United States General Accounting Office

GAO

Supplement to a Report to the Congress and the Chairman, Defense Base Closure and Realignment Commission

May 1991

MILITARY BASES

Letters and Requests Received on Proposed Closures and Realignments

143989

GAO/NSIAD-91-224S

GAO

United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

B-234775

May 17, 1991

To the President of the Senate and the
Speaker of the House of Representatives

The Honorable James Courter
Chairman, Defense Base Closure and
Realignment Commission

This is a supplement to our report entitled Military Bases: Observations on the Analyses Supporting Proposed Closures and Realignments (GAO/NSIAD-91-224, May 15, 1991).

Many interested parties, including Members of Congress, local government officials, and private citizens, have sent us correspondence on base closures. Several of these letters were from multiple requesters and included attachments of data, analyses, and/or evaluations. Additionally, some were delivered as part of a briefing or explanatory presentation.

In some instances, the letters and materials provided useful leads. In other cases, the materials added support to issues we were actively pursuing. We were not able to follow up on many of the issues or points because of the limited time available to us. However, we believe that the letters and materials may be helpful to the Commission as it considers the proposed closures and realignments. Consequently, we are providing all of the letters and materials to the Commission for consideration. Appendix 1 contains copies of the letters and some of the materials we received.

We are sending copies of this report to individual Members of Congress as well as the Chairmen, Senate and House Committees on Armed Services; the Chairmen, Subcommittees on Defense, Senate and House Committees an Appropriations; and the Secretaries of Defense, the Army, the Navy, and the Air Force. We will also make copies available to others on request.

This supplement was prepared under the direction of Donna M. Heivilin, Director, Logistics Issues, who may be reached on (202) 275-8412, if you or your staff have any questions concerning this supplemental report.

Frank C Conahan

for Charles A. Bowsher
Comptroller General
of the United States

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Letters and Other Material Received on Proposed Base Closures and Realignment

Congress of the United States
House of Representatives
Washington, D.C. 20515

March 7, 1991

Hon. Charles A. Bowsher
Comptroller General of the United States
U. S. General Accounting Office
441 G Street NW
Washington, DC 20548

Dear Mr. Comptroller General:

Under the Defense Base Closure & Realignment Act of 1990, you will be called on to review the April 15, 1991 recommendations of the Secretary of Defense and provide the Congress with a thorough analysis of the selection process.

This afternoon, we received--anonomously--the enclosed document. If this is a valid document, it clearly shows that the DoD study is rigged and that the taxpayer's money is being wasted in a sham study.

Therefore, we ask that you add this document to your files in preparing for your study, that you begin now to determine whether it is a true document, that you discover the source of the "order" to find that the Alameda, California facilities should be closed, and determine whether any laws requiring an objective determination of bases to be closed (specifically PL 101-510, sec. 2903(c)(3)) have been violated.

If the law is being violated with respect to the requirement that the "Secretary shall consider all military installations...equally," then an

enormous amount of money is being wasted in a fradulent and fatally flawed study. We hope that the GAO could comment on this point.

Sincerely,

Pete Stark
Member of Congress

Ron Dellums
Member of Congress

PETER H. KOSTMAYER
PENNSYLVANIA

Congress of the United States
House of Representatives
Washington, DC 20515

April 5, 1991

Charles A. Bowsher
Comptroller General
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Bowsher:

I am enclosing for your review a copy of letter from over sixty Members of Congress to Secretary of Defense Cheney.

This letter concerns the 1991 base closure process, and I hope that you and the appropriate GAO officials will consider the issue it raises during your deliberations on the base closure list.

Thank you for attention to this matter.

With every good wish,

Sincerely,

Peter H. Kostmayer

PHK/jl

THIS STATIONERY PRINTED ON PAPER MADE OF RECYCLED FIBERS

Congress of the United States
House of Representatives
Washington, DC 20515
March 22, 1991

The Honorable Richard B. Cheney
Secretary of Defense
The Pentagon
Washington, D.C. 20301-1000

Dear Secretary Cheney:

We are writing about ongoing efforts in the Department of Defense to reorganize its research laboratories, testing centers, and engineering centers.

As you know, within the 1991 Defense Authorization Act, Congress established the Advisory Commission on Consolidation and Conversion (CCC) of Defense Research and Development Laboratories. This commission is charged with providing an independent analysis of the current system, and to recommend ways of improving the operations of laboratories through the closure and/or consolidation of their activities. The recommendations of this Commission are due by September 30, 1991.

By establishing this Commission, Congress provided a separate process for the consideration of the laboratory restructuring. Consequently, we are disturbed to learn of reports that the DOD may include laboratories in the 1991 base closure process. Since the laboratory CCC would not have completed its work, we do not feel it would be appropriate or wise to begin the laboratory restructuring process. For the DOD to include research and development laboratories on the 1991 Base Closure list would preclude the independent analysis provided for in the 1991 Defense Authorization Act, and would violate the intent of Congress that there be an overall plan to improve the effectiveness and efficiency of the R&D facilities, sanctioned by the CCC, before consolidation begins.

Given the complexity of the Defense laboratory system and the important role the labs play in our national defense, we believe that any decision to close Defense labs should not be made until after the Laboratory CCC has completed its work.

We appreciate your consideration and cooperation on this issue, and look forward to your response.

Sincerely,

Rep. Peter Kostmayer

Rep. C. Thomas McMillen

Rep. Earl Hutto

Rep. Constance Morella

The Honorable Richard Cheney
March 22, 1991

Rep. Dennis M. Hertel

Rep. Bernard J. Dwyer

Rep. Stephen L. Neal

Rep. Robert T. Matsui

Rep. Lawrence Coughlin

Rep. Edward J. Markey

Rep. Thomas J. Ridge

Rep. Steny H. Hoyer

Rep. Gary Franks

Rep. Douglas "Pete" Peterson

Rep. W. Martin Lancaster

Rep. Robert A. Borski

Rep. Paul E. Kanjorski

Rep. Thomas M. Foglietta

Rep. Fortney Pete Stark

Rep. Marge Roukema

Sen. Bob Graham

Sen. Arlen Specter

Sen. Frank R. Lautenberg

Sen. John Heinz

Rep. William H. Gray, III

Rep. Gus Yatron

The Honorable Richard Cheney
March 22, 1991

Rep. Robert W. Davis

Rep. Nicholas Mavroules

Rep. Sam Gejdenson

Rep. Brian Donnelly

Rep. Joan Kelly Horn

Rep. Tim Valentine

Rep. Frank Pallone, Jr.

Rep. Barbara B. Kennelly

Rep. Joseph M. Gaydos

Rep. Austin J. Murphy

Rep. Joe Kolter

Rep. William F. Goodling

Rep. John Murtha

Rep. Curt Weldon

Rep. Richard T. Schulze

Rep. Don Ritter

Rep. Robert S. Walker

Rep. William J. Coyne

Rep. Bud Shuster

Rep. Cass Ballenger

Rep. Howard Coble

Rep. Alex McMillan

The Honorable Richard Cheney

March 22, 1991

Rep. Rosa L. DeLauro

Rep. William F. Clinger, Jr.

Rep. Helen Delich Bentley

Rep. Eliot L. Engel

Rep. Randy "Duke" Cunningham

Rep. Richard E. Neal

Rep. Nancy L. Johnson

Rep. Duncan Hunter

Sen. Bill Bradley

Rep. Joseph P. Kennedy, II

Sen. Connie Mack

Sen. Christopher Dodd

Rep. Pete Geren

Sen. Joseph I. Lieberman

cc: H. Lawrence Garrett III, Secretary of the Navy
Michael P.W. Stone, Secretary of the Army
Donald B. Rice, Secretary of the Air Force

ROBERT T. MATSUI
THIRD DISTRICT, CALIFORNIA

COMMITTEE ON
WAYS AND MEANS

SUBCOMMITTEES:
TRADE
HUMAN RESOURCES

WHIP AT LARGE

DEMOCRATIC STEERING
AND POLICY COMMITTEE

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Washington, DC 20515

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April 11, 1991

Mr. Charles A. Bowsher
Comptroller General of the United States
441 G Street NW
Washington, DC 20548

Dear Mr. Bowsher:

I have been working closely with the Sacramento community to ensure that the Department of Defense objectively evaluates the Sacramento Army Depot and the McClellan Air Logistics Center. A Sacramento City and County Base Realignment Committee was formed, in conjunction with the Sacramento Chamber of Commerce, to consider the merits of a consolidation proposal using standard business methodology and cost-benefit analysis.

The Committee has completed a proposal that would consolidate functions between the Sacramento Army Depot and the McClellan Air Logistics Center thereby achieving efficiencies, cost savings, and furthermore promote interservicing competition. I believe that this proposal deserves serious consideration by the GAO as it reviews the individual bases on Secretary Cheney's base closing list.

I have enclosed a copy of the Sacramento Plan for your inspection. Please have your staff analyze it thoroughly to determine whether the consolidation plan merits additional consideration, and therefore might justify postponing the closure of the Sacramento Army Depot.

During the week of April 22, a few representatives from the Sacramento Realignment Committee will be coming to Washington DC. If at all possible, I would appreciate an opportunity for the group to meet your staff in the Division of Logistics to discuss the Sacramento bases and the consolidation proposal. A representative will be in contact with your office shortly.

Thank you for your consideration.

Sincerely,

Robert T. Matsui

Robert T. Matsui
Member of Congress

THIS STATIONERY PRINTED ON PAPER MADE WITH RECYCLED FIBERS

JOHN R. KASICH
12TH DISTRICT OHIO

MEMBER
COMMITTEE ON ARMED SERVICES
SUBCOMMITTEES
READINESS
PROCUREMENT AND MILITARY
NUCLEAR SYSTEMS
COMMITTEE ON THE BUDGET

Congress of the United States
House of Representatives
Washington, DC 20515

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(614) 469-7318

April 12, 1991

The Hon. Charles A. Bowsher
Comptroller General of the United States
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Bowsher:

I am writing to request the assistance of the GAO in evaluating the criteria used to close and realign military bases pursuant to the Base Closure and Realignment Acts of the 100th and 101st Congresses (PL 100-526 and PL 101-510).

The recommendations of the first base closure commission included consolidation of Navy functions to uncompleted facilities at Everett, Washington, and Staten Island, New York. The most recent base closure commission has also recommended that these uncompleted facilities be retained.

I have serious reservations about the cost effectiveness of these recommendations. It is difficult to believe the cost of deactivating functioning bases, with the attendant expenses of employee severance, equipment disposal, and environmental restoration, is outweighed by the operational advantages of moving to a new base, which will in any case require additional military construction expenditures to achieve full operational capability. In addition, the planned reduction of U.S. Navy combatant ships from nearly 600 to 450 seems to seriously diminish the Navy's rationale for <u>any</u> additional home ports.

I understand the GAO has been charged to review the base closing commission's recommendations pursuant to law. I would greatly appreciate it if as a part of that review you could address the cost-effectiveness of more home ports for fewer ships at a time when other military bases are being closed for budgetary reasons.

Thank you very much for your assistance in this matter. Please do not hesitate to contact me if you have any questions.

Sincerely,

John R. Kasich
Representative to Congress

JRK/ml

JOHN R. KASICH
12TH DISTRICT, OHIO

MEMBER
COMMITTEE ON ARMED SERVICES
SUBCOMMITTEES:
READINESS
PROCUREMENT AND MILITARY
NUCLEAR SYSTEMS
COMMITTEE ON THE BUDGET

Congress of the United States
House of Representatives
Washington, DC 20515

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COLUMBUS, OH 43215
(614) 469-7318

April 15, 1991

The Hon. Charles A. Bowsher
Comptroller General of the United States
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Bowsher:

I am writing this addendum to my letter of April 12 as a follow-up to our phone conversation today.

While the Navy's homeport program is of particular concern to me as an issue in the baseclosing process, I am also interested in the Navy's rationale for its entire list of facilities to be closed. I am also concerned about the Army's rationale for its baseclosing recommendations, since I understand the number of divisional bases to be retained is too large for the Army's planned force structure.

Per our conversation, I am enclosing the views of Thomas Eagleton, which were appended to the previous base closing commission's report.

Thank you very much for your attention to this matter.

Sincerely,

John R. Kasich
Representative to Congress

JRK/ml

Serving the Sacramento Region

April 15, 1991

Bob Myers
Assistant Director
Division of Logistics, General Accounting Office
441 G Street NW, Room 5102
Washington, D.C. 20548

Dear Mr. Myers:

Thank you for offering us the opportunity to meet with you during our Capitol to Capitol visit to Washington, D.C.

The individuals visiting with you are:

Don Barber Sacramento Chamber of Commerce 241-58-9890	Roy Brewer Hunter, McCray et al 262-86-0445
Thomas Eres Kronick, Moskovitz et al 567-52-7180	Sharon Margetts Pacific Bell 557-58-9773
Kim Mueller City of Sacramento 485-62-0803	Dee Reynolds Sacramento County 566-56-8883
Collette Johnson-Schulke Congressman Matsui's Office 352-34-4311	Bill Meehan Sacramento Central Labor Council 565-60-4169
Pat Coppin (Photographer) Sacramento Chamber of Commerce 226-80-2039	

They would like to discuss the following subject:

The Sacramento Plan for Base Realignment

I know that they will benefit from your knowledge and experience and look forward to meeting with you.

