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OFFICIAL TRANSCRIPT PROCEEDINGS BEFORE

DEFENSE SECRETARY'S COMMISSION ON

BASE REALIGNMENT AND CLOSURE

BUSINESS MEETING

~~NATIONAL SECURITY INFORMATION~~
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Washington, D. C.

November 29, 1983

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#491

1 BUSINESS MEETING

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3 DEFENSE SECRETARY'S COMMISSION

4 ON

5 BASE REALIGNMENT AND CLOSURE

6

7 8:34 a.m.

8 Tuesday, November 29, 1988

9 Room 310

10 1825 K Street, N.W.,

11 Washington, D. C.

12 MEMBERS PRESENT:

13 HON. JACK EDWARDS, Co-Chairman

14 HON. ABRAHAM A. RIBICOFF, Co-Chairman

15 LOUIS CABOT

16 HON. W. GRAHAM CLAYTOR, JR.

17 DONALD F. CRAIB, JR.

18 HON. MARTIN R. HOFFMANN

19 GENERAL BRYCE POE, II, USAF (Ret.)

20 GENERAL DONN A. STARRY, USA (Ret.)

21 HON. THOMAS EAGLETON

22 DR. JAMES SMITH

23 HON. RUSSELL TRAIN

24 ALSO PRESENT:

25 HAYDEN BRYAN, Executive Director

DOUGLAS HANSEN, Research Director

RUSSEL MILNES, Counsel

P R O C E E D I N G S

CHAIRMAN RIBICOFF: The Commission will come to order.

Mr. Claytor has a 10:30 meeting that he must attend, and we thought we would start with the homeporting issue. This is an issue on which he has great and deep knowledge.

Graham, go right ahead.

MR. CLAYTOR: I have just seen a summary of the status of work of the various home port things. New York, as I thought, is well along toward being finished. A lot of money has been spent. The pier is largely finished. I think we ought to let New York alone from this standpoint.

CHAIRMAN RIBICOFF: There is a letter here to me that I have just seen from Governor Cuomo, who states that New York State has contributed $25 million toward it.

MR. CLAYTOR: Yes.

CHAIRMAN RIBICOFF: Isn't that right? Isn't that what was in that letter, $25 million?

MR. CLAYTOR: I think so. The work at Everett has largely been held up because of the injunction on the environmental issue and some other things. Very little has been done there.

Everett is a carrier base. That is one of the big ship bases. I think we could suggest that, at least at

1 this stage of the game, before our final decision, that
2 Everett ought to go.
3 Hunter's Point we already discussed yesterday,
4 at San Francisco. That is also a large ship base, and
5 nothing, not even a contract, is let on that.
6 Then you get around to the Gulf.
7 MR. TRAIN: Well, Hunter's, we have recommended,
8 then, that that go?
9 MR. CLAYTOR: Yes, that that go.
10 When you get around to the Gulf, there are a
11 number of small places that are going to be homes for
12 small ships -- destroyers, frigates, and what-not. I would
13 let those alone.
14 The important ones are these big ships. When
15 you put a 5,000 man ship in a new place, you have to have
16 all kinds of support facilities built ashore, including
17 a lot of family housing. That is the big problem.
18 When you have smaller ships, it is a vastly
19 smaller operation, and I think the Navy is going to have
20 to allocate its small ships around the country, particularly
21 to the extent for allowing Reserve components from Reserve
22 areas for the manning.
23 So, when you look at the Gulf, there are two
24 large ship home ports there. There is Ingleside, which is
25 in Texas, below Galveston, for a battleship, [redacted]

where they were going to put a large, active carrier.

Now, they have at Pensacola already a small training carrier, called the Lexington. They were planning to put the Lexington down at Ingleside, continuing it for another few years as a training carrier, and put a large, active carrier at Pensacola. To do that, they have to spend a lot of money dredging the channel, which has not been started.

