR. HANSEN: The reason there's no payback on here is the payback is associated with Norton.

(Viewgraph)

MR. HANSEN: The migration diagram here shows what has to be taken out of [redacted] in order to free up space for the stuff that's coming into it from Norton. And again, we're just moving tankers around, closer to where the bombers that they need to support.

CHAIRMAN EDWARDS: Any questions on this one?

(No response)

CHAIRMAN EDWARDS: Any objection?

(No response)

CHAIRMAN EDWARDS: I assume the record will show that when I asked if there is an objection and don't say anything further, that that means there was none.

(Viewgraph)

MR. HANSEN: The next category is Air Force flying and training bases. There were two kinds of bases or two kinds of sub-categories in that. The first sub-category was pilot training.

(Viewgraph)

Which is no excess capacity. And the second one is other flying training, which we --

CHAIRMAN EDWARDS: Excuse me. Let's look at that first one just a minute. That's where you say there's no excess.

(Viewgraph)

MR. HANSEN: This is entire flying training, split into two categories. Five bases are flying training and there is three in the other category. There should be eight dots on there.

[redacted]

(Viewgraph)

MR. HANSEN: Now, Mather we've already talked about briefly. Mather is -- had two major missions. [redacted] aircraft were located there, but they were already programmed [redacted] And the only other major mission there was the navigator training mission, which if you recall we moved to [redacted] an all-purpose, multi-function training base.

Good payback, although there is a construction cost associated with one-time cost. A steady state savings of $110 million.



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GENERAL POE: This probably wouldn't have been around this long, but there have been some very positive things put in the Congressional -- in public law from time to time to stop even studying it, closing it.

MR. HANSEN: This was on -- Senator Eagleton has asked us to do an analysis of the previous lists. We found four previous lists and couldn't really figure out where the first three came from or why things were on it. But the last list that came out was three bases, and from all we can tell that was a pretty serious list. And Mather was on it.

ADMIRAL ROWDEN: Didn't we just move 135's to Mather in the last chart?

MR. HANSEN: It moves in and moves right back out again. Is that right, four tankers go to McClellan?

(Viewgraph)

MR. HANSEN: We moved into Mather and took them back out and moved them to McClellan, which is about five miles down the road. It's a depot. So the depot then -- that's one of the depots that does not have a flying mission and now they will, which is an improvement in that regard.

We moved the school aircraft out t[redacted] and then we have already talked about the move from [redacted] to [redacted]

CHAIRMAN EDWARDS: Any problems?



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(No response.)

CHAIRMAN EDWARDS: Any objections?

(No response)

CHAIRMAN EDWARDS: Okay.

(Viewgraph)

MR. HANSEN: The next category is Air Force technical training bases, of which there are five. We found that four bases had the capacity to absorb non-flying missions and no base had the capacity to absorb any [redacted]

[redacted]

(Viewgraph)

(Viewgraph)

MR. HANSEN: Chanute Air Force Base was rated the [redacted] because the availability and the quality of facilities detracted from mission accomplishment. It's a small base, et cetera. And we could find good location for others.

This was, of the [redacted] closure candidates, we're right on the margin here on payback. The land is farm ~~land~~ land in Illinois. It's not worth hardly anything. The construction costs are quite high, and the steady state savings is not great, which is reflected in the payback.

And so on the margin here, we're right on the margin on this one. This has a big bill to pay because the land value is not worth much and the steady state is not

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as high.

(Viewgraph)

The impact on the economy is 3,000 people, three percent of the local employment, and the environmental impact is none.

(Viewgraph)

MR. HANSEN: We are consolidating split functions here, moving activities out of Chanute to Keesler, Lowry, and Sheppard.

COLONEL SANDEFUR: Of all the bases in this particular category, Chanute presents the opportunity because it is more or less a single mission type of operation, not as complex as the other facilities within the category. And so this offered us -- with the existing capacity, it gave us the opportunity perhaps to close one in that particular category.

We are cutting it pretty close then if you decide to close that, but we can still maintain it because of the realignments that you see here. But that would then be using up the excess capacity.

CHAIRMAN EDWARDS: Did you look at [redacted]

COLONEL SANDEFUR: No, sir, we didn't. [redacted] is a multi-purpose operation, pretty complex, and probably not worth it. We could obviously look at it if you like.

CHAIRMAN EDWARDS: No, I was just thinking that

the cost of construction is so high on Chanute, I was just wondering if there was another opportunity.

MR. HANSEN: Do you mean to look at [redacted]s a receiver?

CHAIRMAN EDWARDS: I was thinking more of, is there one of those that would produce the greater savings.

MR. SMITH: The other option, notwithstanding that dot matrix, is [redacted]s no flying missions. [redacted] high value real estate.

And what's there? The finance center, a big administrative facility.

GENERAL POE: But training facilities are extremely complex. This is an aircraft mechanic place at Chanute, which I don't know what it would cost to change it, but my guess is, you're right, [redacted] but it doesn't require anything else except training.

And it just depends upon the cost. Did you look at the cost of replicating [redacted]

COLONEL SANDEFUR: I could get that.

MR. HANSEN: We only asked for the analysis of Chanute because it was the [redacted]rated.

GENERAL POE: Chanute has always been sort of falling down. Grass is growing through the old runway.



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When you give speeches over there, you used to have to rent an Air ~~Force~~ Club airplane to fly in. And I'm not sure the Air Force really wants to get rid of any of these, but they're working the problem because they are on the margin.

MR. HANSEN: If I could make a suggestion. I think this is -- within the process, this is a good candidate for closure. [redacted]

My recommendation would be that we include this subject to checking the affordability issue with all of the Commission's recommendations. And then if it turns out that all are affordable, then we have a go. If it turns out all are not, then the Commission will need to look back into what the deliberations were and choose the ones that aren't going to happen.

Does that make sense?

MR. SMITH: I have trouble understanding how it's not affordable if it pays back within six years. I mean, our charter is not -- I mean, we look at payback analysis and you tell us it pays back in six years. It ought to be affordable under our criteria.

CHAIRMAN EDWARDS: I'm not suggesting it's not. I think I am thinking about sitting in th[redacted]nd looking at me and saying: For God's sake, if it costs



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$218 million to get out of there, I mean, have you guys lost your minds?

And I don't mind answering the question. I told Abe, I said, that's the day I'm going to get sick.

(Laughter)

MR. FANSEN: That is a good example of what goes on with the affordability issue. And Mr. Smith is right, because the land value is virtually nothing, then this one is a true payback. I mean, this is the same example of the payback that you get if you counted no proceeds in the land, from anything. This one would still pay back in six years.

The real problem with the affordability is when it got to six years, because there's a $100 million property there and then somebody says, but we're never going to receive the proceeds for that $100 million property, therefore this is never going to pay back. If you put zero in for property, it breaks the bank.

So this still pays back. But as far as finding the milcon money, if the Air Force has to come out of the TOA it's hard to find $218 million.

MR. HOFFMANN: I think we're going to run into this when we see this affordability thing. You've got, you know, the paper trail of, by golly, we swapped these assets and we made this notional assessment in San Diego or San

Francisco or wherever. But on a cash flow basis, when you get down to the cash flow analysis of how this is all going to work, that you see is the loophole that Congressman Aspin has suddenly discovered.

MR. CLAYTOR: That's right. Somebody will come in and put a condition that no money in this appropriation can be used to fund the construction.

MR. HOFFMANN: Well, they can't do that. Well, yes, I mean, they're just going to say, we can't appropriate that because it's not timely.

CHAIRMAN EDWARDS: If I understand what you're proposing, $218 million, give or take, would be to construct facilities at the receiving bases.

MR. HANSEN: And to move the people.

CHAIRMAN EDWARDS: What if you put that kind of a facility at [redacted] here you're doing some shuffling? Are there facilities at bases that are not necessarily technical training bases, or is it necessary to be at a technical training base?

COLONEL SANDEFUR: I think the concept here was to move those existing training facilities into a base that had similar facilities and similar programs and just enlarge those, rather than reinvent the wheel at a particular additional base. That was the concept.

CHAIRMAN EDWARDS: You think that makes more



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sense?

MR. HANSEN: Similar training courses. They may not be exactly the same, but it's kind of like the economies of scale. You put similar things together and you gain economies of scale.

GENERAL POE: The training has become very sophisticated, and in fact for all the services, I'm sure, a lot of them, universities and all come to places like [redacted] to learn about it, the electronic blackboards and computer operations and that sort of thing.

And you will have next to the Congressman who is asking you questions, you will have I think six ex-commanders of Chanute who live in the local area, probably backing him up. [redacted]

MR. HANSEN: This happens everywhere. Every base we close, we close support to retired people. That's one of the impacts.

CHAIRMAN EDWARDS: Any other comment on this one?

MR. SMITH: Mr. Chairman, I would just suggest we take a look at [redacted] For my money, I don't know why you can't close both Chanute and [redacted] If you looked at what's moving out of Chanute, it's 100 people to Keesler and 100 people to Lowry and 100 people to somewhere else.

Most of those people go away, because you're already doing tech training at Keesler and you're already -- you've

already got the infrastructure set up there to handle that. What you're adding is classrooms.

GENERAL POE: You're talking about a lot more than 100 people.

MR. SMITH: Transferring to Lowry, I see 142.

MR. HANSEN: But it's 1300 into Sheppard.

MR. HOFFMANN: How many of those are students?

COLONEL SANDEFUR: That doesn't really show the students. That's the PCS. The student is another number.

MR. HANSEN: The student loads aren't in there, but that 1600 moving, 1600 people out of Chanute into three places -- looking at closing [redacted] you would have to move 7,000, not even counting the students. So it's much, much larger a move.

MR. SMITH: Well, [redacted] And like many other locations, I wouldn't- suggest you move that facility. It's already paid for. Just draw a gate around the facility.

COLONEL SANDEFUR: [redacted]

MR. HANSEN: We need to do the training loads,



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because that's a key as to whether you close [redacted] So we will just do the training loads, because they aren't on these migration numbers. Is that acceptable?

MR. SMITH: You have a lot of capacity at [redacted] to take -- I mean, you've got a lot of real estate. You've got the space to put facilities in if that's needed. And [redacted] is high value real estate.

MR. HANSEN: We will look at it.

CHAIRMAN EDWARDS: Then are we agreed on Chanute, and we will take a look at [redacted] Is there any objection to that?

(No response)

MR. HANSEN: The next category -- or all of the next categories then are either full categories or task forces, if you will, or smaller sub-categories that had no excess capacity.

(Viewgraph)

MR. HANSEN: The first one is tactical training bases, beginning with the lowest rated base is [redacted] However, as we indicated earlier, the staff had not found any excess capacity in that category.

CHAIRMAN EDWARDS: Were you going to comment further on that?

MR. HANSEN: No.

CHAIRMAN EDWARDS: Does anybody have any questions



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or comments on this particular one.

MR. SMITH: I would comment on one base, Mr. Chairman, I think that might deserve a look, and that's [redacted] which is the home of a number of Air Force headquarters and administrative communications facilities, and it's the home of an [redacted] wing.

General Poe and I talked a little bit about what they're going to do with those [redacted] They're going out of the force structure eventually and will be replaced with some other bird. That is the only squadron of its type.

But it is in the [redacted]

And there may be an opportunity here for some kind of a joint effort with the City of [redacted] that would make this very profitable. And certainly the military mission, the [redacted] is a mission that can be done in a lot of places.

GENERAL POE: Well, thanks to [redacted] you've got a little Pentagon down there. It is a very fine facility.

MR. SMITH: Yes, a big [redacted] building.

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MR. HOFFMANN: But theoretically, with an airport moving in there, you could sell it to somebody.

MR. HANSEN: In fact, we have aircraft moving into [redacted] out of [redacted]

MR. SMITH: That's [redacted]

MR. HANSEN: Yes.

MR. SMITH: All I'm suggesting is there is a lot of valuable real estate here with a flying mission that is a mission that can be done anywhere.

The [redacted] is another issue and I'm not sure that it would make sense to talk about relocating that or not.

GENERAL POE: What do you know about the replacement for the [redacted]

COLONEL SANDEFUR: Sir, as far as the Air Force program goes, there are [redacted] there and it doesn't show them being programmed out through [redacted]

GENERAL POE: That's where you train the guys for both Pacific and Europe. And I don't know. I would imagine -- how far does that program carry?

COLONEL SANDEFUR: This goes up to [redacted] B-1 They do have F-16's coming in in the out years.

MR. HANSEN: When Mr. Craib and I were at Nellis, they were flying F-16's. They had them configured for that. They were testing them.

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MR. SMITH: Well, it is a target of opportunity.

COLONEL SANDEFUR: There is a tremendous amount of operations. I've got a note here. At [redacted] et cetera, et cetera. There are some minor things in the area.

They have got about 40,000 retirees that use the facilities, the commissary, et cetera. There is a lot of activities that are ongoing, and actually 40,000 is a pretty big number if the Commission is concerned about impact on retirees.

MR. SMITH: They're just an hour from [redacted] and those facilities.

CHAIRMAN EDWARDS: Is it worth pursuing?

MR. HOFFMANN: I think it's worth taking a look at.

MR. SMITH: General Poe probably has a better feel.

GENERAL POE: Well, once again, I think there is no question that before -- you know, I had my mind improved by the President out there. We even put -- what's this grass you put in football fields -- because he didn't think the place looked very nice.

And I had about 300 people working on the ranch. But what that means is is that we had a whole lot of things done to that station, and including a building you've got to



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see to believe, for a number of Air Forc[redacted] with all of the built-in communications and the rest of it. I would think that the Air Force would feel better continuing to put airplanes in there than I would move them out, because of everything else on the base.

MR. HANSEN: Well, that could bring up one other point. Later today we have a discussion called high value property discussion which we tabled from the previous business meeting. And I might say that many of the bases we have been asked to look at fit that category. They are high value property -- [redacted] and the list goes on.

And that does change the way the process is set up, and that, I think given that we were meant to, required to develop a process, that I think it's important that we make sure we have a process that is defendable and explainable and so forth and so on.

II



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GENERAL POE: My problem is what are you going to do with all those airplanes? They have to go as a group someplace, but you might check to see what they're doing with that airfield.

The two runways, as you point out, are just like this. They're lined up. But the point is, if you take off of [redacted] you head right over the other air base. And for training people, it's always been a problem for both sides. There's no question about that.

MR. SMITH: The situation is this is [redacted] This is Bergstrom. The approach paths cross and they're going to build a new airport out here.

I mean, if you're just talking about making the situation worse in the city, it's tried for years to get their hands on [redacted] for joint use, unsuccessfully.

GENERAL POE: And the property does not belong to the Air Force, as I remember. I couldn't handle demonstrators. They had to be done by the local sheriff, which I appreciated because he handled them much less pleasantly than I had to. I had to be polite to them, and we had a little [redacted] law there.

I don't know if it's in the FYDP that those airplanes are going to be there for some time. I'm very reluctant to screw around with it.

MR. SMITH: The real problem is what do you do with that wing of [redacted] If you can find a new home for them, you can really free up the flying capability to consider putting the city of [redacted] there, and certainly keep the administrative headquarters, and you could certainly keep the Guard and Reserve.

GENERAL POE: Why don't you ask the Air Force to see what they would do.

COLONEL SANDEFUR: The Air Force is also working a joint use program with [redacted] at this time as we speak. So that is something that they are doing to resolve the problems.

MR. HANSEN: We will get some more information.

GENERAL POE: Find out about the joint use and find out about the alternate aircraft. They used to be split between Mount Home.

COLONEL SANDEFUR: We can look into that, sir.

(Viewgraph)

MR. HANSEN: The next category is Air Force. The subcategory in the Air Force mobility task force is tactical airlift. There are two, [redacted] And maybe you better describe what the difference in those categories is.

COLONEL SANDEFUR: Well, you've just just as far as, the concept is strategic airlift with the 141's and the



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C-5's moving long distances, and then you have the tactical airlift, which are the 130 aircraft, moving short distances and other additional special missions. And they work very closely with the Army in a lot of cases, moving their particular forces around.

MR. HANSEN: This sub-category, as well as the special mission category, given its size, has a limited ability to move around and there was no further analysis done.

CHAIRMAN EDWARDS: Any problem?

(No response)

(Viewgraph)

MR. HANSEN: This is followed by special missions. There are only two, one of which has the President's attention also. And [redacted] as well. It would be similar to [redacted] It's the headquarters, and that headquarters sits on an operating base, which is the Air Force normal way of operating.

CHAIRMAN EDWARDS: Any problem?

(No response)

(Viewgraph)

MR. HANSEN: The next category was, the overall category was strategic bases. The first one was strategic missile bases. These are all the bases that have our



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silos. We found no excess silos.

Well, let's be honest. We didn't try to count for excess silos.

COLONEL SANDEFUR: There is about 1100 holes in the ground.

MR. HANSEN: I think there's 1400, somebody told me. We could get the number.

CHAIRMAN EDWARDS: We don't really have much opportunity to deal with this, do we?

MR. HANSEN: No.

MR. HOFFMANN: Well, if you want to invest in force structure, it's almost the best.

MR. SMITH: But aren't Minutemen coming out of the inventory as we're bringing MX on?

GENERAL POE: There are so many options for using those silos for other things.

CHAIRMAN EDWARDS: Do you mean if we close all these things we could force them on rail?

(Laughter)

MR. HANSEN: We would probably still have to have the bases for the rail cars.

CHAIRMAN EDWARDS: Any problems?

(No response)

CHAIRMAN EDWARDS: Jim, I see you're staring.

MR. SMITH: Just if we take Minuteman I out of the

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force structure and any of these bases is dedicated to Minuteman I, you don't need the base. You close the gate.

GENERAL POE: When is it coming on?

MR. SMITH: I don't know. My understanding is, though, that MX comes on, you've got more warheads on an MX than you do on a Minuteman I, and so you put an MX in the force structure, you've got to take three or four or five Minuteman I.

I mean, the Air Force ought to be able to answer this question for us.

GENERAL POE: You've got a thousand Minutemen.

COLONEL SANDEFUR: Let me check with my expert.

MR. SMITH: Some of them are Minuteman III's, some of them are multiple warheads.

MR. HOFFMANN: The answer is still dispersion. You will not bunch them up on one base. You will disperse them.

MR. SMITH: I don't think that's the case, though. I think you've got -- Malmstrom has a Minuteman III base. You've got Grand Forks as a Minuteman I base. I don't know, that's not right, but that's the way it's been done. As you modernized Minuteman I to Minuteman III, you did it at a base.

MR. HOFFMANN: Is there excess property at any of these?

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COLONEL SANDEFUR: Minuteman I is already out and Minuteman II is filling those up. They came to no excess capacity in this area.

CHAIRMAN EDWARDS: Okay.

MR. HOFFMANN: And no excess property at any of these high-rent places like Minot?

(Laughter)

MR. SMITH: Well, the silos are all out in the wheat fields, and the farmers claim it. They will say, that's my silo, and the Air Force just has an access road to get to it.

(Viewgraph)

MR. HANSEN: The next category is just conventional bomber bases. There are only two [redacted] and [redacted]. And we already have one analysis going on of putting [redacted] and [redacted] together and covering that.

COLONEL SANDEFUR: I could make a comment on that if I could. We got some information. We checked with the Air Force and they indicated they could accept perhaps twelve more aircraft.

The Navy has somewhat a larger number than that, about 60, at [redacted] with 40 of those are full-time. So we can give you more details on that.

MR. HANSEN: Is that accepted without construction or just totally accepted, period?



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COLONEL SANDEFUR: That I would have to check on. It is probably ramp space, is your biggest problem.

MR. HANSEN: [redacted] indicated it could expand to a squadron. My guess is that is accept without too much cost. Then we would have to check. We will still do some analysis on Loring.

Guam is, given the location of it and the problems we are having in the [redacted] et cetera, I wouldn't recommend any action on [redacted]

CHAIRMAN EDWARDS: Any comments or questions?

(No response)

CHAIRMAN EDWARDS: I think [redacted] having been mentioned in every publication that's ever been printed on the subject of closures, is going to need, while maybe not in the report, some explanation for your servants who must go and testify or answer the media at some point along the way.

What about [redacted] What have they done up there? I mean, they've got ten feet of snow and planes that don't need to be there any more. What is different about [redacted] since all this stuff used to get written?

COLONEL SANDEFUR: Originally, the Air Force did want to close it, [redacted] it had a nuclear mission and so they were not allowed to close it. And so what they did was, the main reason they wanted to close it is because of their vulnerability in the nuclear role.

And so they readjusted and went to a conventional role. And they have a large area for storage of conventional weapons up there, and I think they're putting in approximately $54 million to upgrade the facilities toward that end.

And so they have stepped back, they have looked at it, and they have said it was impossible to close, we will readjust the mission and then optimize the base. And that's just what they've done.

So they reacted to what they saw as the writing on the wall, optimized their mission for their needs, and it is functioning quite well now.

CHAIRMAN EDWARDS: And so it is not a serious contender at all?

COLONEL SANDEFUR: No, sir.

GENERAL POE: That might be a good thing to have in your hip pocket during any hearings. [redacted] is a good example of a problem we had in the past, when it was not allowed to be closed. The service accepted that and they put a lot of money into it, and that's the way it is now. I think there's more than one example.

I imagine you can get an example in any service for that, which might be useful for you all to have.

MR. HOFFMANN: But where would that capability have gone if they didn't build it into [redacted]

MR. HANSEN: That's hard to tell.

MR. HOFFMANN: It's conventional bombers, okay.

GENERAL POE: In the last ten years, we've had more and more requirements indicated for that kind of ability, both support of the Army and support of anti-terrorist and all kinds of missions, to improve on the rather curious method of using airplanes in Southeast Asia and even in Korea.

MR. HANSEN: Airplane loading at [redacted]s 14 B-52's and almost -- we can't add fast enough, but it's a bunch of tankers, I mean literally a bunch.

MR. HOFFMANN: Well, where did those tankers come from if they weren't there originally?

MR. HANSEN: Well, I'm sure some were there.

COLONEL SANDEFUR: Yes, they were. That is, the tanker and the bomber, so there were tankers involved traditionally.

GENERAL POE: Also, the KC-10 mission forces freed up KC-135's for conventional.

MR. HOFFMANN: Well, this is going to come out in the chestnuts.

MR. HANSEN: Well, I think we need to talk about the overall list, and we will need to get clear which ones we're going to call chestnuts. There is a lot of things on that list.



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GENERAL POE: See if you can't get a list of the money and what it's spent for since the time that they were denied the opportunity to sell it or to get rid of it. And I think you will find things like loading 108 500-pounders on B-52's is a pretty interesting exercise. There are probably some special techniques for that. And the space you have to have between the aircraft when they are loaded.

CHAIRMAN EDWARDS: And someone has found a way to keep it from snowing up there.

All right, are there any other comments on this area, then?

MR. HANSEN: We will give you some more information on [redacted]

(Viewgraph)

MR. HANSEN: The next category in the strategic was reconnaissance bases. [redacted] is a true reconnaissance base, [redacted] is a reconnaissance base with another major command headquarters on it.