Sincerely,

Paul Salemi
Program Coordinator

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P.O. BOX [illegible] 917 7TH STREET SACRAMENTO, CALIFORNIA 95812-1017 PHONE (916) 443-3771 FAX (916) 443-2672

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The Sacramento Plan

A Business Approach to Base Realignment and Closure

Sacramento City and County Base Realignment Committee

THE SACRAMENTO PLAN
A
BUSINESS APPROACH
TO
BASE REALIGNMENT AND CLOSURE (BRAC)

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NAVELEXCEN CHARLESTON PROJECTED
CLOSURE COSTS

PERSONNEL TRANSFER SCHEDULE

	FY92	FY93	FY94	FY95-98	TOTAL
SUPPORT PERSONNEL	5	11	55		71
TECHNICAL PERSONNEL	9	4	264		277
MILITARY OFFICERS	1	1	2		4
TOTAL	15	16	321		352

PERSONNEL COSTS

	FY92	FY93	FY94	FY95-98	TOTAL
PERSONNEL RELOCATION COST	157,449	167,946	3,369,409	0	3,694,805
PERSONNEL REPLACEMENT COST	177,552	277,632	5,104,224	17,728,848	23,288,256
RETIREMENT & TERMINATION COST	126,804	109,449	3,165,134	0	3,401,386
RELOCATION DOWN TIME	55,529	59,496	1,265,312	0	1,380,337
TOTAL PERSONNEL COSTS	517,334	614,522	12,904,078	17,728,848	31,764,782

FACILITY COSTS

	FY92	FY93	FY94	FY95-98	TOTAL
REPLACEMENT CONSTRUCTION	38,389,290	0	0	0	38,389,290
ENGINEERING TEST BED RELOCATION	0	0	17,300,000	0	17,300,000
INVENTORY/ASSET RELOCATION	0	0	3,083,973	0	3,083,973
OFFICE OUTFITTING i.e. PHONES, ADP, SECURITY SYSTEM	0	0	1,500,000	0	1,500,000
TOTAL FACILITY COSTS	38,389,290	0	21,883,973	0	60,273,263
OVERALL CLOSURE COSTS	$38,906,624	$614,522	$34,788,051	$17,728,848	$92,038,045

APRIL 17, 1991

ARTHUR RAVENEL, JR.
1ST DISTRICT, SOUTH CAROLINA

COMMITTEE ON
ARMED SERVICES
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MILITARY INSTALLATIONS
AND FACILITIES
MILITARY PERSONNEL
AND COMPENSATION
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AND FISHERIES
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April 18, 1991

General Accounting Office
Office of Congressional Relations
Attn: Mr. Richard Roscoe, Legisl. Adv.
441 G St. N.W., Room 7025
Washington, D.C. 20548

Dear Mr. Roscoe,

Congressman Ravenel is in the Persian Gulf and asked me to express mail the enclosed data regarding Navalex, Charleston to you. I believe he spoke to you about this on Wednesday, April 17th before he left.

If there is anything further you need, please be in touch.

Sincerely,

Sharon Chellis

Sharon Chellis
Administrative Assistant

SC/ab
Encl. (1)

THIS STATIONERY PRINTED ON PAPER MADE OF RECYCLED FIBERS

THOMAS M. FOGLIETTA
1ST DISTRICT PENNSYLVANIA

COMMITTEES
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CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

April 18, 1991

Mr. Charles Bowsher
Comptroller
General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Bowsher:

As the General Accounting Office (GAO) prepares its review of the Defense Secretary's base closure recommendations, we write to direct your attention to the attached report regarding the Philadelphia Naval Shipyard and Naval Base.

As you know, Defense Secretary Cheney has recommended closure of the Philadelphia Naval Shipyard, the Naval Station, COMNAVBASE, and closure of Naval Damage Control Center. Some operations on the Base -- such as the Naval Ship Systems Engineering Station (NAVSSES), the propeller shop and foundry, and the Inactive Ships Maintenance Facility -- would be retained.

We request that you give the enclosed report careful study. As you see, the report tracks the Defense Department's criteria to prove that the Shipyard and Base should remain a vital part of the naval strategy through the 1990's and beyond. The Shipyard's mission is a vital element of the future force structure of the Defense Department. It is the only Naval Shipyard to make a profit the past two years, and is the Navy's most productive and most efficient Yard. Finally, closing the Philadelphia Naval Shipyard would be an economic and environmental disaster for the already fiscally-troubled Delaware Valley region.

We have also sent this report to the Defense Base Closure and Realignment Commission. We appreciate your attention to this report. We look forward to working with you in your review.

Sincerely,

Thomas M. Foglietta, M.C.

Arlen Specter, U.S.S.

John P. Murtha, M.C.

Bill Bradley, U.S.S.

William H. Gray, III

Frank Lautenberg, U.S.S.

Robert A. Borski, M.C.

Joseph R. Biden, Jr.U.S.S.

Peter H. Kostmayer, M.C.

Joseph M. Gaydos, M.C.

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Austin J. Murphy, M.C.

Gus Yatron, M.C.

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Christopher Smith, M.C.

Donald M. Payne, M.C.

Robert G. Torricelli, M.C.

Thomas R. Carper, M.C.

Joe Kolter, M.C.

April 22, 1991

General Accounting Office
Attention: Base Closure Investigations
Washington, D.C. 20548

Dear Sir/Madam:

Naval Air Station, Whidbey Island has been slated for closure by Secretary Cheney. I am a tax paying citizen of Island County Washington. I am absolutely appalled at the blatant waste of my money!

The Navy's contention is to spend money to save money! That sir is ludicrous! I find the projected closure a slap in my taxpaying face. Within the last several years over a $135 **million** dollars has been poured into NAS Whidbey. Now to close the base and abandon the improvements made with my hard earned dollars, it makes me angry.

I am not partial as to which planes are stationed at the airfield. However to make improvements at LeMoore, which will cost an additional $476 million, borders on the ridiculous. With the economy swamped by a recession and the nation staggering under a national debt it seems incomprehensible to spend additional monies that really are not necessary. The government is willing to spend millions to build the Everett home port, yet the planes will be based over a thousand miles away. The cost in fuel alone is just illogical. Isn't it time the government started being fiscally responsible?

Another thing bothers me, if NAS Whidbey does close, I consider that as another slap in my husband's face. He served honorably in the United States Navy for 20 years. He fought in three wars, World War II, Korea, and Viet Nam. We moved to Whidbey Island because of the area and the proximity to Naval facilities, ie., hospital, commissary and exchange. His benefits have eroded to almost nothing.

I trust the GAO. It seems to be the only agency in the Federal government that cares about the money spent. The agency uses common sense.

Please use common sense with the base closures. Consider all of the factors. The impact on the community, the erosion of the tax base. Consider the people. Thank you.

Sincerely,

Karen Lewis

Congress of the United States
Washington, DC 20515

April 23, 1991

Mr. Charles A. Bowsher
Comptroller General of the U.S.
General Accounting Office Bldg.
441 G Street, NW
Washington, D.C. 20548

Dear Mr. Bowsher:

We respectfully request that the General Accounting Office conduct an audit of all Department of Defense and Department of the Army data used to determine the cost-effectiveness of the proposal to move the U.S. Army Chemical School from Fort McClellan, Alabama, to Fort Leonard Wood, Missouri, and place the Chemical Decontamination Training Facility (CDTF) at Fort McClellan in "caretaker status." We request that this data be compared to data showing the cost of building a new CDTF at Fort Leonard Wood or any other Training and Doctrine Command facility and the cost of leaving the Chemical School and CDTF at Fort McClellan.

In conducting your audit, we refer you to your November 1989 report "Military Bases: An Analysis of the Commission's Realignment and Closure Recommendations" in which you rank Fort McClellan number one in military value. As you know, military value is among the published criteria which the 1991 Base Closure and Realignment Commission and the GAO must consider in reviewing the Department of Defense's current 1991 base-closure proposals.

In closing, we wish to commend the General Accounting Office for the oustanding job it has done in reviewing our nation's previous efforts to close domestic military installations, especially the 1988 and 1990 processes. We feel certain that with the GAO performing its watchdog function, the bases finalized for closure in 1991 will be identified in a fair and rational manner. If our offices can be of any assistance to you in your analysis of the current closure recommendations, please feel free to contact us.

Mr. Charles A. Bowsher
Page 2
April 23, 1991

With kindest regards, we are sincerely,

Howell Heflin
United States Senator

Richard Shelby
United States Senator

Glen Browder
Member of Congress

JIM LEACH
1ST DISTRICT, IOWA

COMMITTEES:
BANKING, FINANCE AND URBAN AFFAIRS
FOREIGN AFFAIRS

CONGRESS OF THE UNITED STATES

April 24, 1991

The Honorable Charles A. Bowsher
The Comptroller General of the United States
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Bowsher:

I am writing regarding the provision of Public Law 101-510 requiring the Comptroller General to prepare a detailed analysis of the recommendations for base closures and realignments made by the Secretary of Defense pursuant to that law. Of particular concern is the adequacy of the selection process as it pertains to the recommendation that the U.S. Army Materiel Command (AMC) move the Army Armament, Munitions and Chemical Command (AMCCOM) from the Rock Island Arsenal, Rock Island, Illinois, to the Redstone Arsenal, Huntsville, Alabama, to become part of a new Development and Sustainment Command to be headquartered there.

On the basis of data supplied by the Army, it is my understanding that AMC made its recommendation that this realignment take place after an analysis of the facilities in the command that grouped them under three headings: "production installations"; "depot installations"; and "commodity oriented installations". From this data it appears that the Redstone Arsenal was evaluated using the weighted criteria appropriate to "commodity oriented installations", while the Rock Island Arsenal, on the other hand, was evaluated using the weighted criteria for "production facilities". The Rock Island Arsenal's manufacturing facility has recently undergone an extensive renovation and expansion and is clearly a "production facility". The Arsenal is also the host command for AMCCOM and it is unclear under which rubric the latter was evaluated. As an Inventory Control Point (ICP), AMCCOM would seem clearly to be a "commodity oriented installation", but does not appear in the data available to me to have been evaluated under that rubric.

This raises the question of whether the decision to move AMCCOM from the Rock Island Arsenal to the Redstone Arsenal was made on the basis of an adequate and equitable evaluation of the two installations. Further, it also calls into question the appropriateness of examining the commands being evaluated in terms of the categories the Army has chosen to group them under when in at least one case, that of the Rock Island Arsenal and AMCCOM, commands from two of the categories are present on the same site.

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Page 2
The Honorable Charles A. Bowsher
April 24, 1991

At issue here is not the trauma of a base closure, but the question of whether moving a command or leaving it in place is cheaper to the government. When all of the resources at the Rock Island Arsenal and available in the community at large are taken into account, the cost in terms of both local and federal tax dollars may prove far less to keep AMCCOM at Rock Island and expand the use of facilities already in place there, rather than undertake the new construction that would be needed at another location.

Further, it is important to take into consideration as part of the evaluation process the larger societal impact of the changes being proposed.

One of the lessons of Vietnam is that a society's uniformed services must be perceived to be an integral part of that society in order to be able to fulfil their mission. The recent overwhelming success of our military in the Persian Gulf was the product of the extraordinary professionalism and courage of the men and women in our armed forces. A factor in the larger context in which this success was achieved, however, was the overwhelming support the effort received from the American people. As our defense establishment contracts as a result of the reduction in the threat to our national security worldwide, isolating the military -- and particularly its leadership -- from the American people by relegating it disproportionately to one region of the country could jeopardize this necessary sense of oneness that now exists between the services and the people they defend.

The closures and reductions in force that would take place as a result of the implementation of the Secretary of Defense's recommendations will be painful for the communities that are negatively affected. The elected representatives of these communities have an obligation to see they are fairly, not preferentially, treated. The AMC's new and consolidated Development and Sustainment Command should be located where the national -- and not narrow political -- interest dictates.

In your statutorily mandated review of the process through which the recommended base closings and realignments were arrived at, I would like to request that you examine the criteria used in deciding to move AMCCOM from Rock Island to Redstone, with particular attention to their adequacy in providing an evaluation of the resources available at each installation as well as to the fairness of their application to each facility.

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The Honorable Charles A. Bowsher
April 24, 1991

I would also like to request that the General Accounting Office assess the larger societal impact of the kind of geographical shift represented by disproportionate management shifts to one region of the country.

Thank you for your attention to this vital issue.

Sincerely,

Jim Leach
Member of Congress

FM: THOMAS R. JOHNSON

APRIL 26, 1991

TO: THE HONORABLE JAMES A. COURTER

SUBJ: CLOSING NAS WHIDBEY ISLAND

I BELIEVE THAT NAS WHIDBEY ISLAND SHOULD REMAIN OPEN FOR THE FOLLOWING REASONS:

- OVER 99% OF THE OAK HARBOR AND COUPEVILLE COMMUNTIES SUPPORT THE NAVY MISSION.
- OVER 80% OF THE LOCAL ECONOMY ($290 MILLION) IS PROVIDED BY THE NAVY. WE HAVE NO OTHER MAJOR INDUSTRY.
- THE BASE HAS UNDERGONE A RECENT EXTENSIVE BUILDING PROGRAM AT TAXPAYERS' EXPENSE: NEW OR RENOVATED - HANGARS; TRAINING FACILITIES; BEQ; HOUSING; COMMAISARY; HOSPITAL; EXCHANGE; AND BASE SECURITY UPGRADE.
- THE COMMUNITIES HAVE UNDERGONE EXTENSIVE GROWTH TO SUPPORT THE NAVAL BASE: NEW ROADS; SCHOOLS; HOSPITAL EXPANSION; WATER FACILITIES; AND SEWAGE TREATMENT PLANT.
- THE LOCAL FLIGHT OPERATING AREA PROVIDES THE A-6/EA-6 OPTIMUM DAY/NIGHT ALL WEATHER FLIGHT TRAINING ROUTES.
- EA-6B FLIGHT JAMMING PROFILES DO NOT INTERFERE WITH LOCAL RADIO COMMUNICATIONS OR RADAR FREQUENCIES. THIS WILL NOT BE THE CASE IN SOUTHERN CALIFORNIA WHICH HAS BOTH A CONGESTED AND RESTRICTED RADIO FREQUENCY SPECTRUM !!!
- MILITARY FORCED TO MOVE WILL SUFFER FINANCIAL AND MORALE HARDSHIPS.
- THE A-6/EA-6 SERVICE LIFE WILL END PRIOR TO ANY BREAK-EVEN COST SAVINGS SINCE IT WILL COST OVER $500 MILLION FOR RELOCATION !!!

IT IS HIGHLY RECOMMENDED THAT THE GENERAL ACCOUNTING OFFICE PROVIDE A COMPLETE LIFE CYCLE MANAGEMENT COST ANALYSIS OF THIS PROPOSED MOVED AND THAT THEY START BY FIRST REVIEWING THE POSTULATED FIGURES PROVIDED BY A BIASED AND POLITICALLY MOTIVATED MILITARY ACTION GROUP.