I think what we ought to do is say keep the Lexington right where it is, at Pensacola, for training purposes -- that's a training place for carrier aircraft. We don't need to spend any money to keep the Lexington there. And we should do away with putting a large carrier in the Gulf.

So, what you would do if you did these things, you'd suggest to the Navy at this stage of the game to drop Everett, drop San Francisco, drop the battleship berthing at Ingleside, and drop Pensacola. Then that would make a very substantial saving. Most of that work has not been done. About 7 percent of the work at Ingleside has been done. But Ingleside would continue to be a base for some smaller ships and destroyers, and that work can be saved.

So, what I would suggest is that we sort of get the Navy to respond to that, and say to the Navy

that we just don't see this kind of expenditure for these large ship homeportings as justifiable under the circumstances.

CHAIRMAN RIBICOFF: Any further comment?

MR. CRAIB: How much would that save us? Does anybody have a number on that?

MR. CLAYTOR: We have not I think got the numbers. I haven't got the numbers in front of me. We've got most of the dope as to what they are proposing to spend. It will be essentially 100 percent at Hunter's Point and at Everett; it would be everything pretty much at Pensacola, and a significant portion at Ingleside.

CHAIRMAN RIBICOFF: Do you have any comment, Doug?

MR. HANSEN: We can drill the numbers. May I just act as a Devil's Advocate here, like I have never done before? May I ask a question?

If I understand correctly the Gulf moves that Mr. Claytor suggests, that breaks up the carrier battle group and the battleship battle group, which, to me, would be similar to telling the Air Force that they can't have squadrons anymore inside their wings, or they can't have wings, they can only have squadrons, divisions, and brigades. That's an organization of operations, as opposed to where ships are located.

1 MR. CLAYTOR: Well, yes and no.

2 The Navy could then decide that they want to keep
3 the cruisers. There would be a few cruisers that would
4 be left in the Gulf. Or they may decide they want to move
5 the cruisers back to the East Coast, or to the West Coast,
6 with the carriers. But the destroyers are scattered all
7 over the place, anyway, and I don't think you can make much
8 of an argument about destroyers or frigates having to be
9 always berthed at the same place.

10 MR. HANSEN: I'm just bringing it up because I
11 think that is what the Navy is going to come back with.

12 MR. CLAYTOR: These cruisers, which are critical
13 components of a battle group, could well -- well, I'd
14 just say leave that up to the Navy. We think the big ships
15 ought not to be there. If that means that you need to move
16 your cruisers to the places where they are going to be,
17 the existing places, that's for the Navy to decide.

18 MR. HANSEN: And they could come back and propose
19 to do that?

20 MR. CLAYTOR: That's right.

21 MR. HANSEN: Because that is an important issue --
22 that is, because of the way the account works. If we
23 don't nominate the receiving location as part of our
24 all or nothing, then the money can't be spent out of the
25 account to do that and, therefore, the Service would have to

go back to the Congress to get extra money for that, say to move a cruiser to someplace. But if we say to put the cruiser someplace, then it happens automatically.

So, the Navy could come back and say if that's what the Commission's desires are with regard to two major ports and two large ships, what's your plan, and what is it going to cost and save?

MR. CLAYTOR: Yes.

MR. HANSEN: All right.

If I could take this time then -- excuse me.

CHAIRMAN EDWARDS: Let me just say that if they scream, tell them they brought it on themselves.

MR. BRYAN: May I ask one other question?

Are we assuming allowance endorsed by the Commission for any berthing construction at the old ports?

MR. HANSEN: It would have to be a total plan, I think.

MR. CLAYTOR: You would have to plan on that. Yes, indeed.

MR. HANSEN: Like they have told us with Hunter's, they put in --

MR. BRYAN: You would allow some construction, then, at the old ports?

MR. CLAYTOR: My feeling would be that we are not

in a position to say yea or nay about that. They had said that they could berth them at the existing ports for about $200 million less than the new homeporting operation.