[redacted], if you remember, received some aircraft in the previous drill. It's well situated. It has the SR-71's, as well as others.

CHAIRMAN EDWARDS: Any comment?

(No response)

(Viewgraph)

MR. HANSEN: Pilot training was the next sub-category



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of bases that we found no excess capacity. In fact, if you recall Secretary McGovern's testimony at our very first hearing, he specifically mentioned this category and said that he was concerned that they had cut this one to the bone a few years back.

CHAIRMAN EDWARDS: So there is no proposal here?

MR. HANSEN: Nothing. Yes, I had mentioned that Secretary McGovern had specifically testified in this category that there was something like 95 percent, 95 percent of the peacetime load.

We have the problem with losing pilots and therefore having to train more pilots because they're losing them to the airlines. He was particularly concerned with this.

CHAIRMAN EDWARDS: Any comment?

I apologize, we were trying to take care of your lunch while you were talking. Okay.

(Viewgraph)

MR. HANSEN: The last category then, which is a full category for us, is the depot category. In the depot category, if you recall previous discussions of the Army's and Navy's depots, we used the percent utilization of capacity.

All the Air Force depots are multi-function depots with, I think, [redacted] being the exception. But they're

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all working to full capacity or over the standard set by the Department of Defense, and therefore they're not excess.

(Viewgraph)

MR. HANSEN: And of them, two bases could accept some flying mission, and we've loaded up one of them with some flying mission, [redacted] So we didn't find anything in this category.

GENERAL POE: [redacted]s sort of a gold watch. They found a place there in [redacted] where somebody was going to put in some machinery and put some huge blocks down and, because the sub-land is very stable, and so they do geodetic and other work. They do gyros there for all the services.

And I used to figure we ought to have an Army division around it to protect it, because if anything happened to [redacted] why, all kinds of things would go bad. Avionics is catching up with that, but I don't see anything for another 10 or 15 years.

It's very small, but it is a critical kind of a place.

MR. HANSEN: And the others are not small, they're very large.

GENERAL POE: For example, if you would like, I'm curious on this, [redacted] of the other services.



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[redacted] are the largest payrolls in those states. Now, you can get somebody's attention there. In [redacted] goes down to number four.

CHAIRMAN EDWARDS: Tell me about it. I had one in Mobile.

(Laughter)

CHAIRMAN EDWARDS: I had 14,000 civilian employees, and you don't think that's a blow.

GENERAL POE: And you get credit for it because you came on board.

CHAIRMAN EDWARDS: I was elected two weeks.

I survived, but it took a few years off my life. I'm only 40.

(Laughter)

CHAIRMAN EDWARDS: Any comments on this one?

(No response)

MR. HANSEN: That concludes the Air Force.

CHAIRMAN EDWARDS: Any further thoughts on the Air Force? Jim?

MR. SMITH: There are a couple that didn't show up on the list. How about [redacted] What's the possibilities of combining [redacted]

CHAIRMAN EDWARDS: That's up in [redacted]

COLONEL SANDEFUR: Yes. [redacted] is an institution. You can't land there unless you have landed there before.



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It's one of those.

(Laughter)

COLONEL SANDEFUR: There are a lot of people that would like to close that. But from the positioning and the next door neighbors, it's very valuable real estate.

MR. SZUTENBACH: You will find [redacted] is much further in toward the continental shelf. And [redacted] of course, has a specialized mission or missions for viewing things, and I don't think it's probably compatible to moving it further inland.

MR. HANSEN: We can look at it in regard to maybe the technology has changed.

MR. SMITH: They're both in the middle of nowhere and a lot of fun to land at, I know.

How about [redacted] the office complex at [redacted]

MR. HANSEN: Russ do you happen to know if [redacted] is in the task force?

MR. MILNES: It's not one that has come up as a recommendation.

MR. SMITH: But [redacted] is nothing but offices, isn't it?

GENERAL POE: The old [redacted] was leased and the idea was when they moved the missile guys down there, of course, a lot of them were out of Norton. We

might take a look at it and see whether it's leased and what we own.

COLONEL SANDEFUR: The idea was to be cheek by jowl with the contractors. I don't know if perhaps today they wouldn't rather have everybody 800 miles apart.

MR. HANSEN: You also have to keep in mind that when we moved activities we did not find homes for any activity that was small, smaller than 50 civilians or 100 military. And so there is a lot of implementation, [redacted]

For instance, at Sand Point the number, at Navy's Sand Point, the number of tenants that had to move exceeded the post.

GENERAL POE: I've had people resign rather than be transferred to [redacted] because they couldn't afford a house.

COLONEL SANDEFUR: [redacted] is in the category 6, satellite tracking operations. I can give you a list of what's there as far as space division, air base group, management engineering squadron,

communications squadron, audio-visual, weather, et cetera. So it is in the category 6.

MR. SMITH: How about [redacted] Air Force Base?

MR. EAGLETON: By the way, it was recommended for closure. I have some comments on that later on, but it was on the Carter list, for whatever that's worth. I've got the Carter list and the Weinberger list.

GENERAL POE: [redacted] is a hospital.

MR. EAGLETON: No, I'm talking about [redacted]

COLONEL SANDEFUR: It manages the DOD space division and conducts launch and flight test evaluations for DOD and other federal agencies.

173 family housing completed at [redacted] in '87, at a cost of $54 million; no expansion capability during peacetime.

MR. SMITH: And [redacted] we would pick up under category 6 as well, medical.

GENERAL POE: It is essentially a medical facility.

MR. SMITH: But it's got a lot of acreage. It's still got the old runway sitting there.

MR. MILNES: I think Jeff has the Task Force 6 book up there.

MR. SZUTENBACH: [redacted] doesn't come out as a stand-alone hospital.

CHAIRMAN EDWARDS: Jim, is [redacted] also in 6?



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Why don't we take a quick break, Mr. Chairman, and then come back and start on Task Force 6. And then we have agreed that when -- we've got kind of a hot lunch coming -- that when that comes that we will then take a lunch break, and then finish up.

It looks like we are in pretty good shape right now. Let's take five minutes.

(Recess)



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TASK FORCE 6

CHAIRMAN EDWARDS: We're ready.

MR. MILNES: We're going to a discussion of what's been called Task Force 6. The other name for that is "all other." And if you've been keeping count of the bases we've been through so far, we've actually gone through about 2100 bases. That leaves us only 2,000 to go.

CHAIRMAN EDWARDS: Is there anything in our book on Task Force 6?

MR. MILNES: I don't believe so, sir.

I think in order to explain why things have been split this way, I need to give you a iittle bit of background on what the philosophy of Task Force 6 was and how we developed the rules of engagement. I think what you will see as we go into this, that we essentially used the same philosophy, the same methodology, the same idea, but you won't be confrcnted with such things as dot diagrams and arrays.

And there are some plusses and minusses in that, and we will explain that. The reason -- if we had a choice in terms of where to put our time and effort, we would not have looked at many of these 2,000 bases at all. And the reason I say that, these are the ones that have -- they are typically the Guard and Reserve bases, the radar stations, the communications sites, and things of that nature.

Every time the Secretary has testified and questions have come up on base closure, you have always heard large numbers. 3800 we have heard, 4800, as Mr. Hansen has corrected that number in our deliberations. And so there is a vast number of bases that are in the inventory.

But in terms of the ones where there is real payoff and real evaluation to be made, when you start to boil that down you get down to things more like 350 major installations. And so, although the Commission was required by its charter and later incorporated in the statute to look at all, there was a threshold decision made that we would have to carefully review what resources we had and put them to bear where the most payoff would be.

So it was on that basis that we began to divide things between the five task forces, which are really major operational type task forces, and the one that became known as "all other."

The basic idea in Task Force 6 was to group those things where we felt in general there would not be a lot of payoff involved. And we searched in great detail. There were other things to be considered.

If a particular category of bases had an ongoing system of review already in place, we felt, and therefore it did not have a particular problem in opening or closing installations, that was another reason for not looking at it



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in particular in great detail.

If it was a very unique grouping, a very unique kind of installation, performing a very specialized function, that became another reason for not going into great detail. And let me explain what I mean by not great detail.

We broke the entire analysis up for all bases and all task forces into what was called, has been called, phase one and phase two. The first phase, as we discussed earlier, was a narrowing process: How do you get from 4100 bases down to the real, to focus on those where there is real potential for either realignment or closure?

And so the first phase was a narrowing process. The second phase was to look at those bases which came out of that phase one analysis for further consideration, to actually cost out options and to see what the impact is, not only on mission, but also socioeconomic and environmental.

The way Task Force 6 approached this process was in the narrowing phase we developed jointly with the services, through a task force arrangement, a set of decision rules for each sub-category. A sub-category might be communication facilities or R&D facilities or hospitals.

We would develop decision rules for that, and then we would apply those decision rules against the base structure.

The fundamental difference in Task Force 6 was we

did not -- while we worked with the services to develop those decision rules, and in fact the Commission through that process maintained control over the process, the Commission staff did not do the in-depth analysis in phase one to apply those decision rules ourself against the base structure.

In other words, we said, tell us what's in your base list under that sub-category, take these decision rules that we have agreed on, apply them to the category, and tell us what results there were.

Now, we did do a validation of that. We looked it over. But frankly, when we were looking from base to base, it's quite likely that we didn't catch it all, which I think is another thing I would like to underscore at this point.

If there is any imperfection in the overall process, it's in the idea that we could -- or misconception, I might say -- the idea that somehow, through this Commission process, we could capture all bases which really ought to be closed or realigned.

Certainly it was the attempt to go out and do a good faith effort to find them. But the idea that we would capture them all was virtually impossible, given the staggering work load involved and the time available. That is why we made a threshold decision on where to put our

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emphasis.

Now, once bases came through the phase one process, once we got into phase two, the detailed analysis of option, that's where the distinctions between phase one, between Task Force 6 and the other task forces, gets to be erased. In other words, any candidate that Task Force 6 proposes for realignment or closure essentially goes through the same rigor as any other base.

We're not going to come to you with less information on that base just because it came through the Task Force 6 process. But it does mean that in phase one, if somebody were to ask me, well, what do you know about this particular base or that particular base, in some cases we could only tell you that these decision rules were applied by the services, and the net result was that the conclusion was that it was not a candidate for closure.

Now, it may be, based on the judgment of the Commissioners around the table here, that some of those bases need to be looked at in any case, and the staff is prepared to do that.

So that is the basis for how we got into the Task Force 6 analysis. What I would like to do now is explain to you what is in Task Force 6.

(Viewgraph)

MR. MILNES: This is the kind of breakdown you're



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going to be looking at this morning, and I believe this will go fairly quickly. The bulk of the items in Task Force 6 turn out to be in the Guard and Reserve and, as we will get into in a few minutes, you will find out that something on the order of 1300 federal properties are involved in the Reserve components alone, which include Guard and Reserve, which means that the bulk of Task Force 6 when you get right down to it, is Guard and Reserve, with some other specialty items in the Army, R&D, research and development, communications sites and hospitals, as I mentioned.

The categories that I would like to emphasize up front to you this morning will be, first of all, Guard and Reserve; and then I would like to go into the Army RDT&E, which is the research, development, and test area, where we have some candidates; and then go into hospitals; and then return back to those categories where we may have found some things, but in general not too much.

The overall review of Task Force 6 did produce, as we mentioned in the very beginning of yesterday's briefing, some candidates for closure, some that will be somewhat problematic, some that have been considered in the past, like Philadelphia Naval Hospital. So they fall in a whole list.

With that, let me go into the Guard and Reserve particular issues. Are there questions at this point,

Mr. Chairman?

CHAIRMAN EDWARDS: Any questions?

(No response)

(Viewgraph)

MR. MILNES: This tells the story of Guard and Reserve in the sense that there is a lot. If I were to put up a map showing where Guard and Reserve facilities are located throughout the country, you would see them spread all over. The Army has a huge concentration that starts along the East Coast and moves along down through the Sunbelt and into the West.

The Air Force is fairly well distributed across the country. The Navy, as you might expect, has their locations principally in coastal cities, although they have some other instances where that's not the case.

While there are 5,375 individual Guard and Reserve locations, it boils down to only 1416 federal properties that we could really affect. And herein lies part of the problem with working in the Guard and Reserve area, in the sense that these particular areas are very tightly tied in with the local, the local governments, and with the state government.

And even though -- and Guards, of course, are under the command and control of the governor, which is not the case in the Reserves. But even the Reserves are

very tightly woven into that particular political infrastructure of a state.

And so it's something that was difficult to manage on a macro scale. Now, that's not to say the Commission can't make some pronouncements in this area, because I think you can. But in general, it's very difficult to say that surgically we're going to close this particular facility or realign that particular facility, because of the kinds of intricate involvement with the state governments that you get involved in.

As you probably already know, the Guard and Reserve really is a major part of the force structure when you look at the armed forces. A significant part of the Army's 18 divisions come from Guard and Reserve, 80 percent in the Air Force. You have 80 percent of the fighter interceptor forces, 50 percent of the recon forces, 35 percent of the tactical airlift coming out of the Guard and Reserve area.

Likewise, the Marine Corps and the Navy rely heavily on the Guard and Reserve to fill out their particular strength. There is more than 1.7 million personnel in the Guard and Reserve elements, so it is a huge force that we're involved in.

One of the questions that comes up frequently is Guard and Reserve is the issue of dual usage, and I think that is a very important aspect of this. And in fact, the

Department of Defense has a regulation that requires that there be a joint review when you look at facilities. Now, that's where some breakdowns occur and perhaps an area where the Commission could make some recommendations in its report to the Secretary that further efforts be done to look for areas where we can combine units and take advantage of properties that are located in the same particular area.

But in our review we found that when you look at the 5,375 locations, that we already have over 1,000 situations, 1,000 locations where there is joint use going on. So it is a program that is being used.

There are things that could be done that are better. But there is a lot of emphasis going into it.

Now, you see down in the results that we're recommending, the staff is, that we retain all installations, and I think at this point I want to just take a moment and talk about Fort DeRussy, because this is one that has been on all the lists and one where an awful lot of discussion has ensued about what to do about that.

[redacted] actually could be carried in either the Guard or Reserve category or the recreational category, and in fact I think in some of our numbers it actually is counted in both places. It has been one of the most hotly contested properties around, and it is certainly one that has received the highest and best scrutiny of the Congress,

as well as the Department of Defense.

The net result of all of that scrutiny has been a resolution, I think, on this particular problem, and one that suggests perhaps we don't need to involve ourselves in it any further. And I just want to explain what that is.

In the last authorization bill, the one just passed, there was a provision in that that basically said or recognized the special value that Fort DeRussy has as a recreational site for personnel that are outside the United States.

Now, a lot of people can question that, the wisdom on that. But the fact of the matter is the Congress, after going back and forth with the Army, in fact required the Army to do a study, came to the conclusion that Fort DeRussy should be retained as a recreational site.

CHAIRMAN RIBICOFF: Where is [redacted]

MR. MILNES: It's in [redacted] It's a beautiful setting, to say the least. It is in downtown -- I mean, it is on the beach. And as has been alluded to before, the property value of that is astronomical.

There is a Reserve center located on this particular installation, and part of the plan that's been adopted is to move that Reserve center off to Fort Shafter, which is also in Hawaii. And the basic idea is to pay for



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that move by selling another piece of property called Kapalama, which is already in legislation for that under a sell and replace approach to pay for that particular move.

So they have, after all the political difficulties they have had over [redacted], they have come to a resolution on what to do with it. It's still legally -- obviously, we could still take a look at it and we could even make substantive recommendations about it in spite of the legislation that has most recently passed.

However, it seems as if there has been a final, at least a good resolution to the problem.

MR. CRAIB: How many acres are in the fort?

MR. HANSEN: 74 if I recall, something like 74.

MR. MILNES: There is a parking lot. The Halikoa Hotel is there.

CHAIRMAN RIBICOFF: When was this bill passed?

MR. MILNES: This past year.

CHAIRMAN RIBICOFF: And the President signed it?

MR. MILNES: Yes. It passed just before ours, so technically we have the right -- our bill says that kind of language is waived if we want to waive it. However, I think it probably is advantageous.

ADMIRAL ROWDEN: Where is the land you mentioned?

MR. MILNES: Kapalama is also in Hawaii.

VOICE: It is a port complex which is occupied by



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industrial buildings, and it has been dealt with in three increments of sell and replace legislation.

CHAIRMAN RIBICOFF: Is it used extensively by military personnel?

MR. MILNES: Yes, sir.

ADMIRAL ROWDEN: I think we would all attest it is used very extensively.

MR. HANSEN: Maybe I should clarify. My understanding is -- correct me if I am wrong -- is that they are going to sell the Reserve center part of it and the open land that is not on the beach, but the Halikoa stays open.

MR. MILNES: Well, the legislation does not -- I don't think changes the land or the amount of acreage involved. We can check on that for sure.

GENERAL POE: Let me give you one perspective on this. I came back from [redacted] in the middle of tour and met my wife, and I was able to pay for a hotel room. All the rest of the people, the guys that worked for me, I don't know how they could have, even with the break that they gave us coming back from over there. That was pretty expensive.

This is -- I think this is for the soldier and the airman, and I just think you ought to leave it alone.

CHAIRMAN RIBICOFF: Well, I mean, if Congress just this past year, if Congress has passed and the President signed this legislation, I don't know why we should stick

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our nose into it. I mean, just having passed it, just to repudiate the action that Congress has taken, I don't see no sense in that.

Do you want to do it?

CHAIRMAN EDWARDS: I know all these old boys have been there and feel strongly about it. But if ever there was a thing in the whole military complex that falls in the category of questionable need, it's this property in my judgment.

GENERAL POE: Well, where are they going to go?

CHAIRMAN EDWARDS: They've got the whole beach there.

GENERAL POE: I never stayed there.

CHAIRMAN EDWARDS: Hawaii is full of sand.

GENERAL POE: But to find a place to spend the night is something else again.

CHAIRMAN RIBICOFF: What do they do, have a residential accommodations?

GENERAL POE: They have a high rise hotel.

CHAIRMAN RIBICOFF: For the military personnel?

GENERAL POE: For military personnel.

CHAIRMAN RIBICOFF: This is for active personnel?

GENERAL POE: I think retired on space available. Retired get second priority. And you pay by rank, so a relatively junior guy gets in there for a relatively cheap


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price.

VOICE: It's the only beath on Waikiki Beach that's open to everybody. All the rest of them are controlled beaches.

MR. SMITH: I don't know why you can't have your cake and eat it, too, here. I mean, here you've got 75 acres of real estate that's open for development, and you want to save the Halikoa. There are ways to do it. I mean, you can put a provision in law that says that you can sell the whole thing and the developer that buys the hotel has to keep it military right of first refusal at a rate that's 30 percent of the going rate, or something.

Or you can put a fence around the Halikoa and not sell it and sell everything else.

I don't think the two are mutually exclusive. But it appears to me that to walk away from the opportunity to get the income that would come from that 75 acres is just very, very shortsighted. It is very expensive property, and I think you could save the Halikoa in the process and its availability to military people.

MR. HOFFMANN: You see, when we looked at it in the old days, there was no question that if you looked at the utilization of that property and who really got to use it and how much of the force you were affecting and all, okay, as opposed to what you could get back out of it, you were always


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restrained by the negative value of closing it, because, whether it was useful or not, it symbolized that the services gave a damn, and it did so in a uniquely powerful way to the soldier.

You know, it's kind of like a place in the country. You may go there once every two or three months, but just having it there and thinking you could go there is a great lift.

And the negative aspect of shutting that thing down in '76 after the Vietnam War -- and now I suspect that, you know, still that the Congress is under the pressure, that all the commands go up and say, you don't care. And yet you could replace that facility in Hawaii out somewhere, like they do down at Lewes, Delaware, with that terrific little camp down there, you know, that gets all kind of people out of Washington into a little trailer down by Lewes, Delaware.

It's a fabulous facility. You don't have to have a high rise. But the negative aspect of closing that thing, you see, is the kicker. You can go back, if you go back to-when it started, it started in the old days when it was tough to get people back to the mainland. And it is a logical spot.

So if you go at it from a coldly analytical process, we get -- you know, it really doesn't make sense,



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particularly compared to the value and the symbolism to the outside world that this is the way the military insists on living.

But on the other hand, the negative value of closing that thing because of the impact on the quality of life aspects makes it very, very tough.

GENERAL POE: I have to say again on this, I had to close two hotels in [redacted], the [redacted] in [redacted] and the [redacted]. And I had good reasons for both of them. The [redacted] was costing me $100,000 a quarter just to keep the worn-out plumbing and wiring. And we also got rid of two [redacted].

I got a hell of a lot more trouble for that than I did for the [redacted] and mostly with my own people. And that's typical of brass.

And incidentally, this isn't going to be on the Commission and it isn't going to be on the Congress. It's going to be on the senior military guys who let that happen. It's always that way. You couldn't explain the cost of the [redacted] you couldn't explain any of that. It was just, you didn't have your priorities right for me as an aircraft mechanic who gets to go up there once in a while.

MR. SMITH: Well, your suggestion I think is an even better one, and that is to sell Fort DeRussy and have



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whoever buys it build some recreational facilities on Navy land around the other side of the island. The Navy already has some recreational cottages over there, and you have the best of both worlds.

You can build something that's not quite as glamorous as the Halikoa, but something that will service the airman and the soldier in that region.

GENERAL POE: You're on the windward side, where the clouds are, where the rain is.

MR. CRAIB: Go to one of the other islands or the Kona Coast. And Waikiki is really overgrown and it's expensive.

MR. MILNES: Maybe I could add something to that as well. The part of the plan that was developed or worked out between the Congress and the Army was that they would preserve the open space character of [redacted] which was, you know, characteristic of [redacted] now, but not characteristic of Waikiki Beach in general.

If you've been through there, I'm sure you've seen it's very dense and crowded. Part of the idea was to maintain some open space.

So it is one where they have worked out a fairly delicate balance right now, not one that, obviously, we couldn't comment on. I don't think the idea is to densify that area, even if we pull out.



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MR. SMITH: Whose idea, the City of Honolulu?

MR. MILNES: Well, it's been a compromise that's been developed between the Army and the Congress, and Congress representing the constituents.

CHAIRMAN RIBICOFF: Do you have the vote in the House and Senate on this particular bill?

MR. MILNES: Well, it was part of the authorization bill, the military construction authorization bill. So it was just a single provision in there. It wasn't a stand-alone kind of thing.

MR. HOFFMANN: But was there debate on it, something we could check? I think we'd better look at that.

CHAIRMAN RIBICOFF: What was in the report? And evidently, I gather it was passed after this Commission was formed, just without knowing that that was in there. Was it passed after the Commission was formed?

MR. MILNES: Well, it was passed after the Commission was formed, but passed before our statute.

CHAIRMAN RIBICOFF: I know, but after the Commission was formed?

MR. MILNES: Yes, sir.

CHAIRMAN RIBICOFF: And we were acting irrespective of the legislation.

MR. MILNES: The history of this negotiation has been at least protracted over many, many years, but very



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acutely in the last three sessions.