SINCERELY,

Thomas R. Johnson

COPY TO:
CONGRESSMAN THOMAS FOLEY
CONGRESSMAN AL SWIFT
CONGRESSMAN NORMAN DICKS
SENATOR SLADE GORTON
SENATOR BROCK ADAMS
HONORABLE H. LAWRENCE GARRETT
ADMIRAL F.B. KELSO
DIRECTOR GENERAL ACCOUNTING OFFICE

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ARNOLD L. PUNARO, STAFF DIRECTOR
PATRICK A. TUCKER, STAFF DIRECTOR FOR THE MINORITY

United States Senate
COMMITTEE ON ARMED SERVICES
WASHINGTON, DC 20510-6050

April 26, 1991

Honorable Charles A. Bowsher
Comptroller General of the United States
General Accounting Office
441 G Street
Washington, D. C. 20548

Dear Mr. Bowsher:

Under the procedures of Title XXIX of the National Defense Authorization Act for Fiscal Year 1991, the General Accounting Office plays a critical role in the ongoing Defense Base Closure and Realignment process. The GAO was directed to monitor the analysis effort of the Department of Defense as it developed its package of base closure and realignment proposals. This package was released by the Secretary of Defense on April 12.

As you know, the GAO is also required to provide the Commission and the Congress its independent analysis of the Secretary's package of recommendations by May 15. Because of the Commission's charter to make its own, independent recommendations to the President, your Agency's report, colored by your earlier monitoring of the Services' analysis as well as your long standing expertise in base closure issues, will be particularly useful.

The Secretary's package includes a recommendation to close Moody Air Force Base in Valdosta, Georgia. This F-16 base, which only recently completed transition to the latest and most capable model of the F-16C, has been one of the most efficient tactical fighter installations in the Air Force. Just days prior to the announcement of the recommendation to close this base, the Department of Defense named Moody the recipient of the Commander-in-Chief's Annual Award for Installation Excellence. I am enclosing the material justifying this designation as the best base in the Air Force to give you an idea of how Moody has ranked among all other Air Force installations. Moody's reputation for excellence has made the base an ideal testbed for new and unique procedures. Moody was the original Model Installation Program (MIP) base. Additionally, Tactical Air Command (TAC) and the Air Staff recently selected Moody AFB to test a new wing organization structure.

I appreciate that the GAO has a great deal of work to do in a very short period of time. The recognized independence of the Agency makes your work all the more important to the Commission, as well as to the communities potentially affected by Secretary Cheney's recommendations.

The initial analysis by my staff and a task force of community leaders of the Air Force's rationale for recommending Moody's closure has raised a number of issues which I believe should be addressed in your overall analysis of the DoD package of recommendations. Several subcriteria appear to have little or no relevance to whether the base can efficiently perform a tactical fighter mission. On the contrary, some appear to be devised principally to develop discriminations where meaningful, functional differences simply do not exist. I believe that the attached issues, as a minimum, warrant your particular review.

I commend you to this work, and look forward to reading your critique. I trust that you will be able to address these and any other issues which you identify as inconsistent, irrelevant or erroneous in the Air Force's selection of Moody AFB for closure.

Sincerely,

Sam Nunn

Enclosures

CC Defense Base Closure and
Realignment Commission

C.W. BILL YOUNG
8TH DISTRICT, FLORIDA

MEMBER:
COMMITTEE ON
APPROPRIATIONS

SUBCOMMITTEE ON
NATIONAL DEFENSE

Congress of the United States
House of Representatives
Washington, DC 20515

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April 26, 1991

Mr. Charles A. Bowsher
Comptroller General
Of The United States
U.S. General Accounting Office
441 G. Street N.W.
Washington, D.C. 20548

Dear Mr. Bowsher:

This is to request that the General Accounting Office review the legislative intent of Public Law 101-510, the Defense Base Closure and Realignment Act of 1990, to determine whether the Defense Base Closure and Realignment Commission can consider recommendations for the realignment of bases which the Secretary of Defense has the direct authority to close or realign.

As you know, Section 2687 of Title 10, U.S.C., prohibits the Secretary of Defense, without the advise and consent of Congress, from closing military installations at which more than 300 civilian personnel are authorized to be employed or from realigning any military installation which would involve a reduction of more than 1,000 or more than 50 percent of the civilian personnel employed at such a military installation.

My understanding is that it is the Armed Services Committee's interpretation of the 1990 Base Closure Act that the Base Closure Commission was established solely to consider those closures and realignments which are not directly in the Secretary's purview. The interpretation of this Congressional intent was the subject of discussion this afternoon during a public hearing of the Base Closure Commission in which a question was raised about the authority of the Commission to include in its report to the President and Congress recommendations about bases which do not meet the threshold criteria of Section 2687 of Title 10, U.S.C.

Furthermore, questions were raised during the hearing today about the Commission's potential to grant a waiver for the consideration of the closure or realignment of a base or bases which do not meet these criteria. Again, my understanding is that it is the interpretation of the Armed Services Committee that Public Law 101-510 grants no such waiver authority.

Mr. Charles A. Bowsher
April 26, 1991
Page 2

As a member of the House Appropriations Subcommittee on Defense, which will play a major role in the consideration and implementation of the Base Closure Commission's recommendations, I can assure you that these are critical and very timely questions about the basic interpretation of the law which governs the authority of the Base Closure Commission. Because the Commission, the President, and Congress are operating under a very tight schedule for review of this complex matter, your assistance in providing an expedited review of these questions would be very much appreciated.

With best wishes and personal regards, I am

Very truly yours,

C. W. Bill Young
Member of Congress

CWY:hg

Quad City Development Group

April 26, 1991

The Honorable Charles A. Bowsher
The Comptroller General of the United States
441 G Street, N.W.
Washington, DC 20548

Dear Mr. Bowsher:

We are pleased that your office is charged with analyzing the costs and benefits of the proposed changes now before the Defense Base Closure and Realignment Commission.

We understand the need and applaud the Department of Defense for its efforts to reduce costs and improve operational efficiencies. However, we are confident that your analysis will confirm what we are convinced is true--shifting the 1,434 AMCCOM positions as proposed from their location on the Rock Island Arsenal will be more costly than beneficial both initially and over the long term.

We estimate the realignment needlessly will cost taxpayers over $100 million--$60 million to $70 million to build space at Redstone when ample room already is available at Rock Island and in excess of another $40 million in moving and severance costs.

We further are convinced that--if the Department of Defense had included the Rock Island facility in its own analysis of commodity oriented installations--it would have come to the same conclusion. We do not understand why it was omitted, but challenge the appropriateness of that decision. We urge a look at the results, using the Department of Defense's own analytical model, when the Rock Island facility is included.

We trust that your staff will take these factors, among others, into account when reviewing this proposed realignment:

1. The rationale for moving these 1,434 positions to Redstone disappeared when the proposal to created a massive Development and Sustainment Command at Redstone failed to survive the Department of Defense's own analysis. Without that framework, the transfer looks like nothing more than a move for a move's sake.

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The Honorable Charles A. Bowsher
April 26, 1991
Page 2

2. The 1,434 positions proposed for transfer currently are comfortably and efficiently housed at Rock Island. And more space is readily and inexpensively available.

There currently is over 130,000 square feet of modern, air conditioned office space not currently in use on the Rock Island Arsenal that could accommodate over 1,000 additional workers with virtually no remodeling required.

Further, there is another 400,000 net square feet of permanent buildings on the Arsenal that--for a fraction of the cost of new construction--could provide accommodations for an additional 3,300 people. An investment of $6 million to $7 million in remodeling of that space at Rock Island would save the $60 million to $70 million that would be required in new construction to accommodate the same numbers of positions.

Adequate infrastructure to serve this many new people and more already is in place on the Arsenal and within the community.

These facts suggest that it would be more cost effective to move the lower volume missile commodity operations at Redstone to Rock Island rather than the opposite if there is some merit to housing these functions with the conventional armament and munitions functions currently a part of AMCCOM at Rock Island.

Overall, AMCCOM operations at Rock Island handle at least six times more of AMC's total requisitions than the missile command at Redstone.

3. Given the available space, it further would seem more economical to move to Rock Island other appropriate operations now housed in leased space or in proposed new construction from eastern facilities, where labor costs alone are 20 to 25 per cent higher due to cost of living differentials.

4. We project in addition to the $60 million or more in construction costs needed at Redstone, the costs associated with the transfer itself (moving, severance etc.) would exceed $40 million.

It has been estimated that only some 20 to 30 per cent of the highly efficient work force actually would move, creating the need for expensive recruitment and training and causing considerable disruption in operations over an extended period.

The Honorable Charles A. Bowsher
April 26, 1991
Page 3

5. Rock Island AMCCOM workers are more efficient.

AMCCOM operations being considered for transfer handle approximately 24 per cent of AMC's total requisitions while Redstone operations process approximately 3 per cent of that total.

During a recent four month period (Desert Storm), AMCCOM handled six times as many customer requisitions as did Redstone. This ratio is historical and is not restricted to the Desert Storm period.

Effectiveness of the Quad City work force is represented by a ratio of 25 items managed per workyear at AMCCOM compared to 12 items per workyear at Redstone.

6. The Quad Cities is better positioned to provide long term support for operations at the Rock Island Arsenal than the alternative.

A recent labor market survey determined that there are 22,000 workers available for new employment. Of that number, 89 per cent are high school graduates and 53 per cent have some college education. Quad Cities school systems outrank those in Alabama in terms of expenditures per pupil and the quality of the output as measured by ACT scores.

The overall Quad City work force is 22 per cent more efficient than the national average, giving the Arsenal and other employers the equivalent of a sixth day a week free.

The community has schools and other infrastructure that could absorb another 100,000 population without significant new costs, a situation that we believe does not exist in Huntsville.

The Quad Cities offers more health care alternatives and has a quality of life that compares quite favorably with the alternative.

7. Because the Rock Island facility also houses a manufacturing facility recently upgraded through the $222 million Project Rearm, retention and expansion of AMCCOM functions would encourage concurrent engineering in the development of new weapons systems.

The Honorable Charles A. Bowsher
April 26, 1991
Page 4

In concurrent engineering, designers can work directly on the shop floor with those who will make the product, a process that saves time and improves quality. The approach is becoming the standard in private industry for the cost benefits it produces.

As we feel these points demonstrate, we are not trying to make a case for saving local jobs at the expense of the nation's taxpayers.

Rather, we are urging you to explore these arguments among others, confident that retention and expansion of AMCCOM at Rock Island is more cost effective both now and over the long term.

Sincerely,

Mayor Thom Hart, Davenport, IA
Mayor Ann Hutchinson, Bettendorf, IA
Mayor Mark Schwiebert, Rock Island, IL
Mayor Allan McCaulley, Moline, IL
Mayor Chalmer Emmendorfer, East Moline, IL
Paul Mulcahey, Chairman, Rock Island County (IL) Board
Edwin Winborn, Chairman, Scott County (IA) Board
Barry C. O'Brien, Chairman, Quad City Development Group

John C. Gardner, President, Quad City Development Group

Attachments:

A. RIA Physical Plant Advantages

B. Worker Availability

C. Average Wage Rates

D. Educational Advantages

E. Health Care

F. Cost of Living

DRAFT REPORT TO THE GENERAL ACCOUNTING OFFICE

Concerning the U.S. Navy's justification for closing the Philadelphia Naval Shipyard

Presented by the Tri-State Delegation Task Force

April 26, 1991

PRESENTATION TO GAO ON NAVY'S CONSIDERATION OF FORCE STRUCTURE PLAN IN MAKING BASE CLOSURE RECOMMENDATIONS

PUBLIC LAW 101-510

"the Secretary shall transmit to the congressional defense committees and to the Commission a list of military installations inside the United States that the Secretary recommends for closure or realignment on the basis of the force structure plan and the final criteria referred to in subsection (b)(2) that are applicable to the year concerned."

FORCE STRUCTURE PLAN

The force structure plan submitted by the Office of Secretary of Defense includes a very brief overall discussion of the military threat assessment. The plan includes very little discussion of operational requirements to respond to the contingencies outlined in the threat assessment. Force Structure numbers are only provided in aggregate.

Neither the "Scope of Review," (p.1) nor the "Procedure for Structured Review and Analysis," (p.3) nor the "Record Keeping," (p.3) portions of the Base Closure and Realignment Procedure submitted by the Department of the Navy includes any discussion of the Department of Defense's Force Structure Plan and its input into the Navy's review process.

ANALYTICAL DEFICIENCIES:

1) Navy analysis does not include any discussion of how force structure plan was used to determine which facilities were Necessary to support the Navy's force structure.

2) The Navy's application of Final Criteria 1-4 (military value) contains no discussion of how the Navy's evaluation process was consistent with the force structure plan.

2) The Force structure plan prepared by the Office of the Secretary of Defense is insufficient for the purpose of evaluating the Navy's base closure recommendations.

4) Although the OSD Force Structure Plan contains little by way of detail, it would appear the Navy has deviated substantially from the force structure plan in ignoring the drydocking requirements for aircraft carriers, Aegis cruisers, large auxiliary ships, and amphibious ships. These vessels represent 62 percent of the fleet and require a large amount of available drydock space on the East Coast.

5) No consideration in Navy analysis was given to wartime

2

facilities requirements for the fleet (i.e. critical carrier drydocking capacity).

6) The critical requirement to be able to constitute a large and effective naval force is mentioned in several places in the force structure plan, but receives scant mention in Navy analysis. The Joint Military Net Assessment for 1991 states the following: "In the final analysis, reconstitution may well prove to be the linchpin of America's long-term security."

7) In order to evaluate the requirement for maintaining the different Navy shore facilities, it is necessary to understand the relationship between these shore facilities and the future operational plans of the Navy. For example without an understanding of how the Navy's deployment ratio plans are going to be affected by the new force structure it is impossible to ascertain the requirements for the shore facilities. A discussion of anticipated OPTEMPO is also necessary to gauge how long ships will be home ported and what the maintenance schedule will require in terms of berthing availability.