My own guess is it would be a lot more than that because I don't believe that what they've allowed for the homeporting costs is going to be anything like what they are going to have to spend in the end.

The gentlemen told me yesterday that they had a cap, that Congress had an appropriation for homeporting with a cap on it, and that they were moving forward within the cap.

Well, my experience would be that that really means they are going to do a bare-bones arrangement and that probably not more than half, and maybe less than half, of what they eventually have to spend was going to be spent in this round.

You'd probably do nothing on family housing, and that would be the next big thing.

MR. HOFFMANN: That's basically what that GAO report says, that they put in the basic bare bones for the piers and what the ships initially need, but the quality of life stuff, like housing -- in Staten Island, they don't even have a headquarters building or facilities for engineers. I mean, on and on it goes.

MR. HANSEN: We took care of that, sir, by moving Brooklyn into Staten Island. And so, coupled with this -- of course, Brooklyn would be okay, but coupled with Everett, we probably would have to rethink Sandpoint. We migh be able to close Sandpoint as unnecessary if we close Everett, for instance. But it changes the dynamics for sure.

MR. CLAYTOR: I don't think we are in a position to say what they do other than to say yes, they are going to have to spend some money to take care of all these ships in those other places. They already have that as an alternative.

That would be my feeling.

MR. CRAIB: So, for Hunter's Point, we'd take credit for the $8 million, instead of $85 million? We'd go with Plan A instead of Plan B.

CHAIRMAN EDWARDS: Well, I think, in part, that depends on what they come back with.

MR. CRAIB: What they come back with, yes.

MR. HANSEN: But it would be a comprehensive plan. If you don't do Everett, if you don't do Hunter's, if you don't do the two large ships in the Gulf, what are you going to do, and what are the savings and the costs associated with that?

CHAIRMAN EDWARDS: How soon are you going to have that?

1 MR. HANSEN: Well, we wouldn't have it today.
2 Let's put it that way, sir.
3 CHAIRMAN EDWARDS: Not before long?
4 [General laughter]
5 CHAIRMAN RIBICOFF: We can move on the concept.
6 Is there any objection to the concept, as suggested
7 by Mr. Claytor?
8 [No response]
9 CHAIRMAN RIBICOFF: It is so voted.
10 MR. HANSEN: If I could take a few minutes maybe
11 to recap yesterday in other areas, I want to make sure
12 we are clear on what we all agreed to do, or on what we
13 agreed the staff would do.
14 With Brunswick, the moving of Brunswick Naval
15 Air Station to Loring, we would run that through the cost
16 model to see whether it would pay back. We are looking
17 at the recruiting depots, again, under the concept of
18 Orlando as a recruit depot only and Great Lakes as an
19 A School only, with San Diego being able to close.
20 SENATOR EAGLETON: Excuse me, but what did you
21 say about San Diego?
22 MR. HANSEN: It would close.
23 We have already discussed the strategic homeports.
24 We were hoping to get information today on the whole
25 package, but I think we have just come off thatposition.

1 Then we are going to do a broad analysis, maybe
2 not including payback, just sort of a mission analysis of
3 whether you could put [redacted] into
4 [redacted]
5 Under the Air Force, then, that would be the only
6 action that they were involved in.
7 Then, in Task Force 6, summing up for Russ,
8 he is meeting, as we speak, with the principal lab people
9 from the Army, Navy and Air Force in trying to come up with
10 something. We are going to run [redacted]
11 through the cost model.
12 I might say that in one thing yesterday that we
13 did out of order, we discussed Fitzsimmons before we
14 discussed Letterman. We'll do Letterman today as part of the
15 Presidio. They really are tied together when it comes
16 to this graduate medical education. So we probably got
17 a little out of order, but we could fix it since we are
18 still discussing [redacted] and no decision has been made.
19 That was all I had on the matters from yesterday.
20 CHAIRMAN RIBICOFF: I think, Senator Eagleton,
21 something was said in looking at Letterman. Shouldn't he
22 also look at the whole Presidio when he is there?
23 MR. HANSEN: Oh, for sure. They are right next
24 to each other, sir.
25 CHAIRMAN RIBICOFF: They are practically part of

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one another.