In the last bill that preceded this particular military construction bill, the Congress asked the Army for a report on the proper utilization of [redacted] and it came back with an answer that said, this is how it's being utilized, this is how we would like to utilize it. And it was because of that report that Congress responded and said it should be set aside as a military recreation center.

So they've redesignated what its focus is. While it hasn't really changed its characteristics at all, but it has now acknowledged that it is a recreational center, and therefore they're moving the Reserve center off. They intend to embellish the non-appropriated fund activites on there, but they don't intend to build a lot of facilities, not a lot of buildings, ball diamonds and things of that nature.

MR. HOFFMANN: Mr. Chairman, let me make a suggestion if I can. I think this is one that's going to try our credibility any way you do it, and people are going to look at the things that were closed in their district and say, they did this and they didn't touch this place.

And if we do close it, they're going to say, there is the most heartless twelve men in the whole history of the United States since Valley Forge, the landlord at Valley Forge, all right.

So I think what we ought to do is ask the staff to

gather up the materials on this thing and get a couple of Commissioners. And I don't want to volunteer. I know who I would like to delegate it to. But just take a look at this thing and see if there isn't -- I mean, it's obviously a political hot potato.

I agree that Congress may have looked at it sufficiently recently. We could view ourselves as being estopped from fooling with it. But on the other hand, I think there is a terrific down side.

MR. EAGLETON: I would offer a substitute. I think that's the worst thing you could do, quite frankly, because if you look at it, if you take one peek at it, you've got to close it. I mean, you've got to sell it. I mean, even though it's the last piece of American property on Waikiki Beach, you've got to sell it. It's worth a zillion dollars.

So I would make a Ribicoff substitute. I just think we ought to go with blinders, to be blunt about it, put a paragraph in that Congress has spoken on it just a few minutes ago, a few months ago, and we think when the Congress has spoken within a week of it and they have looked at it and they have looked at it and they have looked at it, that is good enough for us, period; paragraph, next item.

If you look at that thing, you've got to close it.

MR. HOFFMANN: What I was saying was, look at the circumstances of that vote and see what was going on.



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GENERAL STARRY: Don't you think the Commission should make an inspection trip?

MR. EAGLETON: What are they going to tell us when we look at it? This is a high rise hotel and 30-X acres of vacant land that's the most precious land in the 50 states, perhaps even more precious than all this other stuff we're talking about.

They will come back and report to us: That's it, it's precious land and a high rise hotel. Now, tell us how much more we're informed?

MR. HOFFMANN: Let me reframe what I'm talking about. What I'm saying, going out and look at that, I'm saying collect up the Congressional debate and collect up the Congressional action and see whether or not there is a basis in the record and what was done for the kind of thing you're talking about.

Now, if we jump out and do it at this session and never go back and look at it --

MR. EAGLETON: I think we ought to put a deputy lawyer on that right now. Somebody can be looking at that while you're finishing. But I think to send people out and look at land and then come back and vote --

MR. HOFFMANN: No, that was not the proposition. The proposition was to look and see if we're really protected by that Congressional action.



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MR. SMITH: You will find 15 years worth of history, legislative history, on [redacted] There has been talk about closing it that long, and every year there has been language in the Senate report or the Appropriations Committee report or there has been legislation passed to do studies. There is 15 years worth of legislative history, and it's all been to help Senator Inouye solve his problem, because he has got a problem with people out there not wanting to close Fort DeRussy, quite frankly.

I would take exactly the opposite position. Let's say close [redacted] and build replacement facilities for the GI's. That to me solves the problem. Close it, sell it, and build replacement facilities.

CHAIRMAN RIBICOFF: I'm so ignorant, I didn't even know where Fort DeRussy was. That shows how aware I was. But I do know that if Congress has acted on this just this past session and it was signed by the President, that it's in there.

I don't feel like putting my thumb into the eye of Congress. That's how I feel about it.

MR. SMITH: Well, they've done the same thing on many other bases -- [redacted] Air Force Base.

CHAIRMAN RIBICOFF: But this was put aside and this specific base was put in there and protected. They didn't do that with the others. Other people stopped it.


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MR. SMITH: It's done time after time after time on lots of bases. You can find it on [redacted] Air Force Base in Texas, you can find it on [redacted] ir Force Base, you can find it -- we could develop a list of the bases that has a legislative history, a legislative mandate: None of the funds appropriated herein can be used to study this base for base closure. A long list.

And if we get constrained by that list, half of our list may go away. Somebody will go back and find a piece of legislation that says, don't study this.

MR. EAGLETON: In the current appropriation bill?

MR. SMITH: It isn't current, I admit that. But if we just react by saying there is something we can't touch as a result of what's in the bill this year, you will get a rash of legislation next year.

CHAIRMAN EDWARDS: It seems to me we've got three alternatives. One is to do what Tom says; one is to close it; and the other is to see if there is a way to fence an area and unload the rest of it.

I don't know enough about where you would fence, where you would put a fence, and so I'm not sure. I would be willing to have somebody study that. Do you all want to take kind of a tentative show of hands as to where we all stand and see where we are likely to go?

MR. CRAIB: The closure alternative would include

providing a substitute facility someplace else in the immediate area?

CHAIRMAN EDWARDS: Yes.

MR. CLAYTOR: And the important thing would be, if you did that you would have to build the other one first before you close it. You don't close it with a promise that you're going to build one. You build the other one first, and when it's ready to open you close this one. That's the only way you could do this.

GENERAL POE: I would want to know where you're going to do it.

CHAIRMAN EDWARDS: Let's take this kind of informally, if you all agree. So the reporter -- we won't announce a total.

MR. MILNES: Mr. Chairman, I want to read just a statement that is in the provision itself, not that it will change things necessarily, but it says that the provision -- this is on the report language -- "The provision would also prohibit the disposal of any portion of land constituting [redacted]

And so that was the intent of that particular legislation, which was to preserve it as it is.

MR. EAGLETON: What was the date of that, the enactment or the signature by the President?

MR. MILNES: We can get that, sir.

CHAIRMAN EDWARDS: You're our lawyer. That's in the Committee report.

MR. MILNES: That is the report.

CHAIRMAN EDWARDS: That doesn't prohibit us from acting, though, does it?

MR. MILNES: No, sir, I don't think it does, because our bill says that that kind of restrictive language has been waived, because that kind of restrictive language appears on Loring and lots of other things in previous authorizations and appropriations bills.

And that was the idea, was that those kinds of -- we would be free and released from those kinds of prohibitions, or the Secretary would, anyway. And so I believe that from a legal point of view, it is open and fair game for us.

(Discussion off the record.)

MR. HOFFMANN: I would be more comfortable, and I will make a request of the staff to pull that material together. I would be more comfortable knowing a little bit of what the Congress did, what the language sounds like, et cetera, and having been in there before, et cetera, and just see what the ballpark was they were playing in and see if there isn't some way out of this.

This is a credibility check for the Commission any way we go, any way we go. And I think we've got to bite the bullet and step up to it and have a look and see. Limit it

on the first shot to going through the Congressional Record and finding out what that debate was really about.

GENERAL POE: We're finally beginning to get the sense in this country that the military profession is worth something again. It took a long, hard time to get it back. Every time we do that, something happens. Every time we get a pay raise, why, the next time the guy gets his paycheck he finds out he has moved into another bracket and he has less money and all this sort of thing.

It's going to be considered a kick in the head, there's no question about it. Even if it stays open six more years while you build something, it's going to be a kick in the head.

CHAIRMAN EDWARDS: I accept that. But I was in the service twice. I never heard of Fort DeRussy. I never felt like I was deprived because I did or did not see the thing or get there.

GENERAL POE: Well, the people who never heard of it will feel just as deprived as the ones that do.

MR. SMITH: Well, I was in the service. I spent two years in Vietnam and four tours at the Halikoa. I love the Halikoa, but my privates couldn't afford the Halikoa and your airmen couldn't afford the Halikoa. It's too damned expensive for anybody that's not a lieutenant or a sergeant, E-6 and above.



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I think, let's build a facility for the troops. I would like to see the troops.

GENERAL POE: The last time I was out there, they had the graduated. I never stayed in it myself.

MR. SMITH: I stayed in it four times. It's a great facility. But I still think it's wrong. I still think you ought to close it.

GENERAL STARRY: You're going to have to be careful if you just lump this in with the rest of the federal property in the category of appropriated funds, because this is not appropriated funds.

GENERAL POE: There's another thing here. You've got to know what is happening to the non-appropriated fund activities in the last two or three years. What's come out of the Congress has almost destroyed them. The young airmen and soldiers who used to keep their boats at Belvoir now put them in a private marina because it costs too much.

CHAIRMAN EDWARDS: Their boats, you say?

GENERAL POE: The MWR is just absolutely terrible. I'm talking about a little fishing boat. You can't even afford to stick the thing down there, with a kicker on it. He has to park it in his yard or something. Where he used to give them ten dollars a year or something, it's now ten dollars a week.

The MWR has taken a terrible beating. And with



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all due respect to the guys that -- who is now the guy in charge of it in the Congress, he is the one that caused -- has a terrible reputation in the military by not wanting commissaries and not wanting class six stores and all that. You can argue that all the time, but the perception is there.

MR. HOFFMANN: There is no question about it, it has tremendous negative value, tremendous symbolic value, et cetera. But it cuts both ways.

CHAIRMAN EDWARDS: Well, I think maybe what we ought to do is, you guys provide Mr. Hoffmann with some of that information and take a look at it, if you would be willing to do that.

MR. HOFFMANN: I would be happy to do it.

CHAIRMAN EDWARDS: And then we come back in two weeks. Let's see if we can resolve it.

MR. HOFFMANN: I tell you, the thing I worried about even in '76 when we were coming out of Vietnam with that thing was, I had my hands full with commissaries, with the non-appropriated funds, with gut-rock stuff that really hits a lot of our active people and a lot of our retired people, okay.

And here was this thing that it just was kind of -- it was the epitome of taking care of everybody, and at the same time it was a major problem.

I don't know if any of you recall hearing Secretary

McNamara react to it. It's the one camp, post, and station that he remembered when he testified.

MR. CRAIB: He thought it had been closed.

MR. HOFFMANN: The only thing I'm saying is, you can hang onto these things too long, and we draw all this lightning and the generalization is made, look at the military, they want this hotel, they're going to keep their hotel in Waikiki Beach along with -- and then you just tar that whole list of things that just, a lot of which make the military the kind of life that it's been for people over the years, that culture that we don't want to lose.

And that's what I'm saying. I think it cuts both ways. I would love to wake up in the morning to find that wasn't on our plate.

CHAIRMAN RIBICOFF: It's a funny thing. I don't recall, with all that's been written since we were formed, all the editorials, I don't recall [redacted] ever being mentioned as an example of the horrendous situation we have. I had to ask the question, where is Fort DeRussy. I would have known it if I had read it in any editorial that you keep clipping and sending down to us.

CHAIRMAN EDWARDS: It's been mentioned over the years. I don't know about recently.

MR. EAGLETON: There was a 60 Minutes deal some years back.



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CHAIRMAN EDWARDS: Are we settled on that? You will get some information and we will deal with it in two weeks.

MR. MILNES: Otherwise, I understand then the recommendation that we retain all the Reserve and Guard in the way that they are in is what we have agreed to.

MR. EAGLETON: Are there any other quasi-chestnuts in there?

MR. MILNES: DeRussy is the only one we're aware of, sir.

MR. CLAYTOR: Isn't there one other thing you need to do, and that is in connection with whether you keep it open or close it, look at what possible alternatives there are. Because if everybody wants to close it and says only if you can find a reasonable alternative -- I would vote against it if we were just going to close it and go home.

But if you can find a place in Hawaii that is far less expensive, that is within relatively easy reach where you could send people out there on a bus or something and not take all day, and find cheap, adequate, cheap beach and build an equal facility and see what we could do, I think that's the only alternative.

GENERAL POE: One last word on the windward side. Next to [redacted] here we have a huge antenna station and all is a very good neighbor to the Air Force that has, I



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guess, about a 1500 square foot place on a rocky beach with no sand. He has put it up for sale about two months ago for $12.5 million.

I don't know where you're going to find --

MR. CLAYTOR: Maybe there is no other place.

GENERAL POE: That's on the other side, with no sand.

MR. CLAYTOR: Well, maybe there isn't any.

MR. SMITH: Barber's Point is pretty nice. There's a lot of nice beach, a lot of cottages, a lot of space.

CHAIRMAN EDWARDS: Is that a military facility?

MR. SMITH: Yes.

GENERAL POE: If it belongs to us, that's one thing.

MR. SZUTENBACH: Actually, the beach is all coral.

MR. CLAYTOR: Well, I think one thing you need to do is find out if there isn't any place, and then let us know about that, that's not going to cost an equivalent amount of money.

MR. MILNES: We will look at the alternatives.

CHAIRMAN EDWARDS: My final comment is I think those of us who believe we ought to do something about it, disavow the ownership of any horns or forked tails. And I think I speak for those who think we ought to deal with it, and I want the record to show that I don't have horns and tail.

(Laughter)



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MR. SMITH: Mr. Chairman, could I make two other comments on this category? I guess I'm disappointed that we can't find somewhere in that 1416 federal installations some combinations where we could move Guard and Reserve into the same facility, because in many locations they are right down the street.

Recognizing we don't have time to do a lot of in-depth look, but I'm sure that some of those situations exist.

The other point to be made with this category is that, in terms of crown jewels, many of these facilities are in very high-valued real estate. And from time to time there has been legislation probably every year. And Russ, as you know, there are three or four situations where you sell a Reserve center because somebody wants it and whoever buys it builds you a replacement Reserve center out on the military base or in some other acceptable real estate.

And so I expect that in that category there are quite a few high-valued pieces of real estate that, if you could go into the sell and replace mode, would generate a lot of dollars for you and end up with the Reserve getting an awful lot better facilities than they have right now.

MR. MILNES: Mr. Smith is absolutely correct. But I think one way to approach this -- and he has alluded to it -- that is, the sell and replace approach, where you have



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direct legislation that makes these kinds of adjustments, where you take a piece of property and sell it and provide the reserves with an alternate facility, is the best way to go, because it ensures that that is exactly what happens, whereas in the approach that we are taking we recommend the base for closure.

It may or may not be disposed of in a way that benefits the Reserves directly, no matter what we say as a part of our report. It's much better if it comes, in my point of view, if it comes out in legislation. And that's been the pattern of successful sell and replacements.

MR. CLAYTOR: Couldn't we put something in our report that recommends that approach?

MR. MILNES: Yes, sir. I think that would be the best way to approach this whole issue.

MR. HOFFMANN: Well, let's see how active a proposition it is. I know there was one they did in Kansas City where they took a prime piece of industrial real estate and managed to get that back into the private sector in exchange for a terrific elementary school plant, with more parking, better area, better buildings for classes, and all this terrific stuff.

And we thought we were on the dawn of a new era, because a lot of these Reserve centers after World War Two were bought and put in places that they are now very



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unattractive places to be.

But I haven't heard that this has been a wholesale excitement in the Midwest or in any other place. I would like to see what the volume is of present projects.

Paul Johnson could tell you, over there in the installations office over at the Army.

MR. SMITH: Well, there ~~is~~ are always three or four in every annual bill, and they are good examples. There ~~is~~ are lots of them. My concern is that if we could find them and identify 15 or 20 or 100 such opportunities, what you're doing is generating capital that can be used then for relocations and all the rest of this list of base closures that we are talking about.

If we don't take advantage of the dollar value of this high-value real estate, we're not taking advantage of a capital asset that the program would have.

CHAIRMAN EDWARDS: You talk about finding those examples. Are you talking about actually closing them with language that they move to less expensive property?

MR. SMITH: Yes, I would suggest that you close it, give the service secretary the authority to negotiate with the buyer for replacement facility, and that the left-over profit, if you will, go into the base closure account, which can then be used to build the facilities to make the moves on the big installations that we're talking


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about.

It helps capitalize the fund.

MR. MILNES: I think we can make that recommendation, Mr. Chairman. But it would have to be in the form of, we recommend that certain legislation be passed to accomplish that end, because obviously we're not in a position to give the Secretary any authority. We can only recommend that the Congress provide that.

Maybe we can identify in an addendum candidates that we have come across that would generate capital for the fund, but it wouldn't be in the form of --

CHAIRMAN RIBICOFF: I think you have a very practical problem to go over all of these individually and try to put it into a list. We certainly could not get it out by December 31st. We have got a time restraint here.

I don't know how you go over and determine which ones you're going to sell.

CHAIRMAN EDWARDS: But you're not really suggesting that, are you? You're suggesting we may not have the ability to do that.

MR. MILNES: Exactly, sir. I think what we have the ability to do is to make a declaratory statement, as Commissioner Smith has said, and that is that we know there is high value real estate out there because of certain conditions that have occurred over time, and that we would

suggest that these properties be identified and the legislation be enacted to allow the sell and replacement for the purpose of capitalizing this base closure fund.

I think we can say all of that in our report within the time constraints that we have.

CHAIRMAN EDWARDS: Would you give examples of some?

MR. MILNES: We could do that. I think sometimes there is danger in giving some examples. That causes a lightning rod to go to that property. But we could certainly --

CHAIRMAN EDWARDS: You could give us some examples and we might have a better feel for what it is we're about.

MR. MILNES: Yes, sir.

MR. CRAIB: Glenview Air Station in Illinois, right in the middle of very high value residential properties.

CHAIRMAN EDWARDS: Okay. Jim, does that satisfy your concerns?

MR. SMITH: I think that may be the best we can do at this point, unfortunately. I will think about it a little bit. If there is another way to get at it, I will comment later.

CHAIRMAN EDWARDS: Any other comments on this chart?

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(No response)

MR. MILNES: I want to move next to the research and development, Army. I'm taking these a little out of order because some of these require more discussion than others. We have done one and we have 1,999 to go, not exactly.

(Viewgraph)

MR. MILNES: I want to talk about research and development, Army. This is a category where we have some 32 research and development facilities within the Army that fell in the "all other" category. It's another case where we used the phase 6 approach -- or we used the Task Force 6 approach, which was to go and develop a set of decision rules, which you see under the word "Criteria."

We looked at the essentiality of the mission, the location aspects of a particular facility, and lastly, how adequate the facilities were themselves. And based on that, we came to certain conclusions.

This particular category yielded one facility which has been on previous closure lists, and that's Watertown, the U.S. Army Materials Technology Lab in Watertown, Massachusetts, which is just outside of Boston. This is a particular one that I think is illustrative of the kinds of dilemmas that we were faced with in Task Force 6.

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First of all, when you look at the ideal question of capacity, which was do we need all these missions, the answer that we came up with in that kind of review was that the missions of the laboratories were required. And we will see across other service categories this was also the case.

We did not find a situation where there was no longer a mission. What we did find was that in some cases the laboratories had been allowed to deteriorate to the point where it would take extensive military construction to bring them up to sufficient capability.

We tried hard not to get into the issues of efficiencies and how well people were performing their jobs, because that really wasn't the charter of the Commission to look at. But what has dragged Watertown down so far in terms of its military value has been the deterioration of its facilities.

It is something on the order of $41 million worth of replacement to bring those laboratories up to proper accommodation.

Now, as I mentioned, this has been proposed several different times for closure. There was an option a year or two ago to move facilities to Natick, which is not very far away, but it is still some distance.

This particular recommendation we will get into will show a different kind of dispersal. Let me talk

specifically about Watertown then.

(Viewgraph)

MR. EAGLETON: Where is Watertown?

MR. MILNES: Just outside Boston.

MR. CLAYTOR: Up the Charles River from Cambridge.

MR. MILNES: It's basically the kinds of research that we are doing in Watertown include -- there's a ceramic mission that goes with basically tank-automotive kinds of activities. This ceramic research is one of their activities.

They have also a major metals research mission, and they also have a corrosive prevention mission.

Basically, what was concluded on Watertown was that it could be broken up amongst three other laboratories and done in a cost effective way, that you could actually assimilate those missions elsewhere and still -- and do it in a way that was more cost effective than the $41 million that goes along with Watertown. As you can see from the analysis on the slide, that the overall costs associated with this move are $27 million.

The benefit side of the equation is some $16 million. And so it is cost effective. In terms of the number of people being affected, we have a total of 353 that are being transferred out and 195 positions that are eliminated altogether.



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Now, this has been a lightning rod project in the past because the Army has proposed it in the past and basically has eventually withdrawn it from consideration. The reasons why it has been withdrawn from consideration tend to go along the lines of the fact that there is an environmental issue that they have to deal with at Watertown. They have had nuclear reactors there and so they have that to deal with.

They have PCB's, they have other hazardous waste materials, they have asbestos in buildings. The Army estimates the cost of cleanup as something in the neighborhood of $50 million.

Congressman Dellums in prior testimony has asserted it's a bill more like $100 million or $150 million to clean up the base. And so what you are beginning to see is the kind of scrutiny that our analysis is going to be subject to.

And that is that, while the proceeds or while the value of the land is high, it's going to take something to get at that. In other words, we're going to have to go through a major cleanup effort to make that land available. And so, while the highest and best use kind of analysis includes it in our payback and therefore we end up with a payback in less than four years, the fact of the matter is there will be a lot of money spent on Watertown to get



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it ready for any kind of a disposal.

And that's been the Congressional basis for not going on with the project.

MR. HANSEN: Russ, isn't the money going to be spent anyway? Aren't they going to clean it up?

MR. MILNES: Exactly. Part of our -- the way we got off on the environmental cost or the way we've been handling the environmental cost is that, since the cleanup responsibilities on these bases pertaining to hazardous wastes is mandated in law and that the federal government, in this case the Department of Defense, is absolutely and strictly liable for what they have done on these bases, that they have designed a program, environmental restoration program, to clean up these bases.

So they are going to do it in due course. Their basic priority, as we heard in the testimony earlier, was that they will clean those bases up where there is a potential or contamination to the ground water. And so where they see there is an imminent danger to health, they move on those. Otherwise, they get to them as there is money available.

And frankly, with the fund that is $500 million big, it's going to take many years before they get to all of these bases. So it is possible that Watertown would go into a caretaker status until such time as money could be applied to the cleanup and removal of that.



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Nonetheless, in terms of our payback analysis, in terms of the kinds of decision rules we have put in place, it makes sense from an economic point of view. Again, it was economics that basically weighed in on this particular case, not a question of mission. Mission wasn't necessary. It could be accommodated elsewhere.

MR. CLAYTOR: Your cost avoidance alone, it looks like it would make it a good thing to do, quite apart from having any real estate value.

MR. MILNES: The avoidance of the $41 million, yes, sir. In fact, when the Army proposed to close Watertown and the Congress prohibited that, the next move was, just as General Poe had mentioned earlier about other situations, the Army saw the handwriting on the wall and they proposed the proper projects to get the base up to speed.

The first phase of that was authorized and appropriated. I forget exactly the value, I think $11 million or something like that. That contract is being held in abeyance pending the outcome of this Commission review.

CHAIRMAN RIBICOFF: My hunch is, once you get out of there you will never -- no one will ever be able to use that land, from what you say is in there. I don't think they could ever clean it up.

That land is valueless, that's my guess.