*) Force Structure plan does not include any discussion of ship service or maintenance schedules.

REFERENCES TO FORCE STRUCTURE ISSUES WHICH ARE NOT REFLECTED IN ANALYSIS

"National Security policy requires that United States armed forces maintain the capability to respond rapidly and effectively to missions in support of United States international interests." p.8

"Current maritime doctrine emphasizes forward deployment of the Department of the Navy's most powerful general purpose asset, the aircraft carrier battle group." p. 8

"Ships are in port approximately 66 percent of the time, calling for modern personnel support facilities and a fully capable industrial repair base." p. 9

"At present the construction of any new coastal bases would be an extremely difficult task. Conversely, the loss of an existing coastal installation with deep water access or training areas would be an irreversible action, short of invoking wartime emergency powers." p.10

"The Department of the Navy must take a careful approach to giving up existing coastal operating bases since it is very likely that this basing capability or strategic asset, once lost, could ever be reclaimed for future use." p.11

3

ISSUES THAT SHOULD HAVE BEEN ADDRESSED IN A FORCE STRUCTURE PLAN

** Significant to any discussion of the relative importance of the Navy's public yards is information concerning the anticipated size of the future submarine fleet. If Philadelphia is closed, the six nuclear shipyards will form the industrial base which will be required to support a non-nuclear fleet. This avoids the important issue of the comparative costs of operating a nuclear yard versus operating a conventional yard.

** All carrier battle groups require underway replenishment ships in order to deploy. These ships constitute a large portion of the fleet and also require significant berthing and drydocking capacity.

** In order for the force structure plan to be useful for the purpose of evaluating the relative importance of Navy installation, it must include either implicitly or explicitly a detailed breakdown of all the ships in the fleet and their maintenance and service schedules.

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April 26, 1991

Mr. Charles A. Bowsher
Comptroller General of the United States
General Accounting Office
441 C Street N.W.
Washington, D. C. 20548

Dear Mr. Bowsher:

The undersigned organizations have closely followed the Federal initiative which culminated in Lowry Air Force Base's inclusion on Secretary Cheney's list of military bases recommended for closure. Following the April 12 announcement we acquired copies of the background documents upon which the recommendations were based, and have conducted our own careful and detailed study of the criteria analysis performed on technical training centers in the Air Force. It is our position that a review of the decision process leads one to the indisputable conclusion that, insofar as technical training bases are concerned, the findings do not support the recommendation.

Our intent here is to share a number of points that bear on the analysis which fall within the GAO's purview. We are confident that, following an audit of the materials provided to you by law and a review of the attached analysis, you will have serious and undeniable doubts about the validity of the process used to determine which, if any, technical training base should be included on the base closure list.

It is important to note that the thrust of our argument does not focus only on Lowry, but rather on the decision process itself which considered the five bases in the Technical Training Command of the Air Force. We believe you will likely concur with our assessment that, to ensure integrity of the process, you should reach one of two possible conclusions: 1) additional documentation is needed to substantiate the findings on many of the previously unannounced "subelements" in the Air Force's review; or 2) the process employed in examining training bases was indeed deficient and the product of that process must be challenged.

This is not the first time Lowry has come under scrutiny. While some have resigned themselves to the inevitability of Lowry's closure, we are convinced that the basis for a measure of optimism remains. To a large extent, this sentiment is grounded in the fact that we are confident that our objectives coincide directly with those of the Department of Defense, U. S. Air Force and Congress in this process -- to determine where an Air Force training mission can be most effectively accomplished at the least possible cost.

Charles A. Bowsher
April 26, 1991
Page 2

Certainly, the nation's taxpayers and the decision-makers dedicated to their interests will settle for nothing less. The need for reducing the federal military budget is obvious and necessary, and one which we wholeheartedly support. We are pledged to accept a decision on Lowry's future if supported by a thorough and factual analysis. What we have seen thus far does not meet that condition.

We urge your consideration of the issues raised here and in the attached analysis based on our review.

In summary, the specific points requiring review are as follows.

- The study places an inappropriate emphasis on the need for a runway, an extremely expensive and unnecessary feature of any training facility. Three of the five training bases are effectively removed from consideration on these grounds, regardless of their effectiveness at performing the stated mission.

- Important cost-related aspects of a training mission were not even incorporated in the analysis. The study contains no analysis of cost variables at each base, despite the availability of several which can provide legitimate comparisons of cost efficiencies at each base.

- The "green light/yellow light/red light" scoring technique poses a major problem as a legitimate means of making definite findings, despite its use on several occasions in the past. A careful review of the subelement analysis creates the distinct impression that subjective judgements were made in a number of areas. The legislation mandates that closure recommendations be based exclusively on the application of the adopted and published criteria. The analysis leaves considerable doubt that this requirement can be verified.

- "Economic impact" is calculated in a rather myopic manner, using an obsure technique. It is almost entirely based on comparisons with "historic high reductions" (a term not defined for the reviewer). The outcome is again stated in "green/yellow/red light" terms, despite the existence of accepted, quantitative measures to accurately determine these impacts.

- The "capacity" issue presents a serious contradiction and raises an important policy issue. The report cites substantial cost savings by

Charles A. Bowsher
April 26, 1991
Page 3

removing "excess" training capacity in the Air Force inventory with Lowry's closure. The report also minimizes Lowry's future utility due to the lack of runway capacity in the event of contingency need. However, there seems to be no consideration of training capacity on a contingency basis. Indeed, the closure of Lowry will remove all contingency capacity for "surge" training which would actually outweigh the need for runway capacity on a "surge" basis, given the options available to the military for additional runway capacity under extraordinary conditions. In terms of ongoing military mission of the training bases, the report's analysis frankly begs the question!

- The assumed value of the land -- despite disclaimers in the report that this it is too uncertain to include as a formal element in the analysis -- is nonetheless cited as a compelling reason to justify the Lowry recommendation. The projected $100 million value, the acreage involved, and the projected square foot market value do not appear anywhere in the analysis. A much more compelling issue with regard to possible revenue from land sales is that proceeds have never been realized from the sale of any base. Actual historical evidence shows that it is best not to include land sale in the cost calculation. Moreover, given the manner in which the land for Lowry was financed and assembled by local bond issues there is a very real question as to whether there is any legal (or moral) obligation for its reversion to the local community.

- The availability of nearby, compatible facilities should be considered if a priority is being placed on the value of flexibility in times of extraordinary, contingency need. This is especially relevant if the high cost of those facilities is not attributable to the ongoing mission of the base. Lowry and other facilities are in close proximity to military airfields which may not be on the base itself, but available for their use. The matter of "ownership" would likely be a secondary consideration in time of an emergency. Buckley Field, an Air National Guard base, is within minutes of Lowry and is frequently used by them on a partnership basis. Therefore, Lowry has access to this capability without having to incur the ongoing costs of its upkeep. On this basis -- access without the financial obligation -- one might even make a point that this might place Lowry in a more competitive position, rather than less, on the runway issue.

We look forward to continued discussion with you and members of

Charles A. Bowsher
April 26, 1991
Page 4

your staff on this critical matter. Obviously, we stand ready to provide whatever assistance possible. We are eager to meet with you and members of your staff in person next week in Washington to further discuss these issues and the requested oversight analysis by the GAO.

Sincerely,

Federico Peña
Mayor
City and County of Denver

Paul C. Tauer
Mayor
City of Aurora

Richard C. D. Fleming
President and CEO
Greater Denver Chamber
of Commerce

C. Bennett Lewis
President
Aurora Chamber of
Commerce

cc: The Honorable Tim Wirth
The Honorable Hank Brown
The Honorable Pat Schroeder
The Honorable Dan Schaefer
The Honorable Wayne Allard
The Honorable Joel Hefley
The Honorable Ben Campbell
Boards of Directors of Aurora and Greater Denver Chambers of Commerce
The Honorable Donald B. Rice, Secretary of the Air Force
Mr. James F. Boatright, Deputy Asst. Secretary for Installations
The Honorable Roy Romer, Governor, State of Colorado

GARY A. CONDIT
15TH DISTRICT, CALIFORNIA

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April 29, 1991

Hon. Charles A. Bowsher
Comptroller General
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Bowsher:

We understand that the General Accounting Office (GAO) is completing a quick look analysis of the methodology utilized by the Department of Defense (DOD) in recommending military installations for closure in accordance with the FY 1991 National Defense Authorization Act. I would like to present information relative to an installation proposed for closure in my district, Castle AFB, California.

Knowledgeable military experts contend persuasively that the military value of Castle AFB was improperly appraised for a number of reasons. It is that case that I intend to make in presentations before the Defense Base Closure Commission in San Francisco on May 6th, and as required thereafter. I would urge that your analysts flag Castle AFB for the Commission as a case in which the military value of the installation was erroneously assessed.

The bedrock of the closure process is fair comparison of like bases. "They (the services) must categorize bases with like missions, capabilities, and/or attributes for analysis and review, to ensure that like bases are fairly compared with each other..." (Federal Register, February 15, 1991, p.6374). We believe that Castle was not afforded a fair comparison based on its particularly unique mission and high value military attributes.

The Air Force reviewed Castle AFB as part of the B-52/KC-135 strategic flying category. The continental U.S. B-52/KC-135 bases which competed in that category are:

Barksdale AFB	Ellsworth AFB	Loring AFB
Beale AFB	Fairchild AFB	Malmstrom AFB
Carswell AFB	Grand Forks AFB	McConnell AFB
Castle AFB	Griffiss AFB	Minot AFB
Dyess AFB	Grissom AFB	Offutt AFB
Eaker AFB	K.I. Sawyer AFB	Plattsburgh AFB
		Wurtsmith AFB

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Hon. Charles A. Bowsher
April 29, 1991
Page 2

Of those 19 air bases, there is a basic difference between Castle AFB and all the others. Castle is a combat crew training school (CCTS) operation which has as its unique mission the training of all new people just coming into the respective weapons systems. The 18 other bases are all operational Strategic Air Command bases dedicated to maintaining the combat readiness of proficient, trained crew members honing their skills to perform their wartime mission. As the only combat crew training school in the B-52/KC-135 world, we contend Castle has particular attributes that makes it of high military value, and those attributes were overlooked.

Here are some of the key differences between the Castle AFB B-52/KC-135 CCTS and the 18 other operational bases.

B-52/KC-135 CCTS-Castle AFB	B-52/KC-135 OPERATIONAL BASES
-High tempo, intensive five day per week flying operations --24-27 training missions per day --expends 13-15% of all SAC B-52/KC-135 flying time	-Moderate operational tempo --fly only 3-4 days per week --usually 5-7 missions per day --fly only enough to keep crew members proficient
-Long duration missions with approximately 3 hours of intensive transition training at the end (practice takeoffs, approaches, and landings at an airport terminal)	-Missions are shorter to conserve high dollar flying hours. Typically, each pilot gets only one approach and landing before mission termination.
-Requires mating of 100% heavy jet receivers to provide stable platforms to train new, young enlisted aerial refueling operators	-All receiver aircraft types (including relatively unstable fighters) may be used. Some tanker missions have no mated receiver due to receiver deficits in some areas of the country. (Acceptable in operational units.)
-Requires nearby suitable and accessible transition training bases to perform approximately 60,000 heavy jet practice takeoffs, approaches, and landings per year.	-Single runway at a single airport adequate to support transition training

Hon. Charles A. Bowsher
April 29, 1991
Page 3

B-52/KC-135 CCTS-Castle AFB	B-52/KC-135 OPERATIONAL BASES
-Requires extensive student support facilities to accommodate a transient student population of 600-700 at any point	-No student support facilities required
-Requires extensive classroom facilities for hundreds of hours of academic training and interaction	-Classroom facilities not required
-Requires an extensive array (hundreds of millions of dollars) of aircrew training devices housed in modern, climatically controlled support facilities to provide new students extensive simulator training . . . much like that offered by major airlines	-Very low comparative requirement for aircrew training devices
-Favorable, temperate weather highly desired to facilitate training	-No unique weather requirements

From the above, it would seem readily and intuitively obvious that Castle AFB as a CCTS could not receive a fair rating on its military value when compared generically with the other operational bases. I would like to highlight a couple of the major attributes that make Castle AFB of high military value in the CCTS role.

Readily Available Transition Training Bases: Castle's location puts it in proximity to accessible, highly essential transition training bases utilized continuously. Typically reached in only 30-35 minutes of flying time, these airports allow Castle operators to "spread out" that intensive three hours of transition training activity typically conducted on each CCTS mission. It is inefficient from a training viewpoint to have more than 2-3 heavy jet aircraft in the same traffic pattern simultaneously. The highly useful transition bases close to Castle AFB include Travis AFB, Mather AFB, Beale AFB, McClellan AFB, Modesto Airport, Stockton Airport, LeMoore NAS, and Vandenburg AFB. The DOD failed to recognize the high military value of these nearby transition bases. The DOD proposes to move the B-52/KC-135 CCTS function to Fairchild AFB, WA, a relatively isolated location with no nearby, useable transition bases.

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April 29, 1991
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Readily Available Heavy Jet Receivers: As noted above, new aerial refueling operator trainees absolutely must have stable, heavy jet receiver platforms to learn how to conduct air refueling in the air. If such receivers are not available close to the CCTS base, high cost flying hours must be expended to fly to the receivers or to have receivers fly to the tankers.

It can be noted from the Air Force closure reports that Castle is relatively well off in that regard. Castle is rated "green" for "balanced" in terms of receivers available to support such training. One would expect such to be the case because, again, Castle derives high military value as a CCTS base because of the proximity to nearby heavy jet receivers at March AFB (KC-10s), Norton AFB (C-141s), and Travis AFB (C-5s).