MR. HANSEN: Yes. They are contiguous.

SENATOR EAGLETON: May I say a brief words on this while Mr. Claytor is here, because I would like his input.

I called my hospital wizard last night, and he is familiar with the military hospitals, and CHAMPUS, and all of that. He is a hospital wizard, take my word for it.

He said he doesn't want to vouch for current events, for the current situation, but he said at one time, Letterman had the reputation of being the greatest hospital in the armed services, in terms of staff, equipment, talent, et cetera.

Now, this is going back some years. As the General knows, the armed services have had medical problems generically across the board, especially in surgical matters and what have you. So I don't know if Mr. Claytor has any recollection or any observations.

MR. CLAYTOR: Letterman was never a Navy hospital. It was an Army hospital.

SENATOR EAGLETON: I am going to Letterman and Jim is going to Fitzsimmons. I don't know if the twain can ever meet.

GENERAL STARRY: In the Army response to our query about this last time, they have tied the Presidio and Letterman together, like so (indicating), claiming

that some 60 percent of the base operating costs of the Presidio in fact are there to support the hospital. So their position is close one/close them both.

SENATOR EAGLETON: All or nothing.

MR. HANSEN: We can go into that in more detail later today.

GENERAL STARRY: Yes, we can consider that in some detail as we go on through our discussion.

DR. SMITH: There is another piece to the puzzle, too.

There is a Navy hospital in the same general area, and as I understand it, both Letterman and Oak Knoll are in bad shape and need substantial capital investment. So that hospital, Oak Knoll, is in the same situation.

SENATOR EAGLETON: Do you have a book on that?

MR. HANSEN: We have a briefing on that which includes all of that.

CHAIRMAN EDWARDS: Let me throw out one quick word of caution.

I am not for or against any of these hospitals. But I would sure hate for this thing to all of a sudden turn out to be a hospital report; in other words, that we can't face up to the bases but we can close hospitals. We need to be careful how we go about this.

DR. SMITH: Mr. Chairman, may I bring up one subject while Mr. Claytor is still here?

From my notes the last time, we were going to look at helicopter training. There had been a discussion for a long time about taking the Nation's helo training at Whiting Field and consolidating it with the Army/Air Force helicopter training at Rucker. Did that get another look?

MR. CLAYTOR: I tried to do that ten years ago and failed in Congress.

My understanding -- and I am not up to date, but I asked generally about this -- my understanding is that Rucker is full now, and it had plenty of space to take Marine and Navy helicopter training, and now the Pensacola facilities have been modernized -- they are all up to date, they weren't then -- and that Rucker is pretty full, and that it's no longer really a particularly viable or attractive option.

That's hearsay that I have given you. I asked about it because I was very much interested.

GENERAL STARRY: I commanded TRADOC while that was going on, and I was for it. They convinced me that the Navy was, I guess ambivalent is the best way to describe it.

MR. CLAYTOR: The Navy didn't want to do it, but the Navy officially did.

GENERAL STARRY: But the Leader did.

And so, we tried our best to see if we could accommodate it. It fell on the construction costs at Rucker to expand the facilities to make it possible to take on the Naval helicopter pilot training. Part of it may have been my fault because I insisted at the same time that we look at consolidating all the Army's helicopter training, which is split between the Transportation Corps and Fort Rucker, which, in my view, is wrong and should be fixed. We have never stepped up to that.

So, it was a combination of the costs of the transport helicopter training as well as the Navy helicopter training that caused us to look at the construction bill at Fort Rucker and conclude that it was out of sight, at the moment, anyway.

CHAIRMAN EDWARDS: The real reason was that Bob Sikes convinced John Stennis that we were going to do the same thing with a fixed wing trainer at Columbus, Mississippi.