CHAIRMAN EDWARDS: If it's that big a hazard, it

must be a hazard to the people who are working there.

CHAIRMAN RIBICOFF: It sure has to be.

MR. MILNES: Well, maybe I can explain a little bit about the issue of hazard. The Superfund and the RCRA, the Resource Conservation Recovery Act, have very strict definitions of what hazardous materials are. And I know that Mr. Hoffmann knows this probably better than any of us, how this all fits together.

But those definitions are very strict, and when you look at them in a very strict sense, we have an absolute requirement to get in there and get things clean. There are still some issues, some legal issues, as to how clean is clean and that sort of thing.

The fact of the matter is, they have been able to -- it is not, at least in the estimation of the Army and OSHA and people like that, an imminent hazard to the people that are working there. But nonetheless, it does impinge on the ability to dispose of the land.

In fact, under normal GSA procedures you've got to give a piece of property a clean bill of health for unrestricted use. They wouldn't be in a position to do that. They could do it for some of the property, not all of it. It is a major issue that they will have to overcome in disposing of it.

It probably means the proceeds of the sale of

this property will not be available to the Department of the Army in the relocation effort. Nonetheless, I think --

MR. CLAYTOR: But PCB and asbestos are things that, unfortunately, a lot of us had to learn how to do. Now, I have cleaned up PCB and asbestos at an old Pennsylvania Railroad shop that was all over the place and in the soil. And it took a lot of money, but it wasn't an astronomical amount of money, and it got done in about three years.

I think that you get out of Watertown and leave it there. Then if anybody who has a businessman's approach will have a quick look at how much he could get for this property if it really were cleaned up, and I would be willing to bet you could clean it up for less money than it's worth. You won't have a whole big net that you're talking about, but I think it will be done.

And I think that's what we ought to do, is to go ahead and do just that, turn it over to them and let them decide when it's worth cleaning up.

CHAIRMAN EDWARDS: Is there any objection?

(No response)

MR. MILNES: Then the Commission agrees to this particular closure?

CHAIRMAN RIBICOFF: You said you're going to move it to Belvoir. Didn't we talk about closing down Belvoir?

MR. MILNES: That was only a part of Belvoir, the



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proving grounds.

MR. MILNES: The next category I would like to go into, with the Commission's permission --

MR. HOFFMANN: Do you have a list of everything that's in that category?

MR. MILNES: Yes, sir, we do. We can provide it to you now or during the break. It's several volumes. There's a lot of property in it. Altogether, you're talking about a list --

MR. HOFFMANN: The 32 facilities?

MR. MILNES: Yes, the labs. I have that here.

MR. SMITH: And a map showing the location of where they are?

MR. MILNES: We just have where they are, but we don't have maps. We can pinpoint them, though, for you, where they are located.

MR. HOFFMANN: I just think it's a handy format, when you're talking about a class of facilities, just to have that viewgraph up there so we can see it, because, you know, there are a few chestnuts lieing around here that a person, when his memory is jogged -- you see, General Starry is a veritable treasure house of these little stored-up opportunities.

GENERAL STARRY: Mr. Chairman, if I may, I would like to reassure on the concern that there wasn't more

offered up in this category. The problem is -- there are a couple of problems.

One is this is a set of functions which is being funded in the current budget at levels that are considerably below anything that it has been funded at before historically. For example, the Army's R&D money which supports these things, their operations anyway is now but a quarter of what it was five years ago in relation to the procurement budget. And yet, there is no drawdown.

And one presumes the laboratories proceed at their own pace, even though they have -- how is that budget adjustment accommodated with the functions in the laboratory system?

The other aspect of this is that the Defense Science Board looked at this whole thing this summer and, although the report has not been made public yet, it contains a set of recommendations that have to do with the GOCO'ing of part of the laboratory function and contracting out part of the laboratory function in order to improve its competitiveness and its efficiency.

And probably we will not be able to integrate those recommendations in anything we do, but it is a thing that is coming.

And what the SecDef memorandum will say about it directing the services to do what the DSB concluded ought



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to be done, I don't really know. I haven't seen the current language. But this is a whole category of things which, given the budget climate and the existing budget, is simply not going to be able to operate at the levels that it's operated at before.

And yet, we see only one laboratory being offered up as a sacrificial lamb sort of thing.

MR. MILNES: Mr. Starry, maybe I can comment on that. One of the things when we went to the services, we asked them to tell us what missions were still viable. It goes back to some of the discussion we had on what's the Air Force, what's going to be in the Air Force POM or the Navy POM.

We said what is your -- how is your mission going to change, given the budget climate. And that question was asked specifically in the case of the laboratories. Are those missions -- and we ticked off which ones they were -- are they going to still remain essential, or how will that be altered, given the budget climate?

And the general response to that answer is that those missions are still essential, given the kind of mix we have between private research and federal research. Now, these laboratories basically have customers. The Army is a customer for these particular laboratories, and they have to have work assigned to them.



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And through their funding mechanism in general -- not so much the construction money, but the way in which they pay their bills is they have to have work on the docket to do.

And they have boards that meet semi-annually to review that particular situation, to make sure that there is a balance between work. So we did take that as an assumption.

But based upon that question in terms of missions, are these missions going to stay in place, do you see missions going away. And their answer was no, and based on that the next question was -- that's why the facilities began to be a driver in the R&D area in terms of what does it take to keep these labs working.

GENERAL STARRY: I come from the unhappy customer community that is served, not too well, by that whole system. And I'm convinced that the system is an anachronism. And DSB got at that this summer in a fairly straightforward way, although not in as much depth as we would have liked them to do.

And we can't really act on those recommendations. On the other hand, if you look at the budget and you say, well, if you're not funded at levels that are consistent with the funding levels before, well, what effect does that have on the laboratory system itself? Aren't there excess --



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or isn't there excess capacity, based on the drawdown in funding, particularly at the 6.2 and 6.3 and 8 level research?

And they will tell you that, no, the miss go on, the laboratory has to stay the same. All la as a general rule, in industry as well as the gover big hobby shops, and they largely exist for the ben those who work in the hobby shops. And they get their money by going around and cajoling their unsuspecting customers -- and I'm exaggerating a bit, Mr. Chairman, but not too much -- into giving them money, as you say, to do the things that they promise they will do.

And then they promise you that if you give them a little bit of more money and a little bit more time, they will really fix you up. And they will indeed, because the money turns into millions and billions, and the time turns into years and not months, and the delta in performance at the end is not measurable.

And so the customer community is rather unhappy, and it reflects really in the modernization rates, particularly of the conventional force, which lags behind the mod rate of the Soviet forces, similar forces, by a factor of about .4, which is an alarming sort of circumstance.

CHAIRMAN EDWARDS: I think that's a delightful explanation of the laboratory system, and I hope when the

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record is printed somebody will send me that page.

(Laughter)

MR. HOFFMANN: Well, if there is a way that we could get at just a piece of that, if there was one thing we could strike or one individual we could find who--for instance, in the Army, I mean, there are some things that ought to be researched, that ought to be being done outside, but you can't because it's being done federally. You know, you can't do it.

And we took a crack at some of that in the old days and got rebuffed by everybody, but were successful in getting it done. It is very, very tough work.

One installation I closed, I went back and found a council of Civil War generals who agonized over their ability, having defeated the South, to make any move on this particular string of arsenals. And here I was a hundred years later trying to do the same thing, to get them closed.

And so there's a whole cultural thing there. But I would like to see the list of those facilities that are running with Watertown, I guess more out of desperation than anything else, just to see if we can't between the bunch of us get some ideas and maybe give the staff a little help in directing their efforts toward looking at these things.

We weren't put on here just to be judges. We're

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put on here because we have knowledge of things that can be improved.

ADMIRAL ROWDEN: Are Fermi Laboratories both industrial funded as well as funded directly in the 6.2? Is that the customer statement you made?

MR. MILNES: We could check that, sir.

GENERAL STARRY: I don't think there's any industrial funding.

ADMIRAL ROWDEN: Because the Navy laboratories are.

COLONEL YANKOUPE: Ours are funded out of operating funds. They're allocated at base level and applied.

CHAIRMAN EDWARDS: All right. What can you give us?

MR. MILNES: We have a slide, sir, that will show it right now. We can also provide it in hard copy to Mr. Hoffmann during the break. This is what it looks like.

(Viewgraph)

CHAIRMAN EDWARDS: Don, can you look at some of those and pick out some losers, just running down the list?

MR. HOFFMANN: Well, it doesn't say where a lot of them are.

GENERAL STARRY: I tell you what, I would be willing to do, Mr. Chairman. Let me see if I can go find

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the draft of the Defense Science Board. And based upon the language and the intent -- and we gave some specific examples -- I will volunteer to take this list and see if I can match the two, and then I will give you a report.

CHAIRMAN EDWARDS: Okay, let's do that. Does that suit everybody?

MR. HOFFMANN: There are some that are going to come up on the chestnut review.

MR. MILNES: Let me make one other point, and that is the orientation we have taken on review of all of our work has been based upon geography, in the sense that we looked at installations that had a boundary around them. That's how we approached all things in terms of when we looked at the air and we looked at the sea and so forth.

Many of these laboratories that are listed on here are also, they are tenants on bases. And so what you're getting into, the ones that are starred are the so-called stand-alones that are on their own piece of property. So you get into a different kind of quagmire when you start looking at a tenant.

You're going to see the same thing when we get into hospitals, because in general we put our focus on stand-alone facilities because those are the bases that we could close and realign, as opposed to going in there and trying to manipulate inside the boundary of the base.

MR. HOFFMANN: But the problem is that your filters haven't brought up something like a Vint Hills Farm Station, which has been a perennial candidate, because there are bits and pieces of things out there and one thing and another.

No, it was on there. But I'm saying your filters don't bring it up for our review, and yet that has been kind of a chestnut.

MR. MILNES: Yes, sir. We didn't use that array approach here. We basically developed the decision rules and then we had the service apply them against the base structure and say, yes, these ones are problematic from the point of view of the criteria.

However, it certainly is within our purview to go back after those where we think there is a problem, and should.

GENERAL POE: Some of these have no activity any more. I am thinking of some Air Force installations that might be out there that may be on the GSA list. But we're going to take a look at them. There are some places with padlocks, and I would hate to let those get by us. But they should be on the GSA list.

MR. MILNES: Those properties have already been transferred to GSA from our point of view. It has been a fait accompli; they're already accomplished. They're off

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the rolls.

GENERAL POE: Don't we have a GSA list of potentials?

MR. MILNES: That's a different list. That's where GSA has reviewed DOD property records and suggested to DOD they should excess them.

MR. HANSEN: Yes, sir, we have that scheduled for later this afternoon, unless you would like to do it now.

GENERAL POE: Let's wait.

MR. HOFFMANN: You see, Dugway proving ground is another perennial.

MR. SMITH: Did that first chart say you were going to disperse all the Belvoir activities or disperse Watertown to Belvoir?

MR. MILNES: We're going to disperse Watertown to three locations, one of which is Belvoir.

MR. SMITH: I think Belvoir is a candidate for closure. They're doing bridges and tunnels. Their 6.1 money is about gone, their 6.2 money is about gone, their research and development center on Belvoir proper. And I think you've got the engineer topo lab that does now very little. Topo research is doing all space business.

And what's happening to these labs is, as the R&D funding goes down, you are exactly right, they are finding money elsewhere. And AMC, rather than close them, is stuffing money in these labs that's now production kinds of

stuff, that's not research. And so your research is suffering across the board.

And I think you're right that we, I believe, would do the Army a favor by cutting a third of the lab structure out and making what's left a whole hell of a lot more reliable with the funding that's there. And there is big dollars associated with these outfits. They are big dollars.

MR. HOFFMANN: Yes, sir. There is somebody that knows what that answer is in at least a general sense in the system somewhere, if we could find him.

GENERAL STARRY: You might find him, but you might not get him to admit to what we just got through agreeing to here, because you're right, it is a cultural problem and it goes back a long, long way.

And the DSB report focused on how best this function might be performed in the modern age. And what we finally decided was that basically the system, the culture, is an anachronism in our time.

CHAIRMAN EDWARDS: Okay. You're going to give us then a hard copy list, and General Starry is going to look at that list vis a vis the DSB.

MR. EAGLETON: I'm curious. What's the Institute of Dental Research do? What does the Institute of Surgical Research do? We've got an NIH. What do those two Institutes



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do? Does anybody know?

MR. MILNES: We could get the specifics on that.

MR. EAGLETON: Why is the Army -- and is that the Army?

VOICE: The Institute of Surgical Research is at Walter Reed Army Medical Center.

COLONEL YANKOUPE: Many of these, you are going to find, are tenants or they're co-located at other institutions. This happens to be the Army list and, as General Starry suggests, traditional looks at these have been very complicated because of the funding relationships and the kinds of things that they do do.

We have drilled this one really hard in terms of compiling detailed summaries of what they do do, where they're located, and functionally taking a mission level approach, how well do they seem to be executing the mission that they've got assigned.

And of all of them that we have looked at with the level of detail that we can, we've got how many, four labs I think just here in the Army alone.

MR. MILNES: We have 32 labs.

COLONEL YANKOUPE: The one that pops out traditionally has been looked at, that we can deal with from an installation point of view, as a stand-alone operation, that says we ought to be able to do without that installation,

is AMTL. And that's how we came to that conclusion.

MR. HOFFMANN: See, the ones we're interested in are the ones that are starred, even though you've broken [redacted] into pieces. But [redacted] is one, [redacted] is another one, [redacted]

What is ISC, Fort Huachuca?

COLONEL YANCOUPE: Information Systems.

MR. MILNES: We basically have -- on all the stand-alones, we basically have a statement on each one of them that talks to the mission, the facilities, the land, and gives you a profile. We can make that available to yourself and General Starry and other Commissioners that may want to look at those in detail.

CHAIRMAN EDWARDS: Any other lingering doubts on any of this or any comments on this?

MR. SMITH: The only thing I would suggest is you take another screen. The screen that says, do you have a mission, they're obviously going to tell you, yes, we've got a mission and we're doing it well.

But a screen that I would suggest is, look at their R&D funding and what their R&D funding looks like over the past five years. I would think you would find all of them are way off in basic research, 6.2 down, and that they're not labs any more. What they have become is contracting agencies, either for AMC or something else; and

maybe that that would be a better screen to take a look at where the R&D money is going and whether or not it makes sense to keep what's now called a lab, but it's not really a lab, open, or is there a better way to do that business.

MR. HOFFMANN: Don, let's you and I review some of that stuff and come up with a game plan. And I would sure urge expertise from the other services to do the same thing.

There have got to be some chestnuts in there that people know about that they would like to have some cover to get rid of. It would be doing them a favor and everybody else a favor. I'm a little bit surprised some of those haven't cropped up.

MR. MILNES: I'm not going to put the Air Force and Navy's laboratories up, because we will apply the same kind of analysis to them. But basically, we approached them from the same direction as we approached the Army.

MR. HOFFMANN: And you got nothing?

MR. MILNES: That's right.

ADMIRAL ROWDEN: Do you have those listings available? I would just like to look at them if we could.

MR. MILNES: I don't think I have a slide on it.

CHAIRMAN EDWARDS: Is there anything else on this one? I believe we've asked for just about everything that he has, and Marty and Don are going to start looking

through it and comparing it with what other lists they can come up with and see where we can get. Fair enough?

GENERAL POE: The Air Force labs are essentially weapons, I think, and medical [redacted] are all concentrated at Wright-Patterson.

MR. MILNES: Let me go on then to hospitals.

(Viewgraph)

MR. MILNES: Now, obviously the services have many more hospitals than that, and they are located on bases and they are part of military bases. But in terms, our first review of the hospital approach was as we did everything else. We looked at individual bases.

Now, the reason why that's especially pertinent in the hospital area was that when we looked at the 350 major installations and their satellites, the ones that Mr. Hansen talked about earlier, one of the factors that we reviewed in there in the quality of life aspect was hospitals. So hospitals were reviewed during that, in that particular approach.

When it came to deciding whether to close something in the 350 group, hospitals might, because it was decrepit or a problem or something, to that extent might drag a rating or drag a score down, so to speak, for a particular installation.

But in general, hospitals did not determine the



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aspect of whether a facility or whether a base would stay open or close. Really, what comes out of that is when a facility closes the hospital people have to react to what you've done to them.

They have to restructure the service care. So when you got right down to it, we looked at stand-alone hospitals, and the principal criteria in the stand-alone hospital area was really cost of delivering that particular health care.

The services have essentially two ways of doing this, and there's a couple of variations on them. But the basic two ways is they provide their own facilities to the service members and their families or they go the CHAMPUS route: people go to private doctors and they get reimbursed.

Almost in every case, at least all that we reviewed, the CHAMPUS option is always much more expensive than direct health care.

Now, there are other variations on that theme. For example, you can use an existing VA hospital that's nearby, and there are other doubling up kinds of things that can be done.

The Department of Defense recently, in the last few years, has gone through a major restructuring effort in the hospital area. They have gone away from -- it was, there was a point in time there for many, many years where the services independent of one another programmed their own

medical ~~requirements~~.

And as a result of that, you would occasionally run into a situation -- and I know Dr. Smith is familiar with this -- where you had two facilities and you could stand on the roof of one and see the other, gigantic facilities, with that kind of double coverage.

There's a number of Congressional initiatives. A blue ribbon panel developed to review the whole hospital care delivery system in an effort to centralize programming. So now, unlike a lot of other activities in the Department of Defense, in the health care area OSD, the Office of the Secretary of Defense, has taken very much of a leadership role in centralizing the programming of these kinds of facilities.

And they have begun to look at things in terms of regional benefits. In other words, they're looking at care to a particular region, and we will get into one of those when we look at the proposed candidate for closure.

After we looked at all these particular facilities, the only one where it was -- which showed up as a problem was the Philadelphia Naval Hospital, and this is one that has been on perennial lists, and we're going to talk about Philadelphia.

But before I put the slide up on Philadelphia, we are again in a situation where it was not a question of



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mission. It wasn't that the mission was gone, that there was not a mission to accomplish in that particular region, but that that particular delivery system, that is to say the Philadelphia Naval Hospital, was really not able to accomplish the task in an appropriate way.

It's been -- not only has it been on several closure lists, but it's been recommended, picked up on GAO reports and Navy reports as being unsafe and requiring a substantial military construction investment to bring it up to be able to perform its mission in a proper way.

The Philadelphia Naval Hospital is -- one of the reasons why it is a stand-alone facility is it's on a parcel of land separated from the main naval station and shipyard that we discussed earlier. Let's put the slide up on the hospital.

(Viewgraph)

MR. MILNES: This just basically lays out the criteria that we looked at, and the criteria that really was the driver in this particular case was the adequacy of facilities. Now, one of the things that Health Affairs does in OSD, if I can get the right book open, is that they have commissioned a number of studies to react to this particular problem.

And the most recent study was done, and the results of which have just been made available to us, and



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has researched the Delaware Valley area, and the net result of reviewing the Delaware Valley area is to suggest that, given the number of people involved here, that either a facility has to be enlarged -- there is basically three facilities involved or areas involved.

You've got Philadelphia Naval Station and the shipyard, you have Fort Dix, and you have Fort Monmouth. Fort Dix -- the suggestion that came out of the study was that the most cost effective delivery system is to build up Fort Dix, put a hospital -- increase the hospital at Fort Dix, and go to probably a clinic-style medical care down in the Philadelphia area and also at the Monmouth area, which means, people who needed the hospital care would have to drive to Dix to accomplish that.

I don't think the Commission is in a position really to know what kind of realignment is required here. What seems to be clear based upon our analysis is that the hospital itself is unsafe. The reports from the Department of Defense have established that the hospital in Philadelphia needs to be replaced.

There is a number of options that are possible. There is even the possibility of piggybacking on a VA hospital that is in the area, where the patient load is slanted to a slightly older population and they would seem to be at least considering the advantage of taking on the



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younger military population into their hospital system. And so there is a lot of options available on the realignment side that we probably won't have enough knowledge to make a pronouncement on.

But the evidence, based on the studies, is that that hospital at Philadelphia needs to be replaced. That would be the recommendation of the staff to the Commission.

ADMIRAL ROWDEN: What is programmed for either replacing it or repairing it, or whatever is broken or that sort of thing? Is there anything in the POM to handle that?

MR. MILNES: I believe that there is. That we would have to double check to make sure about that. They have come up with the numbers associated with that. I'm not sure whether they have put numbers in the POM, but we can check that before the end of the day.

MR. SZUTENBACH: The Navy was proposing to close it. They weren't going to replace it. They were just going to close it. So the Navy did not have it programmed.

MR. CLAYTOR: That is what we tried to do in '77.

ADMIRAL ROWDEN: That is my sense of what it is right now. That is why I was curious as to whether or not they had programmed to fix it.

MR. MILNES: The study says that CHAMPUS is a much more expensive way to go to provide health care and a



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replacement hospital is a more cost effective approach in this area.

MR. CLAYTOR: That depends upon capital moneys available, and it depends upon whether this hospital is unsafe. And I think it was unsafe ten years ago and it's probably unsafer now.

You've got to go to CHAMPUS even if it's more expensive. Now, Dix is one of those that might not be there when we're through. I wouldn't want to say that as of this moment, that that is an alternative to fall back on.

CHAIRMAN EDWARDS: You used the word "replacement" as opposed to "closure." Are you suggesting that we call for a replacement?

MR. MILNES: I think we could call for a closure and not a replacement. I think a closure, and we could suggest that the hospital, based upon our analysis that we have received, needs to be replaced. And that would leave it up to the Department of Defense to solve the problem of where to put the facility.

In part, one of the dominoes that have kept this thing from moving is, as long as you keep Philadelphia Naval Hospital open, you never get to the issue of the replacement. And that's been part of the problem.

CHAIRMAN RIBICOFF: Are there in Philadelphia hospitals with excess beds? In every big city today, there



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are hospitals that are being closed. There are hospitals that are uneconomic because they are in a situation where they have too many empty beds.

Are there such facilities in Philadelphia?

MR. MILNES: I don't know for a certainty, but I would say that there probably are. And the fact that the indicates that, look at the CHAMPUS alternative, would indicate that there are.

CHAIRMAN RIBICOFF: Well, couldn't they work something out with those hospitals that are pretty good, but are closing down?

MR. MILNES: It may be possible, but in general the CHAMPUS approach is one where the rules of play have already been developed and we know what our patients have to pay if they go to outside facilities.

MR. HOFFMANN: You see, there's a theme here. It's not a reality yet, but it is one of these themes, like we talked about in the case of the 600-ship Navy. And as a practical matter, the Defense Department, the relevant Committees, are taking a very hard look at exactly what you're talking about and have tried a couple of experiments with what is roughly called contracting out health care.

But what it amounts to is securing health care providers that will put the civilian health care umbrella over more people in the same population area and try to get



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a handle on the price of what is now CHAMPUS care and get it down to something that fits, that fits in with the Medicare scheme and fits in with a reasonable cost of health care in a given community, okay, by pooling.

They've done a couple. The problem with it was they went out big time to do various areas. They could not get the health care community and the DOD community over the hurdles to doing that in the first range of these experiments. This is my opinion.