By contrast, the entire Northwestern United States is downgraded in the Air Force Closure Report as being rated "red" for "tanker rich". Both Fairchild AFB and Malmstrom AFB, the two tanker bases in the Northwest were awarded such "red" ratings. We know that means in practical terms that today operators at these bases already fly long distances struggling to find receivers to keep their combat ready crews current and qualified. To move a high volume KC-135 CCTS into the region, as proposed by DOD will exacerbate the "tanker rich" problem. Tremendous expenditures of high cost flying hours will be required either to bring the heavy jet receivers to the CCTS tankers or for the CCTS tankers to fly to the heavy jet receivers. Castle AFB as a CCTS location enjoys a "balanced" environment according to the Air Force Report and thus, should have been highly rated on the basis of a military criterion recognizing its value in that regard.

Economic Impacts: Apart from compelling military arguments regarding the high military value of Castle, we have other concerns. In the category of economic impact, the DOD indicates there will be a regional income loss of $162 million. DOD figures are suspect because Castle officials have announced a $200 million plus figure each year since 1987 in regard to the base's regional financial impact. The figure for 1990 was $243 million. It is also important to note that the DOD has used a population base of 492,000 and a claim of 216,000 jobs available in the Castle impacted area or a 44% jobs to population ratio. The actual fact is, the Merced County area has a population of 178,403 (1990 census) and a workforce of 58,000, or a 33% jobs to population ratio.

The March 1991, State Economic Development Department shows an unemployment rate of 18.4% (12.7% in March 1990). Further, 25.7% of the County's population receives assistance through Aid for Families with Dependent Children (AFDC), Medi-Cal, Food Stamps, and

Hon. Charles A. Bowsher
April 29, 1991
Page 5

General Relief. Additionally, 43% of Merced County households earn incomes of $13,000 or less per year. Eighty-one percent of this public assistance population has less than a high school education and 45% do not speak English. During the last 10 years, due to an unplanned migration, more than 12,000 Southeast Asian Hmong refugees have arrived in the community. Initially, the federal government partially assumed the financial burden for these refugees, but recent policy changes have shifted the majority of the burden for this population on to the County of Merced. The loss of Castle AFB's 16,000 population, a generally economic secure segment of society with few on public assistance, will dramatically reduce income dollars, employment, etc., while increasing the burden on local government. It should be noted that Merced County ranks 7th nationally in ethnic diversity. Further, to remove the Air Force segment would also impact a society mired in public assistance and create a far greater imbalance in the ethnic structure of Merced County.

Community Support/Encroachment: Early in 1987, the Department of Defense through the Office of Economic Adjustment granted the Merced County Association of Governments $84,000 ($43,000 local matching funds for a total of $127,000) to develop a plan to protect the base's ongoing mission with a practical and realistic comprehensive land use plan. The Castle AFB Land Use Plan was developed cooperatively by the Air Force, Merced County, and the Cities of Atwater and Merced. The plan minimizes exposure to excessive noise and hazards while preventing new uses incompatible with Castle AFB. There have been no infringements since the plan went into effect. Therefore, the Air Force allegations of encroachment are invalid and should not be considered as an issue. Furthermore, this joint formal planning project is one of just a few that has been completed and is in use to date. The plan stands as a model for other Air Force communities to use.

Environmental Considerations: The closure report indicates $21 million has been spent to date to begin the process of studying and selecting the methods to be used to cleanup Castle's environmental contamination. Castle's position on the National Priorities List (NPL) is unique among 2 or 3 Air Force bases selected for closure and represents difficult problems for the community's future use of more than 2,700 acres. The Air Force has stated it will spend $90 million more through the year 2000, but acknowledges this will only complete the studies and begin the overall cleanup process. The Environmental Protection Agency (EPA), the State of California and our County representatives estimate cleanup may continue into the year 2017 and cost at least $200-400 million. Thus far, 36 hazardous sites have been identified with studies to be initiated on 156 underground storage tanks, two landfill areas and an

Hon. Charles A. Bowsher
April 29, 1991
Page 6

explosive ordinance disposal range. With the closure scheduled for 1995 and remediation projected to take until 2017, the EPA questions whether the land can be sold, used or modified before cleanup is complete. If this is the case, the land could be deemed useless for more than 20 years. Further, the issues in regard to the public use or sale of an NPL site may take years to resolve in the federal and state court systems. In the interim, how will the community recover from or manage a costly, potentially vacant public environmental disaster abandoned by the Department of Defense?

Mr. Bowsher, in summary, for all the foregoing rationale, but primarily for the compelling high military value of Castle AFB as a CCTS installation, we believe the DOD closure analysis was flawed. We plan to advocate our position vigorously to the Closure Commission. I ask that you suggest to the Commission that the DOD military value analysis of Castle AFB was in error and urge that you recommend to the Commission that it give particularly close and careful consideration to the military argumentation we will advance.

Thanks very much for your time and consideration.

Sincerely,

GARY A. CONDIT
Member of Congress

April 29, 1991

Honorable Charles A. Bowsher
Comptroller General of the United States
441 G Street NW
Washington, DC 20548

RE: Defense Base Closure and Realignment Study

Dear Mr. Bowsher:

On May 15, 1991, your office is scheduled to release its review of the various military services Base Closure and Realignment recommendations. We share your concern that the final study reflect the best interest of our nation's security, to include insuring that our armed services operate as efficiently and economically as possible.

Based on our initial review it appears that the various military departments have recommended elimination of vital military installations based on methodology which is extensively flawed. The application of this flawed methodology has caused the services to recommend the closing of installations where absolute defense savings could be recognized by their continued operation. Specifically, the flawed methodology has resulted in the recommendation to close a number of small installations without taking into consideration the savings which could be recognized if activities currently being performed in leased commercial activities were simply relocated onto a number of the small installations which have been recommended by the services for closure.

Fort Benjamin Harrison is an example of such an installation. The installation can not only perform its currently assigned mission, but is ideally suited to assume additional missions which would allow the Army to terminate leases for high cost facilities in the Washington D. C. area. A summarized list of points for consideration is attached for your review.

Very truly yours,

Harry Fakin
Senior Deputy Mayor
City of Indianapolis

Thomas Schneider, Mayor
City of Lawrence

Enclosure

WILLIAM S. COHEN
United States Senator

THOMAS H. ANDREWS
Member of Congress

GEORGE J.MITCHELL
United States Senate

OLYMPIA J. SNOWE
Member of Congress

April 29, 1991

The Honorable Charles A. Bowsher
Comptroller General of the United States
General Accounting Office
441 G Street
Washington, D.C. 20548

Dear Mr. Bowsher:

As the GAO conducts its review of the recommendations of the Secretary of Defense to the Base Closure Commission, we are writing to express our serious concerns about the decision of the Air Force to recommend closing Loring Air Force Base. We believe the Air Force's evaluation of the closure criteria with respect to Loring was flawed, and we hope the GAO will examine carefully the data and conclusions reached by the Air Force in recommending that Loring be closed.

In particular, we are concerned about three general issues with respect to the Air Force analysis:

(1) The Base Closure and Realignment Report as published by the Department of Defense contains factual errors with respect to the economic impact of closure on the region around Loring. The Air Force agrees that this data is flawed, but accurate data has not yet been provided. Because the impact on the local community of closing Loring Air Force Base will be greater than in any other Air Force base closure, we believe this matter requires careful examination. We further believe that the Air Force did not actually weigh the economic impact of closing Loring in reaching its decision, other than to make an assumption of adverse impact.

(2) The Air Force has stated that the facilities at Loring are "well below average" compared to facilities at other Air Force bases. It is difficult to understand this conclusion, in light of the more than $300 million of military construction completed at Loring in the past decade. Loring has a new hospital and many other significant improvements and upgrades to the physical plant. The Air Force has stated that the facilities analysis was based on data provided by the bases to the Strategic

Air Command. In view of the inaccuracies in the data regarding economic impact, we have serious concerns about the accuracy of the descriptions of Loring's facilities.

(3) The cumulative economic impact in the region appears not to have been considered at all by the Air Force. With Pease Air Force Base closed as a result of the recommendations of the 1988 Commission, the closure of Loring will be the second major base closure with significant economic impact on the state of Maine and the New England region to occur in less than five years. The State of Maine also is currently enduring adverse impacts from defense cutbacks in other areas. We believe this is a serious imbalance in the sharing of the pain of closing bases nationally.

In light of the above concerns and discrepancies, we believe it is imperative that the GAO carefully review the Air Force analysis and examine additional data which the Air Force appears not to have considered. We are prepared to assist in making this data available. We request that, as soon as possible, a meeting with members of our staffs be scheduled to facilitate this process.

Thank you for your consideration.

Sincerely,

William S. Cohen
U.S. Senator

George J. Mitchell
U.S. Senator

Thomas H. Andrews
Member of Congress

Olympia J. Snowe
Member of Congress

Congress of the United States
House of Representatives
Washington, D.C. 20515

May 1, 1991

Mr. Charles A. Bowsher
Comptroller General
General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Bowsher:

As you can well imagine, there is considerable concern among Louisianians regarding the recently announced closure of England Air Force Base (AFB) and the realignment of Fort Polk resulting in the movement of the Fifth Infantry Division to Fort Hood, Texas.

Recognizing your responsibility under Public Law 101-510 (the Act) to report to the Congress by May 15th on the Department of Defense recommendations and base closure procedure, we are writing as a delegation to obtain specific, detailed information on the installations within Louisiana. We require the following information at a minimum:

1) Does the data support the Air Force's contention that England AFB had the poorest flying weather in the Flying-Tactical Subcategory? How was this data derived? More specifically, how does the flying weather at England AFB compare with that of Eglin AFB, Florida and McChord AFB, Washington? What is the GAO's assessment of the Air Force methodology used to compare bases with regard to weather?

2) Does the procedure used by the Air Force to compare bases across categories and subcategories fully comply with the requirements that, "..the Secretary [shall] consider all military installations inside the United States equally..." contained in the Act? The Air Force conducted detailed analyses of bases within subcategories and, according to their detailed statement of methodology,

> "Intercommand and interservice utilization analysis was accomplished. The Directors of Plans and Programs from the Major Commands met on several occasions with the Base Closure Executive Group (BCEG). Also, at the senior military and civilian level, consultations with the Army and Navy base closure representatives occurred regarding potential interservice base realignments and facility use."

Mr. Charles A. Bowsher
Page 2
May 1, 1991

Given the fact that detailed comparisons were made within subcategories, we are concerned that the informal process used to compare bases across subcategories and services may have prevented England AFB from being properly considered for realignment to some other mission. In this connection, we would also like to know if the Air Force recommended any realignments across categories or subcategories.

3) The Air Force asserts that Air Force support for Fort Polk formerly provided by England Air Force Base can be provided from Barksdale AFB. Are there any increased costs in providing such support from Barksdale AFB rather than England AFB and were these costs fully considered by the Air Force in making their decision to close England AFB? Did the Air Force analysis also take into account the fact that the Joint Readiness Training Center would be moved to Fort Polk?

4) The DoD proposes to move the Joint Readiness Training Center (JRTC) from Fort Chaffee, Arkansas to Fort Polk. We understand there is a substantial air component associated with the JRTC. Where does the DoD propose to locate the air component of the JRTC? What are the costs associated with such a DoD proposal? Were these costs considered by the DoD during the base closure process? Was England AFB evaluated as a possible site for the location of the JRTC's air component?

5) The Air Force asserts there are significant airspace restrictions at England AFB. Does the data support this assertion? What method did the Air Force use to measure the amount of available airspace and what is the GAO's assessment of that methodology? Did the Air Force include in its analysis the degree to which general aviation and commercial air traffic compete for airspace in the area surrounding a base? How does the airspace availability of England AFB compare with that at Eglin AFB, Florida and McChord AFB, Washington?

6) Both Fort Polk and England AFB are located in central Louisiana only 23 miles apart. The base closure and realignment actions taken against these two installations will cause a combined negative economic impact on this region of the state. Under the requirement of the Act, did the Secretary of Defense properly consider this combined economic impact when he approved the actions of the Service Secretaries to close or realign these two installations?

7) In the last several months there have been numerous reports of the need to acquire additional training area to support the 1st Infantry Division at Fort Riley, Kansas, and the opposition of the surrounding civilian community to such

Mr. Charles A. Bowsher
Page 3
May 1, 1991

acquisition. Is there still a need to acquire more land at Fort Riley? If so, was this included in the Army's analysis which resulted in the decision to keep the 1st Infantry Division at Fort Riley and to move the 5th Infantry Division to Fort Hood? Further, how do the costs of moving the 1st Infantry Division to Fort Hood compare with the cost to relocate the 5th Infantry Division there?

8) Assuming the Army's program for realigning Fort Polk goes forward unchanged, how much excess capacity will the fort possess for future growth? What are the components of this excess capacity?

The base closure process is moving very rapidly. The regional hearing which will consider actions taken at Fort Polk and England AFB is scheduled for May 14th in Fort Worth, Texas. Additionally, the Base Closure Commission will visit England AFB on May 9th. Both these events occur prior to the GAO's deadline to report its findings to the Congress. Because of the need to review and assimilate the information before proceeding further, we need your action on our request not later than May 8th. We look forward to your prompt response.

J. Bennett Johnston

John Breaux

Bob Livingston, M.C.

William J. Jefferson, M.C.

W. J. "Billy" Tauzin, M.C.

Jim McCrery, M.C.

Jerry Huckaby, M.C.

Richard H. Baker, M.C.

James A. Hayes, M.C.

Clyde C. Holloway, M.C.

H. JAMES SAXTON
13TH DISTRICT NEW JERSEY

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TASK FORCE ON SOCIAL
SECURITY AND WOMEN

May 2, 1991

Mr. James McDermott
Director
Economic Analysis Group
General Accounting Office
Rm 5492, 441 G St N.W.
Washington, D.C. 20548

Dear Mr. McDermott:

As you no doubt aware, Fort Dix is slated for closure under the recently released DOD recommendations. We feel that the application of the military value criteria and the quantitative analysis underlying this decision to be open to interpretation.

Therefore we are requesting that your office examine the enclosed materials from the Army BRAC report and assess whether the proper criteria were evaluated correctly and the results of the Army analysis to be credible.

Please contact Thomas M. Meagher in Mr. Saxton's office at (202) 225-4765 if you should have any questions.