MR. CLAYTOR: That's right.

CHAIRMAN EDWARDS: Graham and I were in this thing up to here (indicating). I don't think it can come up again. But it was a battle that we carried on for two or three years. We won it in the House.

MR. CABOT: Why can't it come up again?

CHAIRMAN EDWARDS: Because the Army is now full,

and the Navy, just like Loring and other facilities, has kind of tended to its knitting over the last ten years, and it's got a very active and complete base down there now, and I just think events have overtaken what we have tried to do.

But, Lord knows, we spilled some blood on that one.

I'll tell you, a lot of people in the Florida panhandle almost went into shock and died when they heard Claytor and Edwards were both on this Commission.

[General laughter]

CHAIRMAN EDWARDS: I really think there is just nothing there.

MR. CLAYTOR: That's my impression.

You see, you had the combination at that time where the Navy had very poor facilities. They were lousy; they hadn't spent any money on them. The Army had beautiful new simulation, everything. [redacted] was superb and [redacted] was not overcrowded, at least at the time.

So, it just seemed natural. But the inter-service juncture of those two things was too much for the Navy and the Marine military people.

DR. SMITH: I remember the debate on the floor in the Senate because Senator Tower was supporting

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1 Secretary Claytor -- I mean, Senator Goldwater was
2 supporting Secretary Claytor and Senator Tower was against
3 supporting the Navy.
4 I am just not sure what has occurred since
5 then that would mean it is still not feasible.
6 Whiting Field was always, always had plenty of
7 runways down there and plenty of old hangars.
8 MR. CLAYTOR: Well, it was big enough. It just
9 didn't have up to date equipment.
10 DR. SMITH: The argument always was that you
11 gained by consolidation. I don't know what's happened at
12 Rucker that we make Rucker more crowded now than it was
13 ten years ago. So it might still be something worth
14 taking a look at.
15 CHAIRMAN EDWARDS: I think they are actually
16 acquiring more land right now at Rucker. I don't know
17 exactly why. But I fly over Rucker at least once a month
18 on business, and that's what I've been told.
19 COLONEL YANKOUPE: Part of the concept of training
20 there, sir, is what they have done at Rucker is gone
21 out and created a number of what are called stage fields.
22 You are dealing with rotary wing aircraft and their
23 approach to takeoff really becomes confined in a particular
24 area. They go out to these remote fields, satellites,
25 really, and they are set up to do landings and takeoffs and

so forth. There are some expansions in the program ongoing in the next couple of years. That, of course, involves the purchase of lands somewhat remote from Rucker itself to create these stage fields.

That has been an issue that I am sure you have heard something about.

But that is a program that even now is expanding by one or two into 1989 or 1990, for a couple of more stage fields, to allow the full capacity of the home installation that parks the helicopters and as a simulator, and so forth, and to realize the stick time on the aircraft itself.

CHAIRMAN EDWARDS: À propos of nothing, the biggest issue down there at Rucker right now is they are taking some poor farmer's last acreage for this expansion, and right across the road they have government property, and the Corps of Engineers won't back off. Sometimes you just want to shake these guys.

MR. HOFFMANN: Do you find that arrogant in some respects, Mr.Chairman?

CHAIRMAN EDWARDS: Yes, totally.

MR. HOFFMANN: I'm not surprised.

MR. HANSEN: Sir, yesterday we had this list around (indicating) and everyone left it behind. So I will pass out a new one. I do have to say a "new" one

because we caught an error on the bottom of the page. It doesn't change at all anything we said about that, but it's slightly different than the one you got last time.

CHAIRMAN EDWARDS: Before you start, let me do one bit of housekeeping, if I may.

I notice that we now have Chapter 2, Chapter 8, and an overview of Chapter 9 -- I guess it is Chapter 9 -- before us. This means now that we have six chapters out there somewhere.

I don't want to push the panic button, but they are coming in pretty fast now, and I have only personally gotten Graham Claytor's comments on the first series. We really have got some work to do to write this thing.