They wound up doing one out in Hawaii, I think, and one on the West Coast.

I think we can move with some assurance in a case like this, because they are going to be looking at just these kinds of alternatives. They have done it down in Norfolk with some of the health care down there. There is a big experiment going down there, and the whole objective is to get civilian health providers in to replace some of the medical assets in the military and get some of the patients out into the civilian community on a reasonable, cost effective basis, you see, and to spread to get that coverage better proportioned.

CHAIRMAN RIBICOFF: I'm curious. Is there generally any idea what the population of that Philadelphia Naval Hospital is today?

MR. MILNES: Yes, sir, we have the figures on what



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the catchment area.

(Pause)

MR. MILNES: The figures you're asking for, Mr. Chairman, total area, the total Philadelphia population, the service area that we're looking at, is over 241,000 people. And the population that the Naval Hospital service serves, its service is 70,187.

So it is a big population. That is why I am saying that there is a definite need for military health care in the area. It's not a question of -- if the Commission had decided, for example, to close the Naval Station or the shipyard, of course, that would have changed the impact significantly on this particular situation.

But there is a need. It will remain, based on what we have seen so far. It is one that I think the Commission is on solid grounds to recommend a closure on. The Department is going to have to come up with how best to serve those people that won't be served by that particular hospital, whether it be CHAMPUS or special negotiated contract facilities or building a bigger facility at Dix or elsewhere.

So the other side of this equation the Department is going to have to grapple with, and they're in the process of doing that. But I think we're in a position where we can still recommend that that installation be

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closed.

ADMIRAL ROWDEN: What's the breakout of active duty, active duty dependents, retired, retired dependents, on that? Do you have that?

MR. MILNES: Yes, sir. The active duty count is 14,520; retired account 16,000. And then we go into dependents and retirees. It's fairly balanced.

GENERAL STARRY: Is there a VA hospital in Philadelphia?

MR. MILNES: Yes, there is. And really, the Health Affairs people have begun some very tentative negotiations with the VA to use their facility. And frankly, it looks like there is some real potential there, although it's much too early to tell.

GENERAL STARRY: Is there a Public Health Service hospital?

MR. MILNES: I'm not sure. We could check.

GENERAL STARRY: Because active duty are all eligible for Public Health Service hospitals.

MR. MILNES: I guess what it illustrates is there is a myriad of alternatives available, and all of the indications are that Philadelphia Hospital should be closed.

CHAIRMAN RIBICOFF: How about the San Francisco Bay Area?

MR. MILNES: That's a different problem. Health



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Affairs has also organized that into a military hospital command under the chairmanship of the Navy, and that's where the Presidio is, caught up in that. And they're -- currently they're just starting their analysis, economic analysis on the best way to provide health care to that particular region.

Both Letterman and one other hospital I can't recall in that area has seismic deficiencies and other problems. So it's clear something has to be done. They haven't decided what the most cost effective delivery system is.

They are much further ahead in the Philadelphia area, in that they have already costed out what the alternatives were and came to the conclusion that replacing that hospital was the right option. The VA thing is a thing that has just come up and may offer them some alternative.

But they are really early into this review in the Presidio area, San Francisco area.

CHAIRMAN EDWARDS: What is your pleasure on Philadelphia?

MR. CLAYTOR: Close it.

MR. MILNES: I would just offer one other comment, and that is that I think we can word our recommendations in a way where we don't necessarily take away the property, although we may want to -- that may be another. We can

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close the base.

We may not want to necessarily couch it in terms that it automatically precludes that site for future use.

MR. CLAYTOR: That's all right.

CHAIRMAN EDWARDS: Okay.

MR. HOFFMANN: Are there economies in doing that? Do we get any payoff or payback from closing it?

MR. MILNES: Not too much. It is cost effective, but it is a pretty close balance. It is cost effective.

MR. HOFFMANN: Do we avoid future costs of any kind?

MR. CLAYTOR: It depends upon what the alternative turns out to be.

MR. MILNES: The basic difficulty is we have got a hospital that's really not able to get the job done because of safety and other problems. And it is -- it has fallen into that kind of difficulty.

CHAIRMAN EDWARDS: Can't we close it and then write in there that we recognize that there is going to have to be some changes made to provide for the patient load, and that the Defense Department should look to the question of whether they want to rebuild on the property or whether they will make other arrangements?

MR. MILNES: Yes, sir.

CHAIRMAN EDWARDS: Isn't that a rational

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approach? UNCLASSIFIED

MR. CLAYTOR: Sure.

CHAIRMAN EDWARDS: Any problem?

(No response)

MR. MILNES: The next area I would like to cover is an Army area called stand-alone housing.

MR. CLAYTOR: Could I ask, what's happened to the San Diego hospital?

MR. CRAIB: They have a brand new one there. It is completed.

MR. CLAYTOR: Hopefully not located smack on the San Andreas Fault, which is where the other one was.

MR. CRAIB: No, it's the San Dorago Springs Fault.

(Laughter)

MR. SMITH: The other hospital facility on that list which is a white elephant is [redacted] You've got a new [redacted] you've got nice medical facilities at the [redacted] and [redacted]

You've got a huge facility at downtown [redacted] -- [redacted] I guess it's closer to the airport. You've got [redacted] Hospital, which is I don't know how many beds, 10,000 beds, with nobody to serve.

MR. MILNES: It's 506 set-up beds, is what they call it.

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MR. SMITH: It's a huge campus. How big is the campus?

But there is no military population served other than [redacted] Air Force Base.

MR. MILNES: We did ask the Department of Defense specifically about [redacted] because it has come up many, many times. And in fact it was recently, in the last few cycles, it was recommended for closure.

What the Office of Secretary of Defense did on that, and it's one that maybe we would want to respond to in our report, is gone out and they did another economic -- they call them economic analyses -- to see what the most effective cost delivery system is in that particular catchment area, they call it.

And their conclusion was that it was still more cost effective to keep [redacted] in place than to go to an alternative delivery system. And we have the backup on that which we can --

MR. SMITH: I would certainly challenge that, because as far as I know the only military it is serving is [redacted] and there aren't that many military there, a couple of thousand.

GENERAL POE: About 8,000.

MR. SMITH: That's 8,000 people.

GENERAL POE: Plus all of the students.



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MR. SMITH: I suspect a great majority of them go down to the [redacted] It would be, I think, worth our time to validate [redacted]

GENERAL POE: In one case it's three miles away and in the other case it's about 50 miles away.

MR. HOFFMANN: Well, I think you ought to take a look at the area, because I think it has some other facilities there. I think there may be a commissary there. I know there's a golf course. I know you see it when you fly in and land to the west.

MR. MILNES: We have a total service population there of -- I mean, a total service area population of 64,000. 11,000 of those are active duty personnel, 13,000 are dependents, and they have about an equal size of retirees.

CHAIRMAN EDWARDS: And you have 500 beds?

MR. MILNES: Yes.

CHAIRMAN EDWARDS: What's the average patient load?

GENERAL POE: My 7,000 is military and civilian [redacted] Lowry. It's about 3,000 military.

MR. MILNES: 366 patients daily is their average patient load.

CHAIRMAN RIBICOFF: That's about the average for the country.

COLONEL YANKOUPE: Some of these major medical facilities like that are sized also to recognize requirements under mobilization conditions also, or contingency short of mobilization, like the med-evac at Madigan and Fort Lewis, and there's one in San Antonio and so forth. So sizing builds that consideration in there also.

MR. MILNES: Some of the other aspects of it also is that it also serves as a graduate medical education center. That's one of the functions that I did not bring out in the beginning of the presentation. But a lot of these hospitals serve as teaching hospitals, and this is one of them.

MR. HOFFMANN: What does that mean?

MR. MILNES: That means that they have graduate research programs to train and develop doctors.

GENERAL POE: At Fort Lewis, for example, it's the difference between 300,000 square feet --

MR. HOFFMANN: It depends which end that is a means to. In some circles, that is regarded as serving the patients that are there, and you could have those fellows do their residencies somewhere else, particularly if you were shifting the patient population.

CHAIRMAN EDWARDS: I have a 500-bed hospital I will give you in Mobile, just sitting there.

MR. HOFFMANN: Is it on wheels?



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(Laughter)

CHAIRMAN EDWARDS: There is plenty of hospital beds.

MR. HOFFMANN: You see, this is the whole problem, and the hospital bed -- as the demography has changed, the hospital bed, the ratio has changed as to how many hospital beds you've got to have for the civilian population. And that's what this DOD project is trying to get at, is trying to get to you to get off the deal of being able to take care of itself medically, to get and put those contingencies out and mix them up with the civilian population, and you get more effective use of all of the medical facilities.

So if they are successful, the first thing that happens is using the CHAMPUS alternative as a yardstick to measure how effective these hospitals are promptly goes to hell.

And I don't know what the comparative figures are in [redacted] for instance, before and after they did this experiment.

GENERAL POE: It's really difficult as an operational matter. I could never understand anything that went on in the medical business. They have their own budget. They're not amenable to direction from the operators or the planners.

They have their own lobby to get things done in



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their own way.

MR. HOFFMANN: Well, this was why the Secretary of Defense stepped in, because you had these three or four medical fiefdoms. There weren't even economies of scale.

MR. CLAYTOR: I know we set up an Assistant Secretary for Health, which was relatively new.

MR. HOFFMANN: But you see, it illustrates, Mr. Chairman, if I may. I will revise and extend this later, but, you see, a Commission like this can only do so much of this, given our capabilities. And it really underscores the need for the operational people who are running this establishment day-in and day-out -- and I include the Congress and I include the executive branch -- that they have got to be able to do this, because the knowledge to do this incidental to other things they are doing is just there.

It is a byproduct of their whole programmatic responsibilities to the taxpayers. But I will just tell you that this kind of analysis that we're doing in trying to do something sensible here, based upon what these incredibly diligent staff that we've got can do, just illustrates what is being missed when the executive and the Congressional get at this kind of loggerheads. And you cannot get this as a normal function of management of these facilities.

I will tell you one thing: The shareholders of any corporation that couldn't make out better than this, that they had to delegate it to an outside group, the shareholders would do well to sack the whole management.

CHAIRMAN EDWARDS: That is being addressed in the report, I want to assure you.

(Laughter)

CHAIRMAN EDWARDS: In view of this discussion, are there any requests to do anything vis a vis [redacted]

MR. SMITH: I would hope so.

MR. HOFFMANN: I think we need to take a look at it, if only for credibility purposes. Now, it did appear as a chestnut on the famous '85 notional list, I believe. And there was a lot of rhetoric at that time.

But it would be interesting to see what's gone in there since [redacted]

CHAIRMAN RIBICOFF: If they have 550 beds and a patient load of 360, that is average or above average, what is happening in hospitals all across the country. So I don't see -- and I don't know anything about [redacted] but I don't see where [redacted] is a useless hospital.

CHAIRMAN EDWARDS: But isn't there a question beyond that? How much is the patient load at [redacted] and how much is the patient load at the other facilities around there?



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MR. HOFFMANN: They've got to have an outpatient clinic at [redacted] What have they got at [redacted] That used to be an independent base. They may be running a hospital there, hiding it as a fabric laboratory.

(Laughter)

CHAIRMAN EDWARDS: I think it's clear we want to take a little more look at that. Anything else on the hospitals?

MR. SMITH: The other aspect of [redacted] is it's a huge campus. I don't know how many acres is there, but if you would just carve out the hospital and keep the hospital and turn loose that other valuable real estate, you would find yourself again with some capital that you could use.

MR. HOFFMANN: And some consolidation possibilities with Lowry, if you're going to leave Lowry sitting there -- just again a terrific campus, a lot of housing, administrative folks. You know, they've grown grass on the runways there.

CHAIRMAN EDWARDS: Do you have your marching orders on that one?

MR. MILNES: Yes, sir. We will look at FitzSimmons.

CHAIRMAN EDWARDS: Any other hospitals?

[No response.]

CHAIRMAN EDWARDS: The pizzas are here.

(Whereupon, at 1:15 p.m., the meeting was recessed, to reconvene at 1:45 p.m. the same day.)



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AFTERNOON SESSION

(1:45 p.m.)

CHAIRMAN EDWARDS: Perhaps I should, Mr. Chairman, before Russ starts, report on my conversation with Will Taft on the GOCO's, so you will have a sense of what to do when you get to that, if I may.

We have felt that the GOCO's ought to be included. The Secretary inadvertently really, but nevertheless, said in testimony back in May in the House that they were not included.

Now, Kathleen Buck, the attorney for the Department, has said that the GOCO's are not military installations, and the concern therefore is that if we should nevertheless put GOCO's in our base closure list, that we could very well be subject to some kind of court action which would kill the whole thing.

The solution that Will and I have worked out -- and I don't think we really have any choice. It's not like we bargained, but the solution is that he is drafting a letter to us which he will send over tomorrow, Hayden, and addressed to me, but you will get it if it comes in, for us to really approve.

And it will say that in the Department's view that GOCO's are not military installations and should not be included, but with the request that we recommend to the



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Department those GOCO's that we think ought to be closed. And his theory, one, is that if they aren't military installations then they ought to be able to proceed with them without having to go to Congress.

In any case, they may come to Congress with a separate recommendation for closing the GOCO's if that seems the way to do it. But I think it is probably a good settlement of the problem, and it allows us to go ahead and deal with GOCO's and make some recommendations and recognize that they're not necessarily within our charge, but in response to the letter from the Secretary of Defense here are our recommendations.

MR. BRYAN: Could I make one possible objection to that. That is that, if we list by name the GOCO's that have no impact, it would scare the constituencies involved and could be getting close to critical mass on a no vote in Congress, without it being able to do anything. I think we need to think about that.

MR. HANSEN: Would the Commission like to go through the GOCO's this afternoon?

CHAIRMAN RIBICOFF: How long would it take?

MR. HANSEN: They're all the same. We have a roll-up slide.

CHAIRMAN RIBICOFF: I would hope that it would not be part then of our report. It ought to be a separate piece



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of paper completely, apart from the report we send to Congress. And I would rather finish this, and if it takes an hour we will do it on the 27th and '8th.

MR. MILNES: We are pressed for time, so I will endeavor to move through this quickly. I think we have covered much of the substantive stuff or the substantive part of this in our earlier discussion.

What I want to bring to your attention now, which really adds to the numbers of closures that are possible to recommend, is a category within the Army called stand-alone housing.

(Viewgraph)

MR. MILNES: These are housing areas that have over time become isolated from parent installations or the parent installations have gone away. They have often been associated with Nike sites and things of this nature, and so they are little pockets of housing here and there. But it turns out that there are quite a few overall.

We basically went through there and used as a determining criteria, does that housing area support a particular parent installation? If it does not, then we looked at it. If it did support a particular parent installation and it was necessary to meet the housing requirements of that installation, then we left it alone.

But if in that housing area it was not serving a



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particular parent organization or parent station, but rather was sitting out there isolated -- and many of these are used to house recruiters and people that are finding themselves in cities and things of that nature -- then we looked at the economies of basically the economic issue: How expensive are these to operate?

And we discovered in many, many cases, in fact 52 cases out of 65 candidates that we looked at, that they were extremely expensive to operate. And we're talking about annual operating costs in one particular case of over a billion -- I mean, over a million dollars annual operating cost for 94 units of housing.

So extremely expensive to operate. We went through that particular list and, based upon economies, have come to the conclusion that 52 of those stand-alones could be recommended for closure, representing 1124 housing units, at an estimated annual savings of $4 million, almost $5 million.

I would also add that some of these installations turn out to be located near Navy bases, and these are Army housing areas we're talking about. They may be located near Navy bases.

And the statute that we're operating under allows the Department of Defense, after we make our recommendations and after the Secretary decides to close a base based upon our recommendations, to go to other elements within the

Department of Defense to see whether there is a need. He is allowed to do that under the statute.

Now, our intent was in most cases to be able to work all of those things out in advance of making our recommendations to the Secretary, so that in the case of task forces 1 through 5, those major closures and realignments -- you saw the migration diagrams -- those things would all be a part of our report.

In this area of housing, there are so many small housing areas to deal with in this case that it is something that we really weren't going to be able to have time to address, but that the Secretary will have plenty of time to address during the implementation phase under the statute.

So the staff recommendation is that we close the 52 installations.

CHAIRMAN EDWARDS: Just a question. If we're going to close 52, that only leaves 13 more. Are the other 13 so different that you can justify keeping them?

MR. MILNES: Yes, sir, based upon the fact that they are serving a particular parent station. I mean, that is providing housing for that station. There aren't that many instances as you've raised, but that's part of their housing.

MR. HOFFMANN: What happens to the people, for instance the recruiters? You've got recruiters in



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New York and you have taken this guy that you want out selling the service involved. Does he have --

MR. MILNES: He would be eligible for VHA. He would receive a housing allowance. And we have looked at the economies on this, and not only is it cost effective to give him VHA as opposed to spending operating costs, but he will be able to find affordable housing within the areas that he has been using right now.

In some cases, these recruiters are driving some 70 miles from their house to their place of work to take advantage of this particular housing unit. And the inference is -- or not the inference, but the analysis has shown that they can find affordable housing within that 70-mile area.

Now, they may not be able to find affordable housing within one hour's drive of their working location, but right now they have chosen to drive the 70 miles. And so we have some instances where they may not find affordable housing within an hour's drive, but they have the same problem they're dealing with now, really.

MR. HOFFMANN: There are going to be some hard cases in there.

GENERAL POE: Yes. If you're in the ghetto and you're recruiting and you want to live somewhere else. But I don't know what you do about it.

CHAIRMAN EDWARDS: Is there any objection?



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(No response)

MR. HOFFMANN: Is there a list of the specific places?

MR. MILNES: Yes, sir, we have it right here. We can provide that to you now on a slide or however.

MR. HOFFMANN: Why don't you just put a list up right quick, so we can see where they are. Have you got a slide?

MR. MILNES: We can make one up, and in the meantime I will go on.

(Viewgraph)

MR. MILNES: The next one I want to cover is small property, Hamilton Army Air Field. It was an airfield actually picked up from the Air Force and converted for Army use. And essentially, it's a very small facility in terms of the people that are on there.

Again, a case where the value of the land is such that we can, by relocating some of the Reserve stations onto other parts of the property, sell and take advantage, at least in terms of overall economics, take advantage of the property.

There are some, as this slide points out, there are some environmental problems to deal with. There has been a hazardous waste site that has been identified that the Army is on the hook for right now, that they have to --

and the Air Force for that matter. The Department of Defense has to work those problems out.

But it is possible to section off that property in such a way as to deal with it. There is also the problem of wetlands on this particular area. Much of the property that we are vacating is technically below sea level, and so once the dikes are fixed in that particular area the state may claim it as a wetland. So it's not clear the proceeds will become available to the Department.

But this has been reviewed with the Army and they are anxious to see this one taken off their rolls.

MR. HOFFMANN: Where is this?

MR. MILNES: We will check that.

(Viewgraph)

MR. MILNES: A few of these I want to talk to. But the only other slide I want to present is a closure of radar sites that the Air Force has, and that's basically -- that is because the mission is no longer required. The sophistication of the systems are such now that those locations and those missions are no longer required.

There are some primarily military people on those facilities. 38 civilians are affected as well.

CHAIRMAN EDWARDS: Did you say those are radar sites?

MR. MILNES: Yes, sir.



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CHAIRMAN EDWARDS: Any problems?

MR. HOFFMANN: Where are those located?

COLONEL SANDEFUR: [redacted]

MR. HOFFMANN: How come they haven't disappeared?

MR. MILNES: Well, actually the Air Force has been pretty good about moving things. Especially radar sites have been closing on a regular basis. And I would say this one has just come up during our cycle, would be the best way to describe that.

CHAIRMAN EDWARDS: Is there any objection?

(No response)

CHAIRMAN EDWARDS: Marty, did you have any objection to Hamilton Army Airfield?

MR. HOFFMANN: No. I was just trying to find out where it is.

MR. MILNES: The only other closure we want to recommend -- and I will go over the balance of the task force -- is an AFIS, a U.S. Army-Air Force Exchange warehouse. It's called the Tacony Warehouse. It's located in Philadelphia, and it contains 14 acres of land, eleven buildings -- a rather small operation.

It is excess to the Army's needs, and that would be one of our closure recommendations.

GENERAL POE: It's excess as to the Exchange Service's needs?



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MR. MILNES: Yes, sir.. Tacony Warehouse is required to provide warehouse -- basically, it's excess to the exchange, is what's happened. And it's being used in the interim to support the New Cumberland Army Depot, and they're in the process of rebuilding that depot to the extent that within, by 1990 they will no longer have a need for the warehouse.

CHAIRMAN EDWARDS: Are there any questions on that one or objections?

(No response)

MR. MILNES: Let me just quickly go through the remaining categories, sub-categories within the task force. In the Navy area --

CHAIRMAN EDWARDS: How about the Kapalama Military Reservation?

MR. MILNES: The Kapalama Military Reservation, which we had originally put up on our list, was tied up in the [redacted]issue because legislation -- this is one of the things that in legislation they have agreed to sell Kapalama and use the proceeds to relocate the Reserve center from DeRussy to Fort Shafter.

The Navy communication area master stations. One of these master stations is located with each deployed fleet. We have one in the Mediterranean, but we didn't study it. These stations coordinate communications support to fleet

units and by the area's primary fleet [illegible]ng stations.

Mission requirements here are overriding, so we recommended none of the master stations for closure. Part and parcel to that is the Navy's telecommunications and ADP, telecommunications, ADP, and space operations. Telecommunications, ADP, and space are interlocked and interreacting systems.

And after we did a review of that, the workload is customer-generated. Basically, connectivity is essential, which means you have got to be able to communicate from station to station. And based on our first phase review of those particular bases, we saw no opportunities for closure in that particular area.

Post naval security group activities. These are stations, these are six installations that basically work off of relay information at sea, a listening post for submarines. And we looked at those particular installations and saw that they were basically geographic proximity to supported activities and saw in opportunity for closures there.

We looked at naval construction battalion centers. There is one on each coast, or there are three of these installations, one on each coast and one on the Gulf. They are located in support mobilization and are basically



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ascribed to surface, air, and sea lines of communication. We didn't see any areas for closure in those.

MR. HOFFMANN: Why was that? Those are mobilization facilities?

MR. MILNES: Mobilization. These are the construction battalion centers. They are both used for mobilization purposes, but they are also a place where the construction battalions train. They do extensive --

CHAIRMAN EDWARDS: The Seabees?

MR. MILNES: That's right.

MR. HOFFMANN: And where are they located?

MR. MILNES: Davisport, Rhode Island, or Davisville, and Gulfport.

MR. SMITH: Davisville is closed.

MR. SZUTENBACH: Davisville has a small contingent. They don't have an active duty contingent, but they are keeping the base up. There are active barracks on the site that take care of reserves who are in there continuously. And there is a lot of space there. It's primarily required for mobilization.

We have actually carved a lot out around Davisville, got rid of Quonset Point, got rid of the piers out there nearby. On mobilization, though, there are a number of battalions, about eight or nine, that go through there.