Sincerely,

Bill Bradley
Senator Bill Bradley

Frank R. Lautenberg
Senator Frank R. Lautenberg

J. Saxton
H. James Saxton
13th District

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FORT WORTH, TEXAS 76102
(817) 338-0909

02 May 1991

Mr. Bob Meyer
United States
General Accounting Office
Washington, D.C. 20548

Dear Mr. Meyer:

Thank you for meeting with us regarding the many and significant concerns we have regarding the Base Realignment and Closure (BRAC) process that was recently conducted by the Department of Defense (DoD) and the United States Air Force (USAF). Our primary concern is regarding (but not limited to) the USAF decision to recommend Carswell AFB in Texas for closure.

We sought this meeting to discuss the GAO's role in reviewing DOD adherence to the eight criteria as required by law, and to share with you documentation which outlines many of the questions and concerns we have. We would also ask that you consider our concerns when making your final review of the overall BRAC review process.

The information is as follows:

a. 02 May 1991: Carswell Task Force analysis and summary of concerns about the Base Closing evaluation as conducted by DoD and the USAF.

b: A memorandum outlining DoD and Air Force willful NON ADHERENCE to the intent and spirit of the law when conducting their internal base closure and realignment review.

c: A memorandum regarding the economic impacts of recent layoffs in Tarrant County and the rest of Texas--factors which the DoD and USAF have admitted were not considered in their evaluation.

d: Copy of 13 March letter given to USAF Deputy Assistant Secretary Boatright addressing Carswell's value to our national defense and which refutes many of the concerns that ultimately placed Carswell on the BRAC list. No formal response received to date from USAF.

e: Copy of 28 March letter given to USAF Secretary Rice as follow up to 13 March meeting and enclosure of FAA letter supporting Carswell's role in regional air space coordination efforts. No formal response to date from USAF, although at USAF request, we determined that a formal reply was not necessary due to time considerations.

f: Copy of 15 April letter given to Boatright requesting additional information on criteria used when targeting Carswell for closure. No formal response to date from USAF.

g: Copy of 30 April request to USAF for additional information of USAF internal BRAC review subcriteria. No formal response to date from USAF.

h: Copy of original civic delegation presentation to USAF 13 March. As with all other information and/or requests for additional information, no formal response to date has been received from the USAF.

Once again, thank you for your time. If you have any further questions, concerns or need for any additional information, please do not hesitate to contact Congressman Barton or myself directly,

Thank you.

Sincerely,

Pete Geren
Member of Congress

PG/pjr

PAUL S. SARBANES
MARYLAND

United States Senate
WASHINGTON, DC 20510-2002

May 2, 1991

The Honorable Charles A. Bowsher
Comptroller General of the United States
General Accounting Office
441 G Street, NW
Washington, D.C. 20548

Dear Mr. Comptroller General:

As you and your staff continue your review of the base closure and realignment recommendations made by the Secretary of Defense, I urge you to carefully consider the enclosed information regarding the Naval Electronics Systems Engineering Activity (NESEA) located at St. Inigoes, Maryland.

A number of serious questions have been raised regarding whether or not NESEA was properly evaluated using the final selection criteria published in the Federal Register on February 15th. For example, the second criteria states that the Department of Defense will consider "**the availability and condition of land, facilities and associated airspace at both the existing and potential receiving locations.**" As the enclosed document notes, NESEA has more than 800 acres of government-owned property of which more than 400 are available for expansion. This contrasts sharply with the ISE Directorate at Portsmouth, Virginia, that I understand has a total of less than 100 acres of land which is leased from a private owner. Having visited NESEA, I can assure you that its facilities are in excellent shape and are located only 20 minutes from the extensive airport facilities at the Patuxent Naval Air Test Center.

I hope that you and your staff will carefully review the issues raised in this document to determine if appropriate procedures were followed in recommending the closure of this operation. I appreciate your attention to this matter and hope that you will not hesitate to let me know if I can provide any additional information.

With best regards,

Sincerely,

Paul S. Sarbanes
United States Senator

PSS/ss

Enclosure

GAO CLOSURE ISSUES

o The lack of sufficient space to expand for consolidation is one of two reasons given by Navy in their detailed analysis to close NESEA and transfer functions. (The other is the need to use the facility for the NAWC consolidation). Yet NESEA, which is located on 852 acres of secluded land that is government-owned, utilizes only half this acreage. NESEC Portsmouth, on the other hand, is located on approximately 71 acres of environmentally sensitive leased property in a major metropolitan industrial complex. Their ability to accommodate existing NESEA requirements, much less future growth requirements, is severely restricted due to insufficient space. What rationale did Navy use to cite a lack of sufficient space for expansion and the transfer to a physically constrained location that is also scheduled to receive other activities?

o In comparing service recommendation write-ups, the Army and Air Force seem to have included specific details regarding savings, projections, and costs. Why is the Navy write-up, as published in the Federal Register on April 15, 1991, so devoid of details? Please provide these details and the back-up information used by COBRA to arrive at their recommendations.

o ASD (P&L) memo of 13 February 1991 states that, if in applying military value criteria, bases are militarily/geographically unique or mission-essential, justification must be provided and the base excluded from further analysis. The uniqueness of NESEA, with its secure location (SOF/NSW, WHCA, etc. programs); benign RADHAZ/antenna testing environment; and proximity to Patuxent River/Dahlgren/Washington, DC, when compared to Portsmouth, Virginia, which is the antithesis of this uniqueness, should classify NESEA as both unique and mission essential. What role did these factors play in selecting NESEA for closure when all indications point to just the opposite?

o GAO found that the 1988 commission's overall savings estimates were overstated due to data errors, inaccurate estimates, and the exclusion of certain relevant costs. We believe these same errors were made by Navy, specifically in MILCON and ADP requirements. How will GAO validate the estimates given the short time-frame for the entire review process since the causes of these previous errors (tight time constraints and ineffective management control procedures to verify accuracy) are still applicable.

o GAO recommended that SECDEF direct the service secretaries to conduct annual reviews of base realignment and closure implementation programs. Was this done, and when will SECNAV conduct this review? What procedures are in place or are being developed to resolve significant issues (cost, military value, etc.) and/or significant errors in service estimates which indicate a base should not have been on the list.

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Congress of the United States
House of Representatives
Washington, D.C.

ENERGY AND COMMERCE
COMMITTEE

SUBCOMMITTEES:
TELECOMMUNICATIONS AND
FINANCE

TRANSPORTATION AND
HAZARDOUS MATERIALS

May 2, 1991

Mr. Charles A. Bowsher
Comptroller of the United States
General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Bowsher:

I understand you recently received a joint letter regarding Lowry Air Force Base from Federico Pena of Denver, Colorado, Mayor Paul C. Tauer of Aurora, Richard C.D. Fleming, President of the Greater Denver Chamber of Commerce, and C. Bennett Lewis, President of the Aurora Chamber of Commerce.

That letter, along with its attachment, raises some very serious issues which I believe should be addressed during your audit of the Department of Defense's base closing procedure. I believe your careful review of the Air Force's evaluation criteria will lead you to the same conclusion that the two mayors and chamber presidents arrived at: the findings do not support the recommendation. The errors and inconsistencies in the Air Force's study bear out this conclusion.

In particular, I hope you will carefully evaluate the seven major points raised by the two mayors and chamber presidents in their letter:

* The Air Force's inappropriate emphasis on the need for a runway;

* The study's lack of analysis of important cost-related aspects of a training mission;

* The green/yellow/red light scoring system's problematical legitimacy in arriving at sound quantitative findings;

* The obscure techniques used in determining economic impact;

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Mr. Charles A. Bowsher
Page 2
May 2, 1991

* The study's contradictory consideration of the "capacity" issue;

* The Air Force's unrealistic expectations of Lowry's land values; and

* The study's disregard for the presence of nearby, compatible facilities, such as Buckley Air National Guard Base.

These points indicate that a thorough review of the Air Force's evaluation procedures is needed before the final findings can be accepted as legitimate by the community. Considering the many thousands of persons who would be affected by a closure of this important base, we must make sure that the entire base closure process is conducted in the open, free from errors and inconsistencies.

I look forward to working with you on this issue as we move ahead. Thank you for your attention to this matter.

Best regards.

Sincerely,

Dan Schaefer

DAN SCHAEFER
Member of Congress

DS/cac

WILLIAM S. COHEN
United States Senator

THOMAS H. ANDREWS
Member of Congress

Maine Congressional Delegation

GEORGE J. MITCHELL
United States Senator

OLYMPIA J. SNOWE
Member of Congress

May 2, 1991

The Honorable Charles Bowsher
Comptroller General of the United States
General Accounting Office
441 G Street
Washington, D.C. 20548

Dear Mr. Bowsher:

We wish to supplement our letter to you of April 29th with the attached memorandum, which further identifies issues which we request the General Accounting Office (GAO) to address in reviewing the Air Force's recommendation to close Loring AFB. In addition, we are providing economic impact information prepared by the Office of the Governor of the State of Maine.

We appreciate the opportunity for our staffs to meet with the GAO staff on May 3rd to discuss these specific concerns. We stand ready to provide whatever additional information may be helpful to you.

Thank you for your consideration.

Sincerely,

George Mitchell
George J. Mitchell

William S. Cohen

Thomas Andrews
Thomas H. Andrews

Olympia J. Snowe

May 3, 1991

Honorable James A. Courter
1625 K St. N.W.
Washington, D.C.
20006

Dear Chairman Courter,

I am writing as an employee of the U.S. Army Depot System Command (DESCOM), a Major Subordinate Command of the U.S. Army Materiel Command (AMC). DESCOM, which is in Chambersburg, PA, is proposed for realignment with portions of the U.S. Army Armament, Munitions, and Chemical Command (AMCCOM) to form the Industrial Operations Command (IOC) in Rock Island, IL.

My position is a Management Analyst at the mid-management level. I have received two Commander's Awards from the Commanding General of DESCOM for special projects performed and have been consistently rated as an exceptional employee. I offer this information to stress that I believe I am a hard working employee who deserves to be treated fairly.

It has been difficult for me to decide to offer public comment on the issue of our proposed realignment as I understand the need to support a chain of command. However, I believe that my position is a part of a shell game being played by AMC which will yield minimal, if any, savings to the government. For ease in reading, I have divided my comments into the following sections:

1. Vision 2000
2. Logic and Data Flaws
3. Alternatives
4. Proposed Course of Action

Although my comments are rather lengthy, I ask for your indulgence as many people are about to be unnecessarily hurt.

1. Vision 2000. The Army has recently experienced a public embarrassment over the Vision 2000 concept developed by AMC. At TAB A is a copy of the April 10, 1991 column by Jack Anderson on Vision 2000. Although not mentioned in the article, the development of the IOC was a part of Vision 2000. When the Department of the Army would not accept Vision 2000 as a whole, for reasons such as those described by Mr. Anderson, AMC began to break it into pieces. The Army decided to approve two pieces of Vision 2000, the formation of the IOC and the formation of the Missiles, Armaments, and Chemical Command (MACCOM) in Huntsville, AL.

a. IOC: Created at Rock Island, IL, composed of DESCOM, the Systems Integration Management Activity - East (SIMA-East) from Chambersburg, PA, and ammunition and arsenal functions from AMCCOM.

b. MACCOM: Created at Redstone Arsenal, AL, composed of the armament and chemical functions from AMCCOM and the Missile Command already located at Redstone.

Vision 2000 has been long in the planning. The economics of the proposed moves, however, have been an afterthought. I have requested the decision making information from the Secretary of the Army (TAB B), however, due to the short time period for public comment to your Commission, I could not wait for the source documentation. Although not directly involved in Vision 2000, I have gleaned enough information to, hopefully, further discredit it and to encourage you to have the General Accounting Office (GAO) take a close look at the realignments proposed. Having been involved in recent Reduction In Force (RIF) planning, I can tell you that current AMC management "decides now - justifies later." AMC has been resolved that the IOC would be in Rock Island.

2. LOGIC AND DATA FLAWS: For some of the information I am about to discuss, I have attached source data. For other elements, I have had discussions with personnel at the DESCOM and AMC level who have had more direct involvement.

a. IOC Sizing. Attached at TAB C is the organizational structure and staffing for the IOC approved by the Commanding General of AMC on 15 Jan 91. The IOC total staffing is to be 2,387 personnel. This does not include SIMA-East who have been told they will be moved in place (they are currently authorized 435). The current authorized manpower at DESCOM is 529.

With a staffing of 2,387 and a maximum of 529 coming from DESCOM, that leaves 1,858 to stay in Rock Island to manage the AMCCOM ammunition plant and arsenal functions (to include ammunition procurement.). This seems like a very inflated number when the AMCCOM functions are roughly one-fifth of the DESCOM depot operations. Additionally, the proposed organization structure shows a very inflated grade structure over that currently in DESCOM. We manage the entire depot system with 1 two-star general and 2 Senior Executive Service (SES) employees. The proposed structure shows 1 three-star greneral, 1 two-star general, 2 one-star generals and 6 SES employees - an ivory tower!

TAB D is also from the 15 Jan 91 decision briefing and graphically reflects the difference in the magnitude of the DESCOM and AMCCOM industrial operations. There are several possible explanations for the overstated sizing and grade structure:

(1) Because the management of the ammunition plant and arsenal functions at AMCCOM are currently commingled with the management of AMCCOM functions being moved to Redstone Arsenal, AL, there is no clear differentiation as to what should go or stay. It seems apparent to me that AMCCOM has overstated the number of personnel associated with the IOC functions. This is entirely possible since the IOC is primarily an AMCCOM creation.

This produces several effects: it reduces the number of personnel in Rock Island being transferred to Redstone; it decreases the number of personnel from Chambersburg who will probably be given transfer of function; and it enhances the desirability of the Rock Island location for the IOC. In this instance it is difficult to see the potential for savings as it is possible that such an overstatement could leave the MACCOM in a hiring mode.