So, if you are going to comment on any of these chapters, please, for goodness sakes, get them here. If you are away from here, get them here by Federal Express, and then Hayden will Fed Ex them out to Subcommittee to start putting things together.

The Subcommittee is Smith, Poe, and me.

MR. HANSEN: In fact, there is some recapping of staff's workload for the next two weeks that I have just done this morning. Of course, I did not include writing chapters, writing the final report's recommendations, all the recommendations that have been approved, and then checking. We continue to be in a full-scale

checking mode to be sure we have as tight a recommendation as we can.

So we still have quite a lot of work to do.

All right.

I would like to begin with the Army.

COMMISSION DELIBERATIONS: ARMY

MR. HANSEN: Let me begin by recapping what installations have been recommended for closure to date. They should be what is on your list, so we won't go through them at all.

The second thing I would like to do is just to give you a brief idea of what might be achievable from the Army.

[A series of slides was shown]

MR. HANSEN: What the first chart shows is where we are today, with roughly $155 million in steady state savings, which we have gotten to with a combination of bases.

The line shows how deep, if you will, one would have to go into the Army's structure in order to get to, say, $400 million in saving. This would mean we would have to close four admin posts, four schools posts, and, more importantly, four division posts.

We have not closed any school posts to date. We have closed some depots, which helps us get t the $155 million in depots. The idea was that the saving that one can achieve in base operating support through consolidation in the Army is no quite as high as maybe in other services.

DR. SMITH: I am not sure I understand that and

I'm not sure I believe it. If we're going to close five bases in the Air Force and save $600 million, I don't understand why we have to close 12 bases in the Army and only get close to that, or to half of that. Something is wrong somewhere.

COLONEL YANKOUPE: Sir, the way the numbers work in terms of what it is that you save when you close an installation, and for the purposes of this drill here, we assumed that the function did not disappear, but that it would be relocated. Four bases on the bottom are administrative bases. They would be the ones that you would realize the least amount of savings for.

In fact, when you consolidate a small base with a larger one, you save on the order of 42 percent of the combination of RPMA and base ops costs. So, what that says is if you are just trying to get an idea of the kind of thing that is achievable at a particular dollar figure, we took four -- these are real bases, admin ones -- and said here are the savings realizable given the cost analysis that we have done, using our methodology, and then four school bases, and then four division posts to throw that up there.

Obviously, there are combinations and permutations of that. But to get at the kinds of dollars figures that are showing up there, you are going

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to be taking the equivalent of those kinds of installations off-line to get those dollars.

GENERAL STARRY: I don't think that's at all out of line. There is a totally different costing structure at Air Bases as opposed to that which you find at Army Bases. In the Air Bases, you change bed-down, and you saw all those arrows that went from one base to the other when they moved the airplanes around. What you get is incremental increases in bed-down requirements, where there are already economies of scale. In other words, you are on the flat side of the curve as far as cost, incremental costs of adding more aircraft to the basing establishment that is already in place.

Here you have a totally different situation. There are some economies in terms of numbers of people. But it's a people problem with the Army and the Marine Corps, as opposed to an airplane bed-down problem with the Air Force.

So it is not at all incomprehensible that this is a totally different kind of cost structure that you find in an Air Force realignment.

DR. SMITH: I think moving airplanes is more capital intensive than moving people.

MR. HANSEN: What we are talking about, sir, is these are the steady state savings.

GENERAL STARRY: I'm talking about steady state savings.

MR. HANSEN: The cost of operations of these bases is just different.

DR. SMITH: Is this then the annual saving?

MR. HANSEN: This is the annual saving.

CHAIRMAN EDWARDS: Does the $155 million include any administrative facilities?

MR. HANSEN: Yes.

CHAIRMAN EDWARDS: Does it include those four?

COLONEL YANKOUPE: No, sir, it does not.

What we wanted to do was get a cross section of the funding. Some of them would have different dollar