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And that whole space is required, so it backs up from the ops plans. The Reserves do go through there and drill and there is a mobilization need. Today if you go in there, you would see there's not too much activity.

MR. HOFFMANN: Is Port Huamani one of those?

MR. MILNES: Yes, sir.

MR. SZUTENBACH: That is an active base. It has more than just the Seabees there, but they currently have four active duty battalions stationed there.

MR. HANSEN: And a school.

MR. SZUTENBACH: They have got naval weapons support and other activities.

MR. HOFFMANN: Is that -- those couldn't be--in view of the tenuousness of the mobilization requirement, that couldn't be combined with the amphibious, for instance, the amphibious deployment area, of which we have one on each coast?

MR. SZUTENBACH: No, sir. You're at Coronado. At our amphibious naval station at Coronado, there is absolutely no room to unload onto them.

MR. HOFFMANN: No, I was talking about the areas where you practice amphibious: Little Creek down at Norfolk and what's the one on the West Coast? The practice areas.

MR. SMITH: These are construction battalions. They come in and train in carpentry and plumbing. And there



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are significant investments in training facilities and barracks and that sort of thing. That's where they deploy from. I've been to both of those.

MR. CLAYTOR: I know them, too. I don't think you could do anything with that without wrecking the Seabees. It's all we've got.

CHAIRMAN EDWARDS: Are you satisfied?

MR. HOFFMANN: It sounds like a resolute defense, Mr. Chairman, carefully rehearsed.

(Laughter)

CHAIRMAN EDWARDS: I mean, if Smith and Claytor agree --

(Laughter)

MR. MILNES: Navy supply school, that's in Athens, Georgia, is specially configured to handle specialized missions, being outfitted with the latest fleet equipment, ensure that the students train on the same hardware and software as they will encounter when they're deployed with the deployed fleet.

We dropped that from further consideration as well.

There is another specialty item, the Navy Home. This facility is very unique. It currently has 463 residents. It was moved from Philadelphia to Gulfport, Mississippi. The earlier briefing reviewed that. It's



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basically retirement.

CHAIRMAN EDWARDS: I think that's right down there near the VA hospital, and they all kind of make use of that.

MR. MILNES: If we can quickly go on to the Air Force, common and intelligence sites. Here we looked at communications sites, which transmit, relay, and receive data and information, radar sites involved with the DEW Line and related sites.

These vary in size from a few acres to a few square miles. And missile tracking sites also that are involved in national early warning requirements.

We really didn't see anything particularly available in that category, except the sites we have already talked about within the miscellaneous.

CHAIRMAN EDWARDS: Excuse me a second. The ones you mentioned that were up in Minnesota?

MR. MILNES: Yes, sir.

CHAIRMAN EDWARDS: Were they Air Force?

MR. MILNES: Yes, sir.

CHAIRMAN EDWARDS: Don't you have a radar site in the Army? Did you cover that?

MR. MILNES: I'm going to go back and pick up the balance in the Army. We do have a radar site in the Army.

MR. CLAYTOR: Do you have anything in Duluth? The Air Force used to have something in Duluth that we tried to



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close one time. Maybe we did. UNCLASSIFIED

GENERAL POE: They've got a radio beacon and auxiliary housing which are excess right now. [redacted]

[redacted]

No, what we got was a list of those things that they already have excessed and are still floating around. I asked the same question.

MR. MILNES: Air Force space operations, again we have four installations that are involved, together with 24 minor sites. All of these are actively involved with NORAD and the early warning system, and they were not looked at beyond phase one, the phase one analysis.

MR. MILNES: I want to highlight some things on what the Air Force has called miscellaneous, which highlights what Mr. Smith has said earlier. We don't have any recommendations coming out of this category for closures, but they include [redacted], which is basically an administrative installation for the Air Force, providing housing, commissary, morale, and welfare, recreation support.

They've got no active runway and in their estimation no acreage is available for new missions.

MR. HOFFMANN: Now, you see, that raises an interesting question, because that is not a high density use made of that territory. I suppose, you know, if we could



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find some leased space to put some other kinds of buildings over there that we would own, Belvoirize it, as they say -- and that's a new, you heard it here -- Belvoirize it, get some of these rental buildings off the inventory.

I don't know how we would get at that, but there are certainly some economies to be made there.

GENERAL POE: Well, they started it with a huge intelligence building which has just opened over there a year or so ago. So that thinking is going on. It's been some time since Chairman Rivers called me and said that if we allowed them to put the low-rent housing in there, we would never get another penny for an airplane. That was one of the suggestions they had.

MR. HOFFMANN: Well, I was thinking more that you've got a lot of single family houses over there. It is a terrific facility to have because it tends to mitigate the rigors of an assignment in Washington. It's like the little Navy spot down there on 23rd Street and some of those places.

But you wonder if you're taking an objective view of it and, looking at [redacted] if you hadn't ought to recommend that that be a slightly higher value, higher density use in some respects.

CHAIRMAN EDWARDS: Even though they don't have active runways, don't they still have the space where the

runways were?

MR. MILNES: I think they have the space, but I don't believe they could go back.

CHAIRMAN EDWARDS: No, I'm thinking that if we all agree they don't have any active runways, but they've got space and they could take some of the Navy stuff out of Crystal City or whatever. That's what you're talking about, isn't it?

MR. HOFFMANN: Yes.

CHAIRMAN EDWARDS: I'm not prepared to accept that they don't have space, is what I'm saying. I mean, maybe in their fondest notion one day they will put a strip back out there.

GENERAL POE: No, the strip already has buildings on it. The Air Force Surgeon is over there, people like that. So I wouldn't say there is no room to build more buildings over there, though.

MR. MILNES: This is one where we may want to take the approach in our report to say that within the whole national capital region there appears to be some options that need to be looked at. You know, we brought it up with the Crystal City idea.

GENERAL POE: Lump it with the Navy Yard.

MR. CLAYTOR: That's right, lump it with the Navy Yard as a place where we can put more things.



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COLONEL SANDEFUR: The statement from the Air Force is that that area has no additional ability to support more missions, on their analysis.

MR. HANSEN: Flying or non-flying?

COLONEL SANDEFUR: Either one.

GENERAL POE: One of the things that happened when they put this in -- you've got to see it to believe it, this intelligence building over there. The place exploded as far as parking and traffic in and out in the morning. So what you're talking about are a bunch of cloverleafs and some major surgery to put something else in there.

I think there is room to build a building, but then you have to start figuring out where people are going to park and eat and walk. It's something else again.

VOICE: There is going to be some confusion, too. A lot of that belongs to the Anacostia Navy Complex, also, to the north of that building. It belongs to the Navy. There is a boundary that is drawn along there.

GENERAL POE: So that would be another one to add to the list.

MR. MILNES: Some of the other bases in this category: [redacted]r Force Base in [redacted]it supports the Air Force Communications Command data automation centers for standardized systems. It provides educational facilities for the [redacted] Air Force Base. And they

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have said that they have acreage available for non-flying missions. So they have identified some excess capacity at Gunther.

MR. HOFFMANN: Well, what is the conclusion of that? Should we get rid of some of the land? Should we move some likely other facility out of some high rent district and put it there?

It sounds like a very sophisticated environment.

CHAIRMAN EDWARDS: The [redacted] complex, you've got a lot of smart people around there.

COLONEL SANDEFUR: If I could add a comment out of their analysis. The base is very compact in size. It has extremely limited capacity to support additional missions, and it has no runways.

CHAIRMAN EDWARDS: I bet you could add it, though, to the list of Bolling and Washington Navy Yard. I mean, if we're finding space that we can just lump into a category for the military to look at before they go off buying new things.

MR. MILNES: The next one they have in this category is [redacted] and we probably don't need to go into any detail on that. That's not a candidate.

The [redacted] which we have already alluded to at [redacted], it's a degree-granting professional military education for [redacted]



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College, Air War College, and Air Force Institute of Technology.

There's also the Center for Aerospace Doctrine, Research and Education, which is located at the Air University. So we made no further recommendations on it.

And that would conclude the Air Force. I have a few in the Army's category that I would just like to hit briefly.

There is a radar site in the Army's inventory that they're recommending for closure. It's called the [redacted] Radar Site. It's proposed for -- [redacted] It encompasses six acres, five of which are already in public domain land and one of which is being currently leased. So basically you're giving up a lease at [redacted]

Excuse me. It's in [redacted] It's easy to misplace a radar station.

And that concludes the list of things that we looked at in Task Force 6, Mr. Chairman.

MR. SMITH: What happened to [redacted] Air Force Base?

COLONEL SANDEFUR: Not to be confused, there is the [redacted] and [redacted] Air Force Base. I can give you a list of things they've got there if you would like.

CHAIRMAN EDWARDS: Could you either come closer



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or stand up so we can hear you better?

COLONEL SANDEFUR: What would you like to know about [redacted]

MR. SMITH: Well, I know it's there, I know it's a non-flying base, I know it does medical kinds of things. Did you look at it for closing it?

COLONEL SANDEFUR: They looked at it. They figured it was necessary. It does the human resources lab and it does research in human interface with weapons systems design and employment. It conducts human centrifuge and hyperbaric medical research. It goes on for quite a while.

Proximity to Wilford Hall and Brook Army Hospital. It has no active runway. And that's about the conclusion of it. So they looked at it, they said it is needed, and it was put into category 6.

MR. SMITH: How big is it, how many acres?

COLONEL SANDEFUR: I can look that up for you.

MR. SMITH: My judgment is there is a lot of excess acres there, as I recall from being there. They're using a couple of the buildings.

MR. HOFFMANN: You would think, though, that that is something that could be combined with something else and run somewhere else.

MR. SMITH: Well, it really ought to be co-located with Wilford Hall Hospital, it sounds to me like. It's a


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30-minute drive from [redacted] I guess.

COLONEL SANDEFUR: There is 1300 acres there, 2,552 people.

GENERAL POE: Well, mind you now, [redacted] is part of the Air Force Systems Command and they're involved in the research, development, and so forth. The people over at [redacted] provide them warm and not so warm bodies to look at and people to check blood pressure on and things like that, and crash victims and one thing and another. As they go along, they're trying to get fewer of those bodies in the future.

They also are now expanding because of the space mission. They have a whole new problem about working in space. It's a very, very active place.

Now, I can't defend that many acres. I don't have any idea what they're doing over there with it.

MR. MILNES: Maybe I could just shed some light on this category, General. We, as I mentioned before when we were talking about the Army labs, based upon the new guidance from the Commission, we have not talked about today the Air Force test labs and test and development labs, nor have we talked about the Navy's RDT&E program, with the idea that we would, under another approach, take another look at them and be prepared to respond to the laboratory issue across the board, instead of just picking on one service or

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the other.

And so we do have input on those. We could talk about it this afternoon. I have not run into any detail on the laboratories for either the Air Force or the Navy. The net result, though, at least in our first review of this under our original criteria was that there were no labs forthcoming on either the Navy or the Air Force's list for closure.

MR. HOFFMANN: But it's safe to say, isn't it, that unless they volunteer them, we're not looking at them?

MR. MILNES: In this category, the way we structured, we looked at their criteria, and the key one was the mission essential and adequacy of facilities. And on their review of their base structure against that criteria, if they didn't come up with a candidate at least for further study, we did not look at them further. That is correct.

MR. HOFFMANN: You see, that is somewhat troublesome, but I guess it is a product of our lack of time and our real lack of expertise at being able to get into those places and turn over some of the rocks. I mean, that is why I say it's an adjunct to management. You have to study these things for a year and a half to two years to feel comfortable about rearranging them.

MR. EAGLETON: Mr. Chairman, I think we ought to

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make clear in our report, although it may cause us some criticism, but the items where we really didn't look at. This is where we're getting Watertown. Is that the one little volunteered, was that it?

With all these labs, we're not even going to hear the Air Force and Navy. I don't want to hear it. We haven't looked at it. Why hear something we haven't looked at? And so I think we ought to make clear in the report we've got 4,500 or whatever Doug's figure is, we looked at 300 and whatever it is, and by and large we didn't look at the others because we didn't have time. That's a good enough excuse.

CHAIRMAN RIBICOFF: Tell the truth.

MR. EAGLETON: We don't have to use it all the time in this report.

(Laughter)

CHAIRMAN RIBICOFF: I would say also, you make an addendum to it. You recommend that the Secretary of Defense set up in the Department some sort of a group that on an ongoing basis looks at all these things and see what they should recommend for closure or elimination or realignment.

MR. MILNES: The only thing I would add to that is that those candidates that were -- that the services did or the task force did come up with that should be considered for further study, for those we did apply rigor to it. So in the case of Watertown, it was a rigorous look that we gave


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to that. Once we found it, that's what we did.

MR. EAGLETON: Okay, that one. But the reason I think it's important is it's going to help us a little bit with the numbers. We're going to look bad with 4,100 and we don't save Mister what's his name, who is the business man, if we don't save his $2 to $5 billion, and we come up with 26 or whatever the magic number is. And they say, out of 4,100, you guys spent a half million dollars and you come up with a measly 26?

Well, if we only looked at 368 or 378, that's what we looked at. And we got 26. That's almost ten percent of them. I think it's better to come, frankly, with what we did look at than to have these mystery figures of thousands that we didn't.

CHAIRMAN RIBICOFF: I think we're going to say that in the final report, and I have no apology to make. We have all worked very hard on this. We have given everything we can on it. And with the limit that was placed on us, there was nothing else we could do. I have no apologies for that.

ADMIRAL ROWDEN: Mr. Chairman, I would like to go back to the well one more time, if I may, and see the Secretary tomorrow. I just came from a command that had 56 field activities in the Navy, and we over about a two-year period of time attempted to go in and do much of the stuff that we're talking about here, realign different functions



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and move things and throw things away and that sort of thing.

We ran into an enormous brick wall in the Congress in getting these things done. I spent two years and tried to move [redacted] people from [redacted] to [redacted] and was unsuccessful in doing that.

I would like to go back and suggest to the Secretary that there are several of these things here that might be very useful to be included in this, that are a part of the ongoing function of the Navy, that I think the Navy has overlooked and hasn't seen. And perhaps some of the other services have the same thing.

CHAIRMAN RIBICOFF: We would be very grateful if you could and if you could present it to us. If you get any positives, give it to the staff to take a look at. And we're going to meet here on the 28th and 29th, is that it, of this month, and we will go into that. I think it would be terrific if you could get one or two or three or five or ten, whatever you can get.

I mean, we would appreciate that. But get it back to the staff so that they can put it within our guidelines.

MR. CLAYTOR: I agree. I think that's great.

MR. EAGLETON: Could I raise one final point and then I'm through. Mr. Chairman, as you know, yesterday we

handed out at the beginning for such use as might be deemed necessary this [redacted] list or previous [redacted] list, two under Carter, '78 and '79, and two so-called Weinberger lists, '85 and '86.

By my rough computation, very rough, of the Weinberger list there are roughly 19 that we have not discussed or touched that he recommended be closed. And then if you go back to Carter, Carter's original list was huge. As Doug will point out, it was sort of a study list. Right, Doug, his '78 list?

And you would remember better than I, of course. And then it was narrowed down to a smaller list in '79. I didn't try to count up how many of those we didn't discuss, but there are several of those.

So there are about 25 or so, let's estimate, installations. Some of them are research labs, some of them are all different kinds of things. Mount Hebo Air Force, I don't know; did we discuss that? H-e-b-o, wherever that is.

MR. HOFFMANN: I don't believe that ever came up.

MR. EAGLETON: But there are 25 installations of one kind or another that were on these previous hit lists that, for current reasons, are not on this list. For instance, we know of one, [redacted] has changed.

GENERAL [redacted] Mount Hebo has been excessed.



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MR. EAGLETON: It's already gone, okay.

I don't know if there is anything we might want to do about any of those. We have already heaped upon the staff a mountain of work for them to do in less than two weeks, an incredible amount of work. I don't know how they're going to get it done.

I don't know whether we want to heap on them these 25. Mr. Chairman, I don't know how they're going to get all the work done we've already assigned to them. Do you?

CHAIRMAN EDWARDS: No, I really don't.

CHAIRMAN RIBICOFF: They have done superhuman jobs and everybody has been conscientious. I think we have got an outstanding staff that have given it their all.

GENERAL POE: Mr. Chairman, I would suggest that at the completion of this it might be worth talking to Jack Cassler or somebody and saying, we have come up with a lot of additional work and the services can expect to have to apply some additional people to it for the next few weeks, so the staff doesn't have to ask for it.

I'm sure they will have to ask for it anyway, but that might give them a leg up.

CHAIRMAN EDWARDS: That's a good point.

MR. EAGLETON: Do we want to ask, Mr. Chairman, for some kind of a report to us on why these other 25 have become non-hit listers?



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MR. CLAYTOR: That certainly would be desirable.

MR. HANSEN: Perhaps it would be desirable. I don't have exactly --

MR. EAGLETON: Stand up so we all can hear you.

MR. HANSEN: I don't have exactly the same set of numbers that Senator Eagleton came up with, but I've got a close list. What I did was I assumed that the '78 list was a list of studies and that the '79 list were the candidates that came out of the '78 list.

Now, that may be that that wasn't the only reason for the list. I then took a look at all of the bases that were on just '79 on and said: Okay, what's happened with those? A similar analysis as Senator Eagleton. I had that we voted to close eight of those.

There were 40-some odd of those on that list that met that criteria, based upon my single assumption. Eight we have already voted to close. Another twelve or thirteen the staff has specifically been told to go out and look at, and which left me with 21 that I couldn't reconcile. Now, that's all working right from my chair, except for the typing.

I could pass that out and you could see what kind of candidates are on that 21. And there may be an odd one or two to add to that.

MR. EAGLETON: Doug, while you're passing it out,


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there are some that were on the '79 list that were not on the '78 list. And so the '78 list in all respects was not a study list.

MR. HANSEN: I agree.

Now, some of these installations, while we may not have specifically discussed them in a detailed chart, they certainly were part of our dot matric diagrams. Going down, the second one, [redacted] that was on our dot matrix.

[redacted] was, [redacted] was. [redacted], the aviation depot at Alameda, the naval air station at South Weymouth, I think; [redacted] was, Ogden was -- or [redacted] will be. We haven't done defense agencies.

Camp Smith we talked about, and so forth and so on. But we have not done detailed analysis of them.

MR. HOFFMANN: I see [redacted] a name that comes out of here. What is [redacted]

MR. HANSEN: National Guard, [redacted].

Fort Wyngate doesn't belong on the list. We have closed it already. So that is nine we have closed.

GENERAL POE: Then you have a place like [redacted] Air Force Base, which appeared on the '79 list, which has now not only got a major Air Force mission, but is completely covered [illegible] with the [illegible]g mission.



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COLONEL SANDEFUR: [redacted] on that list has two KC-135 squadrons and a squadron of B-1B bombers now.

MR. HANSEN: That's a very good point. The mission sometimes changes.

The other point I would make is --

MR. EAGLETON: Since Weinberger. You have to remember, this was Cap the no-knife. Did all of these missions change?

COLONEL SANDEFUR: The B-1B bombers, relatively, yes.

MR. HOFFMANN: How about the [redacted] depot? This is kind of an all-star figure here.

MR. HANSEN: [redacted] is connected with -- that was one of the two area-oriented depots that has been modernized, perhaps since '85, although maybe not. And so in the process of looking at [redacted] which the staff has already been asked to do, we were going to have to end up doing some analysis of [redacted] because that's where you have to put some of the stuff.

GENERAL POE: [redacted] is an example of how these things happen. I'm sure [redacted] was put on the list because the Titan II was deactivated. That is the same reason for that load-down, that they put the B-1 in there because they had the facility and the weather and the protection for the submarines, that they put the B-1 in

that place, along with Abilene, Texas.

MR. HANSEN: I think what we have discovered is half of this list, with a very short analysis of experts, can be pared down to mission changes.

MR. CLAYTOR: Let's do this. In other words, it's not as big a job for the staff as the original list looked like.

GENERAL POE: You've got the answer on Loring. But you need to look at the [redacted] Air Force Station.

MR. HANSEN: But others are complicated. Camp Smith is an example of a complication. [redacted] is a complication, [redacted] is a complication.

MR. EAGLETON: Well, report to us on those that you've narrowed it down to.

CHAIRMAN EDWARDS: All right. Does anybody else have anything?

You said you didn't want to take up the GOCO's today.

MR. HANSEN: There's more on the agenda, sir.

CHAIRMAN EDWARDS: Then press on.

MR. MILNES: I have nothing further, sir, on this.

CHAIRMAN EDWARDS: Who has defense agencies?

MR. SMITH: Mr. Chairman, while he's coming up, are we going to get another crack at this or is it out?

MR. HANSEN: It's already out.



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MR. SMITH: I think it's inaccurate. In other words, this says that we evaluated all bases against five factors. We didn't do that. As a matter of fact, there were 2,000 bases we didn't look at against any factors. It says the next step was to evaluate the potential relocation of activities on a base identified for closure. We didn't do that.

We didn't do that anywhere except what the Air Force gave us. We didn't do that at all with the Army and the Navy.

I think we have put out way too much information that is going to come back to haunt us.



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DEFENSE AGENCIES

MR. HANSEN: Sir, we have as brief, I hope, as possible a review of the defense agencies. Now, the defense agencies are very unique -- or not very unique. The defense agencies are unique in the sense that they don't own their own property.

(Viewgraph)

MR. HANSEN: The Army owns most of it and the Air Force. So our review of defense agencies has focused on those activities where the defense agency is the only thing that's there or the primary major thing that's there.

Most defense agency activities are tenants, small tenants I might add, on major installations. To give you an example, there are literally hundreds of property disposal offices, on each major installation. They're all owned by the Defense Logistics Agency, but they're tenants.

So what we will focus on here are the defense agency properties that, where they are the sole user of it or the primary user.

The second thing is, many defense agency activities are located in leased space and office space. So we have not reviewed the leased space. However, I might add that many of that leased space is right here in the national capital region. And therefore, as the staff does a study of the national capital region leasing problem, we will

capture some defense agencie UNCLASSIFIED

(Viewgraph)

MR. HANSEN: What we have done is we have reviewed five Defense Logistics Agency depots as part of the depot task force in Task Forces 1 through 5. Along with the Army depots, Navy depots, and so forth, we have reviewed two DLA activities, reviewed by the administrative task force. And what I would like to do is go over those as well as the activities that are, as I mentioned before, located at their own space.

(Viewgraph)

MR. HANSEN: In the depot category, we looked at five DLA supply depots: [redacted] and [redacted] are both on that list we just passed out.

What we found at all five of these activities --

(Viewgraph)

MR. HANSEN: -- that they were operating at or above the DOD goal of 85 percent utilization for a supply depot. The figures were 99, 93, 93, 92, and 85.

GENERAL POE: Let's talk about this a minute. The first thing about these depots is that they aren't the kind of depots you've seen before. These are single mission depots.

If you go across town from [redacted]



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Force Base, you have a supply depot. You also have Minuteman silos in the ground, F-16's, and all the landing gear in the whole Air Force is worked there, and the rest of it.