(2) AMCCOM currently centrally manages some functions which are decentralized within DESCOM. The IOC staffing may also be the result of an intent to draw resources from the depots into the headquarters. If this were to be the case, depots in New York, Pennsylvania, California, Alabama, Texas, and Utah would be effected. This may be possible when you consider that the IOC proposes 655 civilians in the just the Deputy Commander for Industrial Operations organization, more personnel than all of HQDESCOM today. This strategy may be an intentional omission from the IOC package.

b. Announcement Discrepancy: Secretary Cheney has announced that 738 spaces would be lost in Chambersburg, PA. This figure is incorrect. Both the DESCOM and SIMA-East numbers are understated. For example, the Army neglected to count the 81 spaces associated with the Logistics Programs Support Activity (LPSA) which has been a part of SIMA-East since FY89 (although they were carried on DESCOM's books for FY90). It is my understanding that all of SIMA-East will go to Rock Island, IL, and the IOC facility requirements were calculated based on that premise. (It is illogical, however, that the former LPSA would go to Rock Island as its primary customer is the Department of Army in the Pentagon.)

c. Baseline: Based on errors in the realignment announcement, I am concerned about the baseline used for the IOC. I had previously seen IOC documentation which had an FY89 baseline. If this data was used, then any savings associated with the IOC would be significantly overstated. For example, DESCOM experienced a realignment RIF last year. There were 98 spaces eliminated in a DESCOM streamlining effort. Personnel drawdowns since FY89 have actually been higher as the DoD hiring freeze continues. We can not save in the IOC what has already been lost. We have experienced significant "double dips" in savings associated with the first Base Realignment and Closure (BRAC) list, the Defense Management Review and now the second round of BRAC. I believe that there are "double dipped" IOC savings which could reverse its economic feasibility.

Additionally, the savings claimed for the IOC are so marginal that the impact of the recent DoD guidance to reduce staffing by 4% each year could negatively impact the economic feasibility of this proposal.

d. One-Time costs: Secretary Cheney's announcement indicated that the cost of the realignment would be $3M. The cost of the realignment should include such items as severance, moving costs (personnel and equipment), construction, training, hiring of new personnel, lost productivity, etc. It is evident that the one time costs have been seriously understated. The proposed construction at Rock Island alone is $9M. As another example, a projection by the U.S. Army Management Engineering Activity (MEA) for costs associated with moving just 97 SIMA-East personnel were as follows:

Mileage	$ 25,296
Per Diem	39,613
Temporary Quarters	963,600
Misc Expense	67,900
Real Estate Expense	1,360,800
Household Goods	485,000
Temporary Storage	36,000
Relocation Income Tax Allowance	259,330
TOTAL	$3,237,539

This would include no costs for DESCOM employees or other elements of expense such as severance pay, unemployment, transportation of equipment, training for new employees, revised rental/maintenance contracts on SIMA equipment, etc. Significant real estate costs will be incurred. In a small community such as Chambersburg, the proposed reduction in personnel will depress the local market. Although there has been much said about increased staffing associated with the missile mission, the existing local trade market will meet the need for employees. This has been proven by the high number of applicants for blue collar temporary positions.

I believe that GAO will find the one time costs to be a serious flaw in the realignment justification and payback calculations.

e. Operational Procedures: I am offering this information as a cautionary note to the Commission as well as an example of the flawed logic of the IOC. Based on my knowledge of the current AMC mode of operation, I feel reasonably sure that your approval of the IOC will be interpreted to mean your approval of their proposed operations, even those you have not seen. TAB E, also from the 15 Jan 91 IOC decision briefing, offers a concept on how AMC would propose to perform tank maintenance. This chart depicts a tank being assembled and disassembled at Anniston Army Depot with several parts sent to other depots and arsenals for maintenance. Much of this work is currently done, and should be done, at Anniston, AL. Can you imagine the problems that would have existed during Operation Desert Shield/Storm if we had had to rely on shipping engines back and forth to Corpus Christi, TX and had not had engine expertise at Anniston? This chart also contributes to my belief that there is far more impact on the depots from the IOC than AMC decided was politically advisable to discuss.

3. ALTERNATIVES

a. IOC Dual Location. Attached at TAB F is a copy of a cost analysis prepared by the Management Engineering Activity (MEA), at the request of AMC, relative to the location of the IOC. It showed minimal variance between the two locations when strictly industrial operations were examined. Additionally, the study indicated that "capitalization in place" (page 6) was not considered, as I understand AMC did not ask for this alternative even though they have done this with SIMA-East and SIMA-West. This study received little attention. The perception is that it did not tell the right story. Our impression for the past few years has been that the numbers would support Rock Island no matter how they had to be "tweaked". The MEA study was not updated as IOC planning changed. It appears that the alternative of capitalizaiton in place was not seriously considered and has economic merit.

b. IOC Location in Chambersburg. At one point, a previous Commanding General of DESCOM proposed that the IOC be "lean and mean" and that, with limited increases to staffing in Chambersburg, the functions could be managed from here. This alternative makes particularly good sense because of current co-location with SIMA-East. This organization's primary function is computer system design and maintenance. The personnel are highly skilled and possess unique knowledge of the complex Standard Depot System which processes all financial and workload data for the depot system. It is totally illogical to move them and all of their computer equipment to Rock Island when they are already co-located with the managers of the major IOC mission, depot management, at Chambersburg. Additionally, the Army has projected that only 30% of the personnel who are offered positions will actually move. (This is probably a high projection for in-demand skills such as computer programming.) Even if it were correct, there is not currently a computer system design organization at Rock Island. The IOC will be faced with replacing about 70% of a highly skilled and uniquely knowledgeable work force. This is as illogical as the loss of research and development expertise criticized at by Jack Anderson at TAB A.

c. Establish Ammunition Command at Rock Island and maintain DESCOM in Chambersburg with added responsibility for the arsenals. This alternative is addressed in greater detail at TAB H. This alternative would have the least turbulence at each location. Would be the most cost effective (very low one time costs). Would be the least drain on the existing knowledge base at both sites. Would allow each command the ability to put full focus on their intended mission.

d. Operationally establish the IOC and determine if the idea is feasible before making the one-time investment costs associated with a physical move. Some personnel savings and operational efficiencies could be achieved with limited expense. The proposed budget cuts are going to force staffing reductions thus eliminating the "savings" and making the one time cost outlay unnecessary.

e. Withhold a decision on the IOC until the Defense Depot Maintenance Council (DDMC) complete its recommendations. There is

every probability that the DDMC will make additional recommendations that will significantly alter the Department of Defense's way of doing business in the maintenance world. This could significantly alter the IOC concept. Some of our DESCOM employees could, for example, become Defense Logistics Agency employees. We could move them to the mid-west only to move them back again. The cart is before the horse. The DDMC should first decide on the maintenance structure of the future and then the Army should decide on the management structure needed to support it.

4. Proposed Course of Action:

a. Request that the Commission and the GAO closely examine the documentation supporting the IOC. I believe that, given the correct data, the concept will be proven costly. This should not be a time consuming process. GAO should, however, speak to officials from DESCOM and SIMA, as well as AMC and AMCCOM to get the whole story. AMC has been allowed to "save face" by having a piece of Vision 2000 go forward, but it is a house of cards.

b. Compare the IOC and MACCOM data. I believe that the IOC has been "front loaded" to secure employment in Rock Island.

c. Revise or eliminate the DoD recommendation based on the information and alternatives offered above. This is a complex issue that has been portrayed as clear cut and simple.

I thank you, Mr. Chairman, for your tolerance. You may question how this proposal ever even got his far. The answer, as I am sure you would guess, is politics internal to the Army. I believe in the BRAC process and hope that you will assure it is fairly used with your emphasis on actual, not hypothetical savings. There are many families who are counting on the Commission to provide objective review. My family is one of them. Please feel free to call me if you or your staff have any questions. My phone numbers are: Home - (717) 249-0404 or Work - (717) 267-8136.

Sincerely,

Christine H. Sylvester

CHRISTINE H. SYLVESTER

CF: U.S. Senator Arlen Specter
U.S. Representative William Goodling
U.S. Representative "Bud" Shuster
National Security and International Affairs Division, General Accounting Office

STATE OF OHIO
WASHINGTON OFFICE

George V. Voinovich
Governor

May 7, 1991

Mike DeWine
Lt. Governor

Mr. Theodore C. Barreaux
Counselor
General Accounting Office
441 G Street, N.W.
Room 7059
Washington, D.C. 20548

Dear Ted:

I have enclosed a copy of an analysis prepared by Major General Richard Alexander, Adjutant General of the State of Ohio, concerning the costs of closing Rickenbacker Air National Guard Base. It is my understanding that GAO is in the process of preparing an analysis of the Department of Defense's base closing proposals.

The enclosed analysis points out some of the erroneous cost figures utilized by the Department of Defense in justifying the closure of Rickenbacker. I thought this might be helpful in preparing GAO's analysis.

Thank you for your consideration.

Sincerely,

Tom

Tom Needles
Director

attachments

Delaware Valley
Science and Technology Association

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33537-91U/F1067
May 8, 1991

Mr. Robert Meyer
Assistant Director, Logistics Issues
U.S. General Accounting Office
441G Street N.W.
Room 5102
Washington, DC 20548

Dear Mr. Meyer:

Enclosed is an updated and expanded version of the material on the Naval Air Development Center we originally provided you on April 26th. The updates are mainly corrections of typos. The expansion is the addition of Section 4 wherein we describe a specific alternative which, we believe, meets all the Navy objectives while providing real and immediate cost savings.

At our meeting you had also expressed interest in any material on the relationship of R&D and Test. There is a great deal on the subject of the independence required for operational test. We have found little on the subject of development test explicitly.

However, I would offer the following comment from my own experience. On page 9 of OPNAVINST 3960.10C (Test & Evaluation) the subject of "Combined Development Test/Operational Test" is addressed. This is justified in terms of "cost and time benefits". In fact combined testing is required by the complexity of modern weapon systems. In my experience this trend began as long ago as the late 1960's with the F-14A weapon system. As one of the first truly modern weapon systems, the dimensions of its performance envelope were an order of magnitude greater than the predecessor analog based by items.

Even in the early stages of test planning it became obvious that total "independence" of development and operational testing would require more flight hours than could conceivably be provided. The approach was an "integrated" testing plan which anticipated by 20 years the language in OPNAVINST 3960.10C.

The point is, I think, that in the real world an arbitrary line between development and operational testing is impossible to draw. The independence of <u>all</u> test activities has more benefit than any "synergism" between R&D and development testing.

33537-91U/F1067

If we can be of any further assistance do not hesitate to call.

Sincerely,

Roger J. Curran

THOMAS M. FOGLIETTA
1ST DISTRICT, PENNSYLVANIA

COMMITTEE ON ARMED SERVICES

COMMITTEE ON FOREIGN AFFAIRS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

CONGRESSIONAL URBAN CAUCUS, CO-CHAIRMAN

CONGRESS OF THE UNITED STATES
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ANTHONY GREEN
ADMINISTRATIVE ASSISTANT

May 9, 1991

Donna M. Heivilin
U.S. General Accounting Office
441 G Street, N.W.
Room 5808
441 G Street, N.W.
Washington, D.C. 20548

Dear Donna:

Thank you for taking the time to meet with us to discuss the Philadelphia Naval Shipyard. As you requested, I have provided the documentation regarding the Shipyard's cost effectiveness, the high costs to close, and devastating economic impact of the closure on the City of Philadelphia.

Thanks again; if you have any further questions, please do not hesitate to call me at (202) 225-4731 or at home at (202) 234-7634.

Sincerely,

Keith G. Morrison
Legislative Director for
Congressman Thomas M. Foglietta

THIS STATIONERY PRINTED ON PAPER MADE WITH RECYCLED FIBERS

May 9, 1991

Defense Base Closure and Realignment Commission
Honorable James Courter, Chairman
1625 K Street NW, Suite 400
Washington, DC 20006

Subj: Department of Defense Base Closure and Realignment Report of April 1991

Gentlemen,

Regarding the decision to close the Philadelphia Naval Complex as published in the subject report, we delivered our preliminary evaluation of costs and other factors to you on April 24th. Since that time we have received additional data and information, and have been able to do a more comprehensive review of the Secretary's analyses and recommendations, particularly relating to Philadelphia Naval Shipyard.

The attached evaluation expands on our April report. Although we have not been able to obtain all the detailed information required to thoroughly evaluate the DOD recommendations, it is apparent to us that (1) the Navy's process which led to the PNSY closure decision was flawed, (2) the cost and impacts of this decision have been understated and (3) the missions of public shipyards, for both peacetime and crisis mobilization, have been misrepresented in the subject report. We believe that our evaluation points to areas which need further investigation, and that the Navy should be asked to furnish the detailed cost data and to explain the apparent inconsistencies in their reasoning. To date, we have been unable to procure the detailed cost components used in the COBRA model, which we believe are essential to evaluating the total cost impact of the closures.

Once again, we are grateful for this opportunity to provide information. We look forward to attending your public forums, particularly the hearing in Philadelphia on May 24th.

Please feel free to contact me for clarifications or answers to questions concerning our evaluation.

Very truly yours,

Cheryl B. Newton
Chairman, Government Affairs Subcommittee
TEL (609)778-1616 FAX (609)778-7305
Kevon Office Center • Suite 210 • 2500 McClellan Avenue • Pennsauken, NJ 08109-4698
609/665-7900

The attached information was provided on
Thursday, May 9, 1991, by the offices of

The Honorable Arlen Specter, U.S. Senate

and

The Honorable Bud Shuster, House of Representatives

for our consideration in examining the proposed
realignment of the Army Depot Systems Command
to Rock Island, Illinois.

1

SIMA-East - Chambersburg, PA
BRAC 91 - Proposal to Realign at Rock Island, IL

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SIMA-EAST CHAMBERSBURG, PENNA.
BRAC 91 - PROPOSAL TO REALIGN AT ROCK ISLAND, ILL.