There is always a temptation to me to wonder why, and [redacted] is probably a poor example because an enormous investment is made there, and the DLA depot is extremely modern and extremely efficient and does very well.

But whenever you have a single mission depot somewhere, the bell goes off that says, why in the world isn't that inside the fence somewhere where you don't have to pay for another fire department and another security police and all that, groundskeeper and the rest of it?

A lot of DLA depots are on naval installations. In fact, sailors go get the stuff off the shelves and bring it back, which made me jealous because they went and got it whether they were supposed to or not and I had to go through the channels to get it.

But the point is that I wonder if we have looked at whether or not these facilities as a single mission could be relocated and save the money.

MR. BARRETT: I have to ask what you mean by "single mission." Their mission is support worldwide for all services.

GENERAL POE: That's right, but they contract



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for, they store, they package, and they ship. They don't do any engineering. There is no engineering done there.

MR. BARRETT: They are strictly a warehousing operation?

GENERAL POE: That is correct.

MR. BARRETT: In two cases, they are major inventory control points. But to answer your question, if they are sitting co-located like that, it raises a good question.

The answer to the question is, when you look at the capacity, the capacity analysis, you can't stuff one into the other economically.

GENERAL POE: That's what I'm asking. Did we look at the capacity?

MR. HANSEN: Yes, sir. That's what these figures are for. And the Air Force reported to us that they were over capacity. Their capacities were over 100 percent utilization. I'm not quite sure how you do that, but -- this is in fact.

Accounting for that, what that means is you've got stuff in the aisles. What we -- I think the Navy supply centers have been categorized as a single mission under that criteria. Some, I think at [redacted] and [redacted] and [redacted]

GENERAL POE: Don't get me wrong. There's nothing


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wrong with a single mission. It's just that that is always a candidate to move. You can't move silos in the ground, you can't move runways, you can't move huge stamps and presses and X-ray machines. But you can move a supply depot.

MR. HANSEN: We have looked at this across all services.

MR. BARRETT: We've been looking at that capacity versus utilization. They are all in a sense above the DOD goal of 85 percent utilization. A part of that is related to some policy decisions, which I don't think we need to get involved in.

GENERAL POE: I'm familiar with that. They're funded better than the services.

MR. BARRETT: No, the policy decision is don't send it to disposal. Therefore the stock grows, but the warehouse doesn't.

But in looking at the Navy depots, there is two Navy depots specifically that are heavily involved in storing DLA "material." But when you look at the migration of material between the services and DLA, it's never settled down.

MR. HANSEN: Perhaps I could explain to those who don't have the background. The commodities that we're talking about are normally different. The Defense Logistics Agency was established to buy in large quantities



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and ship and store for all services that which is common. The services still have the storage capacity and requirement for their service-unique equipment.

GENERAL POE: You have to be careful about that. It was set up essentially for screws and hardware and stuff, just above the GSA. And now they're doing engine starters and things of this nature, which are probably beyond their capability.

That's one of the reasons they are suspect.

MR. BARRETT: They don't have engineering capability.

GENERAL POE: But if you say you've seen whether or not you can handle them at one of the bases, I will take your word for it.

MR. HANSEN: The only possibility left would be to construct a new [redacted] someplace else.

GENERAL POE: Well, that might teach us a lesson, that when you go centralize something -- and there's always a penchant for that -- before you go off and build it all by itself somewhere, you might take a look at the Belvoirs and the Bollings and whatever these other places are.

But I will get off my horse on this one.

MR. SMITH: Before you quit, maybe you ought to take one more whack at it. Is it impossible to take a look at moving the [redacted] mission to [redacted] where you just spent $100 million on new warehousing facility, and maybe for a few



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million dollars you could take on the workload that's at [redacted]

MR. HANSEN: We will end up with analyzing both [redacted] and [redacted] as part of the previous list. They are both on the previous list. So yes, I guess we will look at that. We will ask the DLA whether they could do that.

(Viewgraph)

MR. HANSEN: Incidentally, the [redacted] depot has 750 acres of undeveloped land. So for us it became something that we looked at to put something into, as opposed to take it out.

(Viewgraph)

MR. HANSEN: With your permission then, subject to our analysis of the two, [redacted] and [redacted] we will proceed.

CHAIRMAN EDWARDS: Sure.

MR. HANSEN: The next category of DLA bases were administrative, administrative bases. Perhaps we should explain the [redacted] I'm personally familiar with [redacted] what [redacted] does. It's basically a [redacted] And what it makes is the odd things.

For those of you who are familiar with the fact that David Robinson, the seven-foot center for the Olympic basketball team, is now in the Navy. He probably wears size 17 shoes. The Navy doesn't buy for size 17 shoes. They



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have to make them, and this place would make that pair of shoes for him.

They also, when a contract has been issued to make a set of uniforms of a certain type and something goes wrong with the contract -- almost all clothing is bought by contract -- and they need it now, [redacted] is the now place.

The [redacted] Kevin, you might give a briefing on that.

MR. URBAN: The [redacted] is where all of the contracting people are and the quality assurance people, and where the items are monitored for demand and what supply you will need in the system for [redacted]

Also in [redacted] is a place where we manage all of the medical and food purchases for all of the services. So it basically, even though it's called a [redacted] in [redacted], it is a white collar office.

GENERAL POE: We probably aren't the people to deal with this, but you know there was a system called the prime manager type set up, where the Navy would be prime for one thing, the Air Force prime for another. And this centralization was something that added a good deal of complexity to the system.

Plus the fact that this organization does not work for anybody who is charged with killing Russians, and they

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could set their own priorities, which are sometimes pretty unique.

MR. CLAYTOR: I couldn't agree more. I think it is -- the central purchasing is one thing, central purchasing and storing, is the most inefficient possible thing you can do. This has gotten so big and so out of hand. I don't think there is anything we can do about it. But it is a lousy way to do any kind of business. Any business I know of doesn't use central warehousing any more.

The original system was every railroad in the country had a purchasing department and attached to it was a huge warehouse that had all the stuff you needed on the whole railroad in every department. And when you wanted something, you sent in a requisition and you got it out of the warehouse and you shipped it in and you used it.

CHAIRMAN EDWARDS: You shipped it by rail, too, didn't you?

MR. CLAYTOR: You shipped it on your own railroad, without paying any freight. But it took a long time.

And now everything is done, all of the spare parts, everything else, is centrally purchased, but shipped by computer and analysis of who needs how much, and in relatively small amounts to every place where it's going to be used.

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No requisition. When you want to put a new piston in a locomotive, the pistons are in a bin behind the guy, and they are charged out when they are put in the bin. He doesn't sign any papers. He walks over and gets the piston and puts it in the engine.

And the supply people at the end of the day make sure that there is enough in that bin to take care of tomorrow, and they get -- they fill it from a relatively small, tiny little warehouse that is just enough for that facility. And when that goes down, the computer automatically orders some more.

So you don't have any central warehouse. I don't think we can do a damn thing about it, but it is one lousy system.

MR. HANSEN: I would have to point out that this conversation has been around the tip of the iceberg. We're only talking about two out of a hundred of these centralized places, because the Army has organized themselves into centralized warehouses and the Air Force is organized into centralized warehouses.

MR. CLAYTOR: Which just makes it that much worse.

GENERAL POE: It's different. That warehouse is right next to the line that uses 80 percent of the parts, just like you're saying. The guy walks right to the door and puts the part on the airplane.


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MR. HANSEN: We also have warehouses in the Army whose job it is to ship overseas. I would have to say that we would have to hire Coopers & Lybrand to look at this one.

GENERAL POE: I'm sorry I brought it up, but you have to talk about it once in a while.

MR. CLAYTOR: There's nothing we can do about it. But somehow or another, we ought to be able to at least gradually work into this problem. It's a matter of defense management and not something this Commission can get at.

MR. HOFFMANN: Is there any one that is on a high valued piece of land?

GENERAL POE: The ones in [redacted] are [redacted]

[redacted]

MR. HOFFMANN: Maybe the thing is to suggest an example, if they take [redacted] where they would get a return that would pay for it and get an automated system going, you see, as a replacement. And we can put in a quote from Graham Claytor that, if we thought they had the sense to do it right, we would put it on our list and recommend it, you see, something like that.

CHAIRMAN RIBICOFF: I think, gentlemen, when you're all on Defense Secretary's Commission No. 2-you can address those problems.

(Laughter)

CHAIRMAN RIBICOFF: But I think we have to finish



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our job. It's frustrating, but this is all the time we've got.

How long have you been at this, for six months?

MR. HANSEN: The next category we would have covered only has GOCO plants, and so we will leave that for later. That happens to be the defense fuel supply points, of which there are only three. Moving on --

CHAIRMAN EDWARDS: Excuse me. Just a question. You're saying there were three GOCO's you would have proposed to close?

MR. HANSEN: No, we would only discuss; no closures. All the GOCO closures that we know of are in the Army.

The next category also is a GOCO. It has only one plant in it that is of interest to us. It is the defense industrial plant equipment facility. It stores industrial plant equipment. If you remember, we closed Pontiac, which stores industrial plant equipment. And the Army's analysis of that move had the plant equipment moving to Army installations.

The other thought was was that we wouldn't have to move any of this stuff, because it's not of any use to us anyway once anybody gets into this. But if we do, the other possibility which can be pursued during implementation is here.



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I would like to do the Defense Mapping Agency next.

(Viewgraph)

MR. HANSEN: The Defense Mapping Agency has basically four sites, mostly located here in Washington, with the exception of -- excuse me, three sites, with the exception of [redacted] Many of you are aware of where they are. They're up here on Reservoir Road.

Both [redacted] Maryland, are worthy of retention. However, the Herndon site, which is small, twelve acres, and only has eleven people on it, the DMA is planning on moving out of that anyway. Our analysis shows that we would get an immediate payback and a positive cash one-time savings of $300,000 realized from that sale, that we could wrap our arms around.

The steady state savings can't be measured in even tenths of millions when you're only talking about the operation of a site that has ten people.

So I would recommend that we wrap our arms around and support the DMA's planned move.

CHAIRMAN EDWARDS: Any problems?

(No response)

(Viewgraph)

MR. HANSEN: The next category is the National Security Agency. We don't want to get involved in this. This is the black programs. We had a hard enough time.



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Colonel Yankoupe is the only person on our staff who is cleared enough to even go talk to these people.

COLONEL YANKOUPE: I was really pleased about discovering that.

(Laughter)

MR. HANSEN: He didn't have enough to do as it was, so he went and talked to them for a whole afternoon, and came back and ~~said~~ that they need what they've got. They told us they had unique activities and we believe them.

We also have, by the way, have another -- all kidding aside, we have another task the staff will have to do, which is to--now that we have a short list, we will have to go back to them and show them the short list and make sure that some other black thing isn't sitting on one of these places that we don't know about, because nobody talks about this. And we will of course do that.

(Viewgraph)

MR. HANSEN: The next category is a single place that's owned by the Defense Nuclear Agency or the Army at the behest of the Defense Nuclear Agency.

(Viewgraph)

MR. HANSEN: But this is unique in the sense that the property belongs to the Department of Energy, the buildings belong to the Army at the behest of the Defense Nuclear Agency.

And we recommend that we just keep it. As long as we're testing nuclear weapons, there's not much we can do about this.

(Viewgraph)

MR. HANSEN: The last category then is the Defense Investigative Service activity called Personnel Investigation Center. Now, this center is where they do administrative processing, handling, and field direction of the personnel security investigations. These are the security clearances.

These are the people who keep the records in the computers, et cetera. It's located in Baltimore on eight of the 15 acres at Fort Holabird. Fort Holabird also has the Army Criminal Records Center on the other seven acres. They are adequate facilities, although they're not very good.

The GSA did a study of it and recommended the closure of Fort Holabird, the move of all of the activities there to Fort Meade, which is about 25 miles away, but it is across the bridge and the bridges can be traffic problems.

The Army agrees with that and has made plans to move their criminal records center into a rehabbing of an old commissary at Fort Meade. There is land available to build the administrative building for the defense, the PIC,



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the Personnel Investigation Center.

However, the Defense Investigative Service is concerned that the specialized work force would be unwilling to relocate 25 miles, and that computer down time associated with the move would delay clearance of personnel and adversely impact the defense security community.

In a move, we couldn't do much about computer down time, other than making sure that the building they moved into was fully operational before they moved. However, we could challenge them on the concern that their specialized work force would not move.

And what we did was we took a map of the Baltimore area out and we said: If you could divide the area into four quadrants, which would be the worst quadrant to live in and have a lousy commute ahead of you if you were to move? And we asked them how many people lived in that quadrant, and they just came over the wire or just came over the fax back to us.

MR. URBAN: What it is is it's 82 percent of the work force actually lives in the city of Baltimore and the other 18 percent are pretty much evenly spread around the city of Baltimore.

MR. HANSEN: We're talking 421 people here.

We also asked them to define what they meant by "specialized work force," and our cursory review of it is



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they didn't come up with a very good answer for that.

CHAIRMAN EDWARDS: Tell me again, what does that mean when you say three-quarters of them live or 82 percent of them live in Baltimore? What does that mean to us?

MR. HANSEN: That means that they are not that far away from Fort Meade.

CHAIRMAN EDWARDS: In other words, it means they could move their operation and be not nearly so discombobulated as they say.

MR. CLAYTOR: Holabird's on the east side of Baltimore, isn't it?

MR. HANSEN: Yes, it's at the foot of the new Francis Scott Key Bridge.

MR. HOFFMANN: And since they did that other action, they built another new tunnel there.

MR. CLAYTOR: Well, they're on this side of the water anyway, if they're on the Meade side of the water.

MR. HANSEN: No, sir, they're on the other side of the water.

GENERAL STARRY: Most of the people that worked at Holabird in the old days lived out in Glen Burnie and took the tunnel through. So that's a non-argument.

MR. HANSEN: Well, they say they have 82 percent of the people live in the city of Baltimore, but not in any of the --

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GENERAL STARRY: I really doubt that, because that's Dundalk and vicinity. And if you live in the city of Baltimore, you live out -- you know, in a decent place to live, you live out in north Baltimore, and there's no place to live in the southern part of the city.

GENERAL POE: I don't give much credence to the specialized work force. I've had these people come around and interview my people and interview me.

MR. HANSEN: These are the computer people, they're not the interviewers. These are the people who keep the computers.

GENERAL POE: Then they're one step down from the people I was not impressed with.

(Laughter)

CHAIRMAN EDWARDS: What are you recommending?

MR. URBAN: The land is worth $2 million, the 15 acres.

MR. CLAYTOR: I would move them.

MR. URBAN: We're studying the cost model.

MR. HANSEN: I would say that, because of the lateness of this, we ought to delay or defer final action on it until next time.

CHAIRMAN EDWARDS: But you won't forget it.

MR. HANSEN: We won't forget it, no, sir. GSA won't let us forget it.

And that concludes then the briefings on the defense -- all the other defense agencies we originally showed you did not have any properties that fit our definition, and therefore we did not review them.

CHAIRMAN EDWARDS: Is there more?

MR. HANSEN: Yes, sir, there is. We are now to the part of the schedule which said we should be at at 4:30, and so we are an hour and a half ahead of schedule. But we still have more to do.

CHAIRMAN EDWARDS: That's what we're here for.

MR. HANSEN: This next item of business is called "Old Business."



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OLD BUSINESS - APPROVE DECISION PAPERS

MR. HANSEN: And what it involves is a review of five decision papers that we have had some review of before and either need to have a vote on, further discussion, or just an approval of the changes that the staff has made so that we can finalize these efforts.

The first two papers involve environmental impact analyses and environmental payback, and I will turn it over to Russ for a brief discussion. This is at tab 9 in your bcoks.

MR. MILNES: This is a paper, the first one, is on environmental impact analysis, and the thrust of the paper is to talk about how the Commission should evaluate environmental, take into consideration the environmental impacts.

And what we did is, based upon Commissioner Smith's and Commissioner Hoffmann's recommendations and the direction from the Chairman, we went back and redrafted that paper to conform to those comments. And I can just outline them in general.

But the idea was that the Commission establish the procedures, the criteria for analysis, for environmental impact, and then we gave those criteria to the services and asked them to apply those criteria against those bases which were potential candidates for closure or realignment.



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And we received data back and from that we were able to assess how significant an environmental impact there was, including an evaluation of the cost. So that's the approach that we have taken and that's the intent of the paper.

CHAIRMAN RIBICOFF: All those who concur, signify by saying aye.

(Chorus of ayes.)

CHAIRMAN RIBICOFF: Opposed?

(No response)

CHAIRMAN RIBICOFF: It's voted unanimously.

MR. MILNES: The second one, the second paper, deals with environmental payback considerations, and the essential element of this paper is a discussion of two issues, really, hazardous waste cleanup and environmental mitigation. And the thrust of this paper is to say that those environmental responsibilities that are driven by a closure or a realignment would be included in the cost model, but those environmental conditions which were not being driven by closure or realignment would not be.

And notably, those are the hazardous waste cleanups, where those are driven by a statutory requirement independent of our own requirements. So those $10 million figures, $50 million figures, would not be included in the payback equation.

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CHAIRMAN RIBICOFF: All those who concur, signify by saying aye.

(Chorus of ayes.)

CHAIRMAN RIBICOFF: Opposed?

(No response)

CHAIRMAN RIBICOFF: So voted.

MR. HANSEN: The next paper is one we've been discussing. It's called "High Value Properties," and it's an issue that we have over the last two days discussed a lot. And the Commission's direction has been in many areas, look at a certain property that is in a high value area to see if that activity could have a payback to move it to another site, the other site being something the Department already owns.

I think I would be fair in saying in all cases that. Now, this paper here talks to that issue in the sense of saying, should we go look for high value properties just by themselves, regardless of the military value of the property? Should we go searching out high value properties?

But the other thrust of the paper that makes it slightly different than the issue of building on existing land is it talks to the issue of, could we take a Miramar Naval Air Station, which is tremendously high value, and we use the proceeds of that land to buy some land in Nevada, a lot of range land for them to train on, and dramatically


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improve the military value of the training that is done there?

And the conclusion we made, at least in that regard, was that we could not execute that in the time we had. We could find a Miramar Naval Air Station and we can value it. What we can't find in the time we have is the land in Nevada.

MR. CLAYTOR: Anywhere else in the country, I mean, really basically, which is your area of search.

MR. HANSEN: What I think this paper then -- if we are going to have it as a single paper on high value property, we would still need some more work in the sense that we have to make the distinction between where you would go.

If you can find land to build on that we already own, then trading high value property for that would be a good deal if it pays back. But if, however, the solution involves the purchase of something we don't own, then we could not possibly implement that in the time available to us.

CHAIRMAN RIBICOFF: Well, you would have anarchy. I mean, the whole structure.

MR. HANSEN: We would leave the Secretary with an implementation that he couldn't accomplish.

MR. CLAYTOR: If you could list the very high



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value properties, not 100 but maybe 20 or something, and then in our report pointed that out and say, if a place can be found for moving this to a cheap place, which we have not been able to do because of the time limit, this is a project that might be worth following up on.

CHAIRMAN RIBICOFF: Without disrupting the military responsibility. I mean, it's all right if you can make some money, but if in the process you disrupt the mission --

MR. HANSEN: Yes, sir. In fact, we have a project working called the "Future" chapter, and part of that is envisioned to be that, the idea that we would wrap up all of the testimony and the ideas of the Commission with regard to the encroachment problems with rangeland, the stretching of the rangelands by the new weapons systems, the non-availability of traditional lands such as forests to train in and such and such, and that we really need to create some regional and large-scale national training centers, and the proceeds from that could come from such as Miramar Naval Air Station.

And I think the thrust of this is that, don't sell Miramar until you can get something better for it.

MR. MILNES: I think the other point to be made on that, sir, is that undoubtedly it will have to be cast in legislation, to make sure that you can take a Miramar or whatever property you choose and convert it into a national

training center.

Otherwise, at least as it stands now, we're forced to go through the Property Act and all those disposal requirements, and there's no guarantee how it's going to come out at the end.

MR. SMITH: I would like to try just one more time, because I think you're right. What we are looking for is the ultra-high value pieces of real estate, and I still think that we would be remiss if we didn't take New York City and look for the high value pieces of real estate, the Fort Tottens, the Fort Wadsworths, the Fort Hamiltons that exist in New York City, and see if there isn't a way to take that mission, whatever it is, if it's an administrative mission, a reserve center, and say, let's close Fort Wadsworth. I forget which one is the chaplains school, but the chaplains school can go somewhere else, and say close Fort Wadsworth and sell it.

Leave the option of what he does with the chaplains school up to the service secretary. But it is a high value piece of real estate that really doesn't belong in downtown New York City.

And I think for every major metropolitan area -- San Antonio is a good example. You've got just tons of military facilities in San Antonio. If we could take a look at them and see if they really need to be in that high rent

district of downtown San Antonio or whether or not it is an administrative mission or another mission that conceivably could move.

I think it's going to take the staff and the services some time to do this. But we may be missing some real good opportunities.

CHAIRMAN RIBICOFF: I wonder if we can't defer a vote on this and bring this -- listening to what has been said, sort of redraft it, and present it next week when we come.

MR. HANSEN: Part of the reason for bringing it up, sir, is out of the decision comes the staff's work, and we can't keep deferring decisions on what the staff's work is going to be. Otherwise, the staff won't get it done.

The other point I would make is that, if in fact the Commission is going to recommend that another group take a look at the vast land needs of the services in low cost areas and this Commission has, for short term results, closed a lot of valuable properties, then the ability for another Commission to have something left that is high value is lessened.

I don't know that we would go that far.

MR. HOFFMANN: Well, I don't think we are going to run any danger, based upon these last two days, of consuming all these notoriously high valued properties. I



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don't think that's a problem.

I do think that we need to find a couple or three or four of these things and nail them. And I think the notion of going to New York and the notion of going to Chicago, San Antonio, wherever, you find out what's there by going into the back hall here and looking at the map. It's all there.

MR. HANSEN: Can I make a suggestion, then? And I'm trying to downscale this workload-wise for us. Would the criteria be high value meaning large urban area, and an administrative post as opposed to operational post? I don't think there's a problem.

I mean, there are valuable properties like Miramar. If you ask me for a list of valuable properties in large urban areas, I would have to give you Miramar, Miramar Naval Air Station. I would have to give you everything that's in San Diego. I would have to give you the whole of Norfolk. I would have to give you -- and I think we're going too far there.

The examples used are small administrative posts in New York City. But the charge to the staff is half of the Department of Defense's inventory.

CHAIRMAN RIBICOFF: I think it's a very complicated issue and time is running out on us. I don't know whether our minds are set enough to make policy on this issue right

now.

MR. HOFFMANN: Well, I think we've got some.

CHAIRMAN RIBICOFF: Unless, like you say, Marty, there are a few that you can point to to do in recommendation, without making a general policy for everything.

MR. HOFFMANN: Well, I think we're going to catch some of them in the stuff we've already got, okay. But we need another screen that goes in and just looks for targets of opportunity. And if it's operational, it's going to be more interlaced, unless we can pull something out of San Diego and go to 29 Palms and that sort of thing.