PURPOSE

The purpose of this correspondence is to bring attention to a misconception which resulted in an administrative oversight in the Base Closure and Realignment Report dated April 1991. In that Report it was recommended the Depot Systems Command (DESCOM) be integrated at Rock Island, Ill. with the Armament, Munitions, and Chemical Command (AMCCOM) to form the Industrial Operations Command (IOC). The Systems Integration and Management Activity (SIMA) was parenthetically included with DESCOM in the second sentence, first paragraph, page 47 (Exhibit A) of the report. This erroneously implied SIMA was an integral part of DESCOM and thus should be a part of the IOC. As a result of this oversight the mission impact and cost to the taxpayer of relocating SIMA from Letterkenny Army Depot to Rock Island, Ill. was not independently evaluated. SIMA-EAST is in fact independent. Applying the DOD Selection Criteria (Exhibit S) approved by Congress and used by the Base Realignment and Closure Committee will clearly show that maintaining SIMA-EAST at Letterkenny is in the best interests of the soldier as well as the taxpayer. What follows is a discussion which clearly shows SIMA is an independent entity and should be evaluated on its own merits.

BACKGROUND

SIMA as seen today is a composite organization formed provisionally in 1989. The talents and resources of three organizations (i.e. Central System Design Activity- East, Chambersburg, Pa.; Central System Design Activity- West, St. Louis, Mo.; and Logistics Programs Support Activity, Chambersburg, Pa.) were consolidated organizationally under one management structure. The Chambersburg organization was named SIMA-EAST and designated Headquarters of SIMA. SIMA-EAST has functioned in that capacity from the outset. The St. Louis organization was designated as SIMA-WEST.

The nucleus of SIMA-EAST is the old Central System Design Activity - East organization which was formerly known as the Logistics Systems Support Activity (LSSA). The original LSSA organization was located at the Letterkenny Army Depot in 1963, 13 years before the creation of DESCOM in 1976.

The rationale for locating SIMA-EAST at a multimission depot is to enable system design personnel to interface with end users on a day to day basis and provide SIMA-EAST the ability to prototype new systems, as well as changes to existing systems, in the actual environment in which the systems operate. Secondly, location at a major depot allowed SIMA-EAST to easily recruit from a pool of personnel which possess detailed functional knowledge gained by working many years in the depot environment. This detailed functional knowledge has made the success of SIMA-EAST possible. Lastly, SIMA-EAST is located just 100 miles from AMC and Dept. of the

1

Army headquarters in the Washington, D.C area. This relatively short distance allows SIMA-EAST personnel to travel by automobile to meet with command personnel without incurring significant cost or suffering loss of production.

SIMA is and always has been a separate and distinct entity providing automation services in support of Department of the Army and Army Materiel Command (AMC) missions (Exhibit B). Chain of command flows directly from the Director SIMA to AMC Chief of Staff. SIMA is a separate reporting activity (SRA) and is aligned horizontally with all other AMC SRAs and Major Subordinate Commands (MCSs). DESCOM is one of nine MSCs within the AMC command structure. SIMA-EAST is not directly responsible to DESCOM or any other MSC. Guidance and direction for all SIMA-EAST design initiatives are received from AMC and Dept. of the Army personnel located in the Washington, D.C. area. SIMA-EAST coordinates this guidance with affected MSCs, SRAs, depots, and ammunition plants. Accordingly, biannually AMC personnel meet with SIMA-EAST management and formulate projected workplans. SIMA-EAST uses these work plans as a basis to apply manpower resources to support AMC and Army priorities. HQ AMC must approve each workplan before SIMA-EAST can commence execution.

The Base Closure and Realignment Report, April 1991, line 5, first paragraph, page 47 (Exhibit A) states that DESCOM, including SIMA-EAST, will form the IOC. In fact, SIMA-EAST would be co-located with the IOC and not be a part of that organization. The Chief of Staff of AMC has already made this decision official (Exhibit C). This decision was made on the basis of SIMA-EAST providing automation support to the IOC, when in fact the IOC already has nearly 400 persons (Exhibit R) in place to provide automation support to the IOC. The chain of command will remain unchanged from that which exists today, but SIMA-EAST would be 900 miles from its customer base (i.e. AMC and Dept. of the Army) (Exhibit D).

MISSION

SIMA-EAST has two primary missions i) first, to provide information services to HQ AMC and HQ DA and ii) second, to develop information systems for use by the entire AMC and DA community. The resource base within SIMA-EAST (429 civilians) is applied approximately 50% to each mission. Enclosed are three exhibits which describe SIMA-EAST's mission responsibilities (Exhibit E,F,G).

The information systems mission at SIMA-EAST is to design, develop, implement, and maintain standard automated systems. The SIMA-EAST maintenance systems support the overhaul of critical Army, as well as many key Air Force, Navy and Marine Corps weapons systems. Other SIMA-EAST systems perform and support Army and Department of Defense logistics operations and acquisition processes. SIMA-EAST logistics systems were heavily involved supporting the United States and Allied armed forces in the Grenada, Panama, and Kuwait crises.

SIMA-EAST's mission also is providing timely and accurate

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information services to support the AMC and Army decision making processes. For example, SIMA-EAST information services consolidate all accounting and financial data within AMC. Included in this process is the accountability for 95% of Army's Procurement Obligation Authority. Consolidated financial data is forwarded to the Defense Finance and Accounting Service - Indianapolis. Information from this data base is used by Pentagon and AMC officials to manage day to day business. Integrity of the accounting and financial systems is of particular interest to members of Congress charged with fiduciary responsibilities.

A key element of the information services mission is to provide critical services to ensure continued Army readiness. SIMA-EAST provides total asset visibility for over 10,000 major items such as, howitzers, rifles, trucks, and generators. This capability was used extensively by top level Army decision makers for redistribution of assets during the recent Desert Shield and Desert Storm Operations. Additionally this visibility is critical to the Conventional Arms Negotiation now in process. SIMA-EAST personnel work directly with the European Unified Command and U.S. Army Europe. Further SIMA-EAST supports the Joint Chiefs of Staff with Classified Operational Projects information services.

The IOC would have no involvement with the information services portion of SIMA-EAST's mission.

ADVERSE MISSION IMPACT

SIMA-EAST utilizes a core of expert functional and ADP manpower resources to accomplish its mission. This professional staff, a high percentage of which developed basic skills while employed by Letterkenny Army Depot, has matured over many years. Experience has proven the functional knowledge necessary to support unique Army systems requires an employee to have at least 3 to 5 years of 'hands on' exposure to be effective.

An informal in-house survey (Exhibit H) was conducted at SIMA-EAST which indicated the majority of the existing workforce would not transfer to Rock Island, Ill. In fact, AMC's position is that 70% of SIMA-EAST's personnel would not accept a transfer to Rock Island (page 1, Exhibit L). Further, AMC's position (Exhibit C) is that SIMA-EAST will be co-located with the IOC and perform the same mission it performs today. This loss of skill and expertise will have a long term adverse impact on productivity. Accordingly, SIMA-EAST's ability to accomplish its mission will be dangerously and needlessly jeopardized. SIMA-EAST estimates the cumulative dollar impact over a 5 year period to be $16.4 million in lost productivity (Exhibit I).

Headquarters Army Materiel Command established an IOC Process Action Team to review and make recommendation on the best method of supporting anticapated IOC automation requirements. Mr. David L. O'Melia, Director of U.S. Army Information Services Command, AMCCOM, was a key member of this Team. The Team, in its report dated November 30, 1990 (Exhibit J), acknowledged the potential loss of

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mission capability which would result from a relocation of SIMA-EAST. Accordingly, the Team recommended SIMA-EAST remain in place at Letterkenny Army Depot.

CUSTOMER BASE

Although SIMA-EAST will support the IOC, the scope of SIMA-EAST's customer base is far greater than just the IOC. The SIMA-EAST community of customers includes both CONUS and OCONUS installations and users. The customer base for information services is located in the Pentagon and HQ AMC in the Washington, D.C. area. Whereas SIMA-EAST's information systems customers include Army installations worldwide. For example SIMA-EAST systems operate at all depot and depot activities, including Mainz and Miesau Army Depots in Germany, as well as, at the U.S. Army Support Group in Dharan, Saudi Arabia. Other applications run at the MSCs, AMC Laboratories, and National Guard installations. As further illustration of this fact the SIMA-EAST Automated Self-Service Supply System is implemented at the Natick Research, Development, Test, and Evaluation Center and at 88 Non-Army installations (page 44-45, Exhibit G). SIMA-EAST receives functional and command guidance for all of the above applications from AMC and DA proponents located in the Washington, D.C. area.

Letterkenny Army Depot, on which SIMA-EAST is located, has a dual relationship with SIMA-EAST. First they are a customer which utilizes nearly all the systems for which SIMA-EAST is responsible and second, Letterkenny is the prototype site for all of these systems. Prototype is the first real world test of any system. In this process new or enhanced software is tested in a production environment, using live data, under the close scrutiny of both customer and design activity personnel. This process requires both parties to work long hours in a 'hand in glove' relationship to ensure software is thoroughly exercized prior to proliferation.

Rock Island, on the other hand, utilizes only a few of SIMA-EAST's systems and thus would not be suitable for a prototype site. Additionally, Rock Island is 900 miles distant from the Washington area, while Letterkenny is a two hour trip by automobile. Co-location of SIMA-EAST with the IOC would reduce the quality of service provided the customer. SIMA-EAST's Washington presence is critical to continued successful mission support.

COST OF IMPLEMENTATION

As was stated earlier, the cost impact of the relocation of SIMA-EAST to Rock Island was not independently evaluated. The Base Closure and Realignment Report, April 1991, line one, paragraph one, stated that implementation of the IOC, which erroneously included SIMA-EAST, would cost $3 million (Exhibit K). However, based on data contained in AMC's official cost benefit analysis (Exhibit L), the relocation of SIMA-EAST alone would cost $20 million (Exhibit M). Included are employee permanent change of station expenses, employee severence pay requirements, transportation expenses associated with

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movement of computer and communication hardware, and recruitment and training expenses necessary for new employees. The AMC cost benefit analysis used the FY-94 SIMA-EAST Program Budget Guidance which reflected a manpower authorization of 415 spaces (Exhibit O).

Page 175 (Exhibit P) of the Base Closure and Realignment Report, April 1991 reflected 738 spaces which would transfer from Letterkenny to Rock Island. Additionally, the Report indicated that a 200 space saving would result from the relocation. AMC's position is that SIMA-EAST would be relocated intact. Accordingly all 415 SIMA-EAST spaces would move to Rock Island. All 200 spaces would therefore be saved through the consolidation of DESCOM and AMCCOM into the IOC. No personnel savings would result from the relocation of SIMA-EAST.

In addition SIMA-EAST estimated that day to day customer contact in the Washington area currently cost the Army $17,215 (Exhibit N) yearly. This estimate is based on a historical review of the trips actually made in the previous 12 month period. As a result of Letterkenny's proximity to Washington (i.e. 2 hours by automobile) no lodging or air fare costs are necessary. Nearly all of these trips were for one day only.

Relocation of SIMA-EAST to Rock Island would require lodging, rental car, and air fare funding to travel to Washington, D.C. Funding required to support the same level of travel as discussed above would be $486,646. These costs are related to travel expenses only, and do not consider that production would also be impacted as result of the necessity to allow additional time away from the work site to complete the travel. Also SIMA-EAST estimates an additional $40,000 yearly costs to extend leased communication lines to Rock Island. Lastly, costs will increase significantly to prototype systems not running at Rock Island. (Exhibit N).

Co-location of SIMA-EAST intact with the IOC will be an expensive proposition for the Army initially, and on a recurring basis. As can been seen by the information outline previously in this section, no savings (Exhibit P) will accrue to the Army from this action. Accordingly, with no savings generated, no return-on-investment is possible.

If SIMA-EAST was evaluated on its own merits, considering the three DOD Selection Criteria of Military Value, Return on Investment, and Impacts (Exhibit Q) used by the Base Realignment and Closure Committee, there would be no question SIMA-EAST should stay in place at Letterkenny.

CONCLUSION

In conclusion it is clear SIMA-EAST was included erroneously with DESCOM in the proposal to form the IOC at Rock Island. SIMA-EAST is a separate and distinct entity and should be independently evaluated. SIMA-EAST is not dependent on DESCOM, nor will it be dependent on the IOC, for guidance or direction, and it performs a mission critical to the Army and this nations' defense. SIMA-EAST provided mission support to the Army long before the creation of DESCOM.

Location of SIMA-EAST at Letterkenny was done for sound mission

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oriented reasons, one of which is the fact that Letterkenny's missions lend themselves to effective prototyping of SIMA-EAST's systems. SIMA-EAST's past mission successes are directly related to its co-location with a multi-mission user (i.e. Letterkenny) and not the geographic proximity to DESCOM or AMCCOM. Also Letterkenny is within easy driving distance of SIMA-EAST's command element (AMC Chief of Staff), systems proponent (HQ DA and AMC), and information services customer base. Rock Island utilizes only a few of SIMA-EAST's systems and is only one small portion of its broad customer base.

AMC's own cost analysis indicates a significant loss (70%) of skilled personnel would result from the co-location of SIMA-EAST with the IOC. This loss of capability would not easily be recovered and would adversely impact SIMA-EAST's mission capability for 3-5 years. The AMC Process Action Team arrived at this same conclusion months before the announcement of the Base Realignment and Closure Committee proposal.

Utilizing data from the same cost analysis report addressed above, the cost to move SIMA-EAST intact to Rock Island will be $20,000,000. Additionally, co-location with the IOC will result in additional annual recurring costs of $500,000 to support TDY levels consistent with that necessary to service SIMA-EAST's Washington, D.C. area customers. There are no personnel savings or return-on-investment associated with the relocation of SIMA-EAST to co-locate with the IOC at Rock Island. The official AMC position is that SIMA-EAST will be co-located with the IOC to provide the IOC with automation support. Accordingly, all 415 spaces reflected on the SIMA-EAST Program Budget Guidance will be moved from Letterkenny to Rock Island. However, nearly 400 persons are already in place at Rock Island which can provide automation support to the IOC.

RECOMMENDATION

Recommend the apparent administrative error made in the Base Realignment and Closure Report be corrected with all reference to SIMA-EAST removed. Accordingly, SIMA-EAST should remain in place at Letterkenny Army Depot and continue to provide uninterruped support to the Army.

Questions or concerns regarding this package can be addressed to Mr. Lynn Byers, (717) 267-9186.

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