But you know, some of these that I've been looking for I haven't had a chance to focus on. And I think the New York area are some of those. Now, I think some of them get sucked up into Staten Island, okay, and to naval housing and one thing and another,

That one down under the Verazano Bridge, is that Fort Hamilton? Where does that go?

MR. SZUTENBACH: That's being used for strategic home porting.

GENERAL POE; Well, look. If we go back to what Senator Eagleton brought up, and that is that we have to explain that we could not go into this enormous detail, but we could, for example -- if you could key a few of these, say, although we could not go into detail, here are some


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examples of what we do see.

I don't think we should give examples unless we close them, but give two or three examples to close, a couple in New York, a couple in Chicago, places like that, and say, we sense as a Commission that, had we had more time --

CHAIRMAN RIBICOFF: Again, that is in the recommendations that we make in the addenda.

MR. CLAYTOR: But what he's suggesting you do is to pick a handful of closeable high, extra-high value places, mostly that do not involve unique operational opportunities, and leave the moving problem up to the Defense Department.

The other thing that I think would be worth doing and that wouldn't be hard to do, just look over your maps and come up with maybe 25 or 30 high value, which we are not going to take anything with, but which we could say here are typical examples of high value operations which we recommend the Department of Defense in the future consider whether or not these could not be relocated to a cheap area, and stop right there and not do any work on them.

GENERAL POE: That would shake a lot of people.

CHAIRMAN EDWARDS: It probably falls into Hayden's concern as expressed on GOCO's, that if we wave red flags



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at the Congress that we may create even more animosity.

MR. CLAYTOR: I would say let's identify these, whether we use them or not. We can decide. But we don't want you to do any work on them, just identify them.

MR. HANSEN: Mr. Claytor, the key to what you said which is important to me is you used the term "closeable" high value properties, because you see, that involves an analysis. Now I've got to figure. I've got to figure out where it goes.

And that takes -- the "where it goes" -- it's easy to find Fort Hamilton. Now I've got to find a home for the chaplains.

MR. SMITH: That's not hard.

MR. HANSEN: But if I get into the Miramars, it becomes a problem. We would close the Navy if we took this too far. Well, the seaports anyway, the air stations. All right.

Now again, the purpose of discussing this paper was to get a clear direction from the Commission. I don't think we need a policy paper at all. It was a vehicle I used to get direction for the staff.

CHAIRMAN EDWARDS: Do you feel like you have direction now?

MR. HANSEN: More than I need, sir.

The next two papers are socioeconomic impact


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considerations and real property payback considerations. Both papers were approved by the Commission as modified in the discussions at the previous business meeting. I have modified them per that discussion, and I just need the general blessing that I didn't miss the boat.

Mr. Hoffmann I think was particularly interested in some changes on these, and I think Mr. Cabot requested some, but I used the hearing record to modify these papers and I think they are true to the record.

CHAIRMAN EDWARDS: Does anybody have any problem with that?

(No response)

CHAIRMAN EDWARDS: All right, you're blessed.

MR. HANSEN: At tab 10 then is the area of new business.



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NEW BUSINESS:

JOINT BASING/INTERSERVICE COOPERATION

MR. HANSEN: And "New Business" is another word for me. It's called more staff work. And these are areas that the Commission has indicated an interest in staff doing some analysis on.

And what I am here to report is is that basically how we have done so far. The first issue is the issue of interservice cooperation and joint basing.

(Viewgraph)

MR. HANSEN: And the real question is what more could we do as a staff in this area that we haven't already discussed. Now, we certainly have discussed specific examples of joint basing in the last two days from the study of [redacted] to [redacted] et cetera.

And also, on a general basis we have looked at it. What just came out was the results of the staff's work. We sent a letter to the service secretaries, and I should more appropriately say Chairman Edwards and Chairman Ribicoff sent a letter to the service secretaries.

CHAIRMAN EDWARDS: We both got one addressed to me. Abe's nose was out of joint, but that's okay.

(Laughter)

MR. HANSEN: And what we asked -- what we asked the services to do was basically quite a few things, but



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they all involve what is already in place with regard to doing joint basing and inter-service cooperation: What are some examples of what you are accomplishing today, and what are some examples of what you could do in the future?

And we were pretty blunt about it. We asked that they give us some concrete examples that the Commission could wrap their arms around and recommend. What we got back -- to summarize, what we got back was from all three services, was either a detailed or a brief description of what they are already doing and how many different organizations and ad hoc groups are already set up to do this.

(Viewgraph)

MR. HANSEN: But specifically, they all said to us that they didn't think we had the time to proceed any further, with the time we had available.

(Viewgraph)

MR. HANSEN: Many of them suggested that -- the Army suggested we recommend that JCS get involved, that we recommend that JCS get involved, et cetera.

(Viewgraph)

MR. HANSEN: The Navy said basically the same thing, that they really believe in jointness and they're doing it now, and if we were going to do any more the Secretary of Defense should take charge of the effort. And the Air Force had very similar replies.



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(Viewgraph)

MR. HANSEN: Now, what we learned -- I think what we really learned was that there is a fair amount of effort in this area.

(Viewgraph)

MR. HANSEN: Some of it comes to fruitfulness, others doesn't. We have lists of the various activities that, there is a joint planning activity, there is a joint logistics command, et cetera.

But basically, the bottom line is that we didn't get very far as far as new ideas.

(Viewgraph)

MR. HANSEN: We got no concrete examples of new ideas. And frankly, having been involved in this effort since February almost, in many cases the innovativeness has come from the Commission area. And I think if we're going to be innovative in this area, we're going to have to generate it ourselves.

Now, much of that has been generated or some ideas have already been generated over the past two days. But I think that the ideas of the services about a continual review of jointness have merit. In order to -- it could be coupled with a review of the joint training needs of the services in our recommendation in the future, et cetera.

But I don't have any concrete examples to report


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to you.

CHAIRMAN EDWARDS: Is there a DOD joint committee?

MR. HANSEN: Essentially, the Joint Chiefs of Staff provide that.

GENERAL POE: There are several. The joint logistics commanders work the problem, the JCS. And in the depots, any time anybody makes a make or buy decision that has to be confirmed.

The problem is the system is such that when you need to do this the most, at a time of deficit, is when it is the most difficult to do. Now, we had to do that. We wanted to do that to save money, and again I found many of the decisions, say between Admiral Whittle and myself, the Navy guy doing the work or the Air Force guy doing the work only had so much money.

So if he was doing -- if my guy was doing Navy work, that began to take a back seat until it got up to the top Navy guy, who then came to me. And I said: Hey, wait a minute; you've got to give it the same priority.

It's very, very difficult to get people to sign on for that. And the money is different. The money comes from different sources. And so in times of deficit--I won't say it's lip service -- it's just very, very hard to do.

CHAIRMAN EDWARDS: Let me ask it another way. We're talking about interservice cooperation, joint


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training, joint basing. If you had sent your request to Carlucci as opposed to Army, Navy, and Air Force, what would he have done with it?

MR. BRYAN: Let me just tell you, we got a response from OSD and the response was along the lines of, geez, what are you guys doing? Are you sure this is in your charter?

GENERAL QUINN: There was a task force that started on the 4th of November to address the issues, the problems, that there is no central authority in OSD to look at the problems caused by competing interests for air space and ground space. They just started looking at that.

CHAIRMAN EDWARDS: It looks like if you ever got that handled right you would cut out an awful lot of duplication.

GENERAL POE: It's more difficult than it sounds. Let's take the Navy wallowing around inside that traffic pattern. My F-4's are way inside of it, trying to operate off the same, and we've done that. They have a good reason for going outside of the field and we have a good reason for insisting the guys stay close to the runway.

So we usually wind up using two runways, one for the Navy and one for the Air Force. I think you would be surprised at how much you do if you read this. You have an awful lot. The scale is enormous.

People look at the Israelis or somebody doing it


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altogether, and that's about like one of our wings.

ADMIRAL ROWDEN: What more would you want? That seems to me the real question. Everybody flails away about the fact that we're not terribly joint. We have a litany here from all three services which is roughly the same about jointness.

We're kind of fussing about that. We don't seem to be able to say what it is we want beyond that.

MR. HOFFMANN: I was very specific and I will now be very specific. I want to see more Air Force close support bedded down in the vicinity of Army bases, and I want to see more Army people stationed on Air Force bases, where that close support is.

And the reason for that is that when the chips are down and there is a lot of shit flying around, I want that A-10 driver, just the same as I want that anti-air man, okay, to have a very gut reaction that his friend is in danger, not that his support is screwed up or, I've got to support that guy because he's an American.

I want to get this on a very basic level. We found in our training patterns with the Army and our stationing patterns and our organizational structures that this is very important.

And my point has been, it's going to get more important geometrically as the sounds of war recede and as



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the objective reasons for readiness recede and all of this and the forces shrink. And we're going to have this little crew of people that need to be viscerally dedicated to each other.

And that in my judgment is the best way to get it. I grant you, it's terrific to have everybody come plunking in at the same maneuver area and the Army sees the planes and says, gosh, I guess in combat they would show up despite what the sergeant says.

Okay, but it's a little different if you're all there living and basing. Now, when we made the suggestion, I think, a few of us had some spontaneous image of great tumult in the basing structure and the forces being unleashed that had never been unleashed before and a kind of bureaucratic Valkyrie appearing out of nowhere, pointing the way, and great masses of people being shifted about.

I don't think that's happened. So the closest we got was this idea, a modest idea down in the Southeast, to pick up some folks and kind of tuck them around and put them together, which I thought was pretty lofty. But we got bogged down with machine shops and mechanics and the availability of people and things like that.

You know, it may be that that's something we say when these fellows come back from Europe, you know, that the signal -- that they're out of Europe would be a signal


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that the world is becoming such a safe place, that there's going to be a priority on doing that.

And maybe we identify these two Army bases as a place we should bring folks home from Europe to. I don't know. But that's what I had in mind. That's the reason I had it in mind. It was very practical.

MR. SMITH: Well, we talk about pilot training and helicopter training.

MR. HOFFMANN: I want to do with the Army and the Air Force what the Marine Corps and the Navy currently do.

End of sermon. I apologize for the increasing length of these sermons, but with Senator Eagleton gone I've got to do something.

(Laughter)

MR. HANSEN: I'm not sure how much more as a staff we could do. Perhaps some help in the horsepower area or whatever, but at this late time it's hard to come up with real candidates.

We have already planned to talk to this in our addenda. It's just another piece. We have already covered parts of it when we look at cross-service.

So my recommendation is that there is not much more to be achieved here other than what's already been asked of staff to look at in specific examples.

GENERAL STARRY: This is tokenism.



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MR. HANSEN: I agree.

MR. SMITH: I don't even see the tokens.

CHAIRMAN EDWARDS: A token is one-tenth of a penny, isn't it?

All right, what else have you got on your agenda?

MR. HANSEN: I would like to just explain to you what we're doing with regard to, I think, one area of interest, in checking outside sources. Excuse me, I don't need to pass those around. They're in tab 10.

What we have done is we have done a survey of GSA property surveys. Now, what happens is there are two kinds -- when GSA gets involved in excessing property, there is two kinds of actions.

The first one is one that the services have no problem with. The services on their own determine, I have an excess property, and according to the law they turn it over to GSA to dispose of it. Their problem with that is they complain that it never happens, but that's not the problem.

What we have here is we have GSA has a mandate from Congress to go out and look at the properties themselves and decide whether something should be excessed. So this is a list of those properties. The first page of that list are activities that GSA has gone out and surveyed and said, the whole activity should be excessed. And that



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I thought was important, because that is a whole installation.

Fort Holabird you will note is on there, so we have that. We're looking into a couple of the Nike sites. Let me give you, down about three-quarters of the way through, we have the Homestead Air National Guard or something like that, in Broward County, Florida, 321 acres. Well, it's valuable property.

But it's "being used by the National Guard." However, GSA in their report said, in order for us to even inspect this thing, we had to cut a rusty lock off the gate to get into it, and so the implication was it's not being used too much.

And so we're going to do some following up on that. I don't know how much we can accomplish, but I also wanted to give you a sense of where GSA comes from.

If you would turn the page to the second list, now these are acreage that they have reviewed whole installations and found excess property. And what struck me the most is at Fort Knox they reviewed 109,068 acres and found twelve of it to be excess.

And the Army doesn't agree with them, and I frankly don't blame the Army. I think that's childish.

GENERAL STARRY: They've been quarreling over that same twelve acres for the last 20 years.



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MR. HANSEN: So we have to take this with a grain of salt. And I think what, with the Commission's indulgence, what I have asked for a review of is any acres on these two lists that are either 500 or more or represent at least 50 percent of the installation. And we will do some sort of an analysis of that.

GENERAL POE: Just ask them why they don't want it.

MR. HANSEN: But we would not ask the Army why they don't want to excess twelve acres at Fort Knox.

MR. HOFFMANN: They keep accumulating a critical mass at Watkins, Colorado. I would look at that.

MR. HANSEN: If that's the whole thing, we would look at all whole things.

MR. HOFFMANN: Off of Buckley you've got 120 acres, and then you've got the Lowry training annex at Watkins, Colorado, which is probably a bootleg piece of Buckley field. Now, Buckley is an old flying base, an old Navy installation. I think there is Space Command stuff there, Air Force, I don't know, a radar dome.

GENERAL POE: You've got an Air National Guard group there.

MR. HANSEN: I see, Buckley at Watkins.

MR. HOFFMANN: That's right on the path of growth to the new airport Denver's trying to build.

GENERAL POE: I think you will find 20 acres at



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Lowry and Denver as to trying to solve a social problem there. And the Air Force would rather not get involved in that social problem.

MR. HANSEN: I think there is a lot of hidden agendas in this list. We will do what we can on that.

CHAIRMAN EDWARDS: All right. Is that all of your stuff?

MR. HANSEN: No, sir.



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SOVIET BASING

MR. HANSEN: The staff was asked to look into the issue of Soviet basing and how that might -- if there is anything we could learn about the way the Soviets are based in their continent, if you will, and what we could learn from that.

And we asked the Defense Intelligence Agency Soviet and East European Division to come over and brief us on that. And what we found is that the Soviets have the same problem we do, that their bases were put up to guard their stagecoach routes and they still have them.

But not only that, they have them in eleven time zones of area. They have a traditional adversary in China there, and so some bases have been put up along the borders. They have taken over all of the German concerns in East Germany and all of that.

And frankly, we didn't learn much from DIA on that and don't have a lot to report.

MR. HOFFMANN: There is nothing in here about some of these large training and maneuver areas that they have. Is that because it turns out they don't have them?

MR. HANSEN: No, I wouldn't say that. Maybe it's because they took too strict a word of "basing" and they meant nobody is stationed there or something. I don't know. I would have to ask.



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MR. HOFFMANN: Well, the thing I wanted, I was trying to get at, was the fact that they have -- I mean, they have facilities for chemical warfare training [redacted] B-1

And what I wanted to do was set up a counterpoint against our shrinking facilities and lack of purchase on the Great American West and stuff like that. That's where I was going.

MR. HANSEN: I think we can do that, sir. We will incorporate what we have here plus that. When we get some more information, we can incorporate that perhaps in one of the chapters.

MR. HOFFMANN: Just ask them to make a comparison of the maneuver type areas, like Camp Irwin or something like that, so we just have --

GENERAL POE: And the ranges. [redacted] B-1

MR. HOFFMANN: That's the kind of stuff. When you start talking about winding down things in this tremendous infrastructure that they have, it represents a capability that we need to be aware of. And it's expressed in terms



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of basing and maneuver rights and all that stuff, and that is what I was getting at.

GENERAL QUINN: Well, they did brief on that. They briefed on the extent of their large training areas back in Russia. And if I may, I think that that would tie in very nicely with the "Futures" chapter, where we talk about interservice cooperation and the requirement for integrated training areas, rather than looking at it apart.

MR. HOFFMANN: That's fine. I don't care where you put it. I just think the point needs to be made.

MR. HANSEN: Our report says "several large training areas." Perhaps it should have been "huge." We will clean up that and hand it to our "Futures" chapter.

MR. HOFFMANN: I appreciate your following through on that.

MR. HANSEN: The last thing I have I think we have discussed quite extensively, and that is the issue of property disposal. The staff is doing a lot of research into what we can anticipate as the problems associated with that.

We anticipate coming out of that research some suggestions on perhaps where either regulations or in fact law might be changed to expedite property disposal for the future, and would then propose, if we come up with something concrete, propose that that be included in the


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final report.

And I just wanted to let you know that we were up to that. And it's sort of a spinoff of figuring out what proceeds we might actually receive, because you've got two issues: You're going to have to end up giving the property away, to who; and secondly, how long does it take you to get a sale done?

So we are working on that as we speak. And the only other thing that I know of that was still left up as an item of unfinished business was Mr. Smith's idea of a list of places that could be visited.


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COMMISSION BASE VISITS

MR. HANSEN: Jay, did you write down that list or did you want to talk about visits, Commissioners' visits?

MR. WINIK: Well, we have a general informal list. The most important thing, though, was to try to get as many of you out there to either sites that we ourselves think are important, given the discussions of the last two days, or that you yourself have a particular interest in seeing certain places.

I would encourage you to either go to the list you have or what you think is important, and we can certainly help staff that for you. If you just want to go there yourself, we will give you the appropriate paperwork and make that possible.

But we think it's important for the credibility of the Commission as a whole that we be able to testify for the two Chairmen here that each of you have been out there, to the extent that it is possible. And thus far, I think, Mr. Edwards, Mr. Starry is going out again, Mr. Poe, you said you will go out to the extent that you can. I'm going to go out with Mr. Claytor.

Senator Ribicoff is going to go to Fort Belvoir for a half a day.

MR. HANSEN: Well, that's all been taken care of on an individual basis, and I guess we don't need to do it.


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MR. HOFFMANN: I'm going to go to Boston and maybe Staten Island. I'm going to get somebody to talk to me about this home porting situation.

MR. SMITH: Well, I'm going to be in Dallas. I can go to San Antonio. I'm going to be in Denver. So if there is a list, I can pick out things that I will go to, or if there are things that the Commission feels strongly about.

MR. WINIK: I think the most important thing is for you to give us a list of dates where you could potentially be available. And then what we will do is -- both, where you'll be. And then we will go through and look at both those bases that have already been looked at and those that we think ought to be looked at.

GENERAL POE: There has been a lot of talk about geographical balance.

CHAIRMAN EDWARDS: We're going to see a map in just a minute of what we've done.

MR. BRYAN: Congress has asked that we consider the geographical distribution of our work. This does not include the Nike housing sites.

(Viewgraph)

MR. BRYAN: This does not include the Herndon DMA facility, and it does not include the radar sites.

MR. HANSEN: Nor does it include any potential new

ones. This is the ones that have been voted on and finalized.

CHAIRMAN EDWARDS: Well, I don't know. Just looking at it, not paying attention to how many people and how big the base and all, it looks like they are spread over the country.

MR. BRYAN: I think California takes the biggest hit, with its three air bases.

MR. HANSEN: The impact of the three air bases in California was 12,000 people, approximately 10,000 of them military. So the impact of the military leaving is less than the impact of civilians leaving, but it is still an impact.

CHAIRMAN EDWARDS: Many of those go to other California facilities.

MR. HANSEN: No, that is the net decrease, 12,000. Presidio is 4,000.

GENERAL POE: I meant where we visit. I think the sense should be that the Commissioners have been to all of these areas.

CHAIRMAN EDWARDS: So let us have the dates that you can be available, and the staff will try to marry you up with something that fits your needs and your location and so forth.

Is there anything else for today?

Let me just say that in about two or three weeks the paragraphs and sections of the report will start to

materialize. And what we plan to do -- and I have discussed this with Abe -- is as these come out, and they will come out piecemeal, as they are done they will come to each of you. And we would like for you to read them as they come, make any comments or notes or suggestions you care to make.

And then Abe and I have agreed to ask Smith and Poe and me to be kind of a final review drafting committee, and I stress "draft," because once we put it all together then certainly we all should take a look at it.

But what we would do is take -- if you two guys would agree to serve, what we would do is take all of your comments and meld them into what will be a final "draft," and then as the whole piece of work is done, then make them available or make that work available, so that in fact -- and you will have another cut at it.

But in fact, it will be the work of everybody on this Commission. Is that a fair way to do it?

MR. CLAYTOR: Yes, sir.

MR. HOFFMANN: Very fair.

CHAIRMAN EDWARDS: Okay. Gee, I say, fellows, I really enjoyed spending two days with you all.

(Laughter.)

MR. HOFFMANN: Mr. Chairman, may I raise one -- and we could go off the record for this.

(Discussion off the record.)



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CHAIRMAN EDWARDS: Are there any other comments or thoughts? I would like to --

MR. SMITH: Did we resolve the GAO briefing issue? Were you going to do that, Marty?

MR. HOFFMANN: Yes, I have a call in. I'm going to try to see Bowsher this week, I suspect, and see if I can get an opportunity to go over and see him and try to design a get-together, so that we lay out our process that we have here under some ground rules that we are comfortable with.

I've got my brother Claytor to assist me with this task. I feel if we're going to railroad the GAO, I couldn't find a better man to do it.

(Laughter)

MR. HOFFMANN: I hope we can clean that up in the record.

(Laughter)

MR. SMITH: You're going to go see Will Ball. Is somebody going to see the Army? I think they need to have their arm twisted.

GENERAL STARRY: Well, in addition to the tasks that we have given to the staff, do you mean?

MR. SMITH: Well, I think it would come a lot easier if there is acquiescence at the top that, yeah, we will do something else.

GENERAL STARRY: I will be glad to do that. But I



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must say that I've gone through this, I personally and my distinguished colleague over there have gone through this, I have gone through all of it and he's gone through most of it, with the Army staff.

I spent two hours with the Chief of Staff the other afternoon and the secretary. They think they have responded to the requirement. And now we have another set of requirements that the staff is working on to which they must respond.

So what else is it? You want to twist their arm. My question is, in what direction?

CHAIRMAN EDWARDS: Wouldn't it be helpful if you said to him or them that there are these other matters that staff will be working on over the next two weeks, and we really expect them to respond promptly?

GENERAL STARRY: I fully intend to do that, just as a report out on these last two days.

CHAIRMAN EDWARDS: And then on the Navy, I think if you could say to the secretary that as you sat there -- and I am being facetious now, but -- that the Air Force stepped up to the plate, and that the Commissioners feel like maybe the Navy didn't.

And I guess I speak for the Commission; and that they should take another look. Is that a fair way to put it? I mean, you can only squeeze that turnip so much. But we're

getting down to the wire, and I think we all want our work product to be just as complete and proper as we can make it. And that last squeeze on the turnip may be helpful.

Well, I want to thank all of you for two good days, and I think we are where we meant to be. That is to say, we've been through the whole process in two days. And now we know we have given you fellows a lot of work to do, and I guess the only thing I can say to you is, you're only going to do this once in your life.

Anything else?

(No response)

CHAIRMAN EDWARDS: Then we stand adjourned.

(Whereupon, at 3:50 p.m., the meeting was adjourned.)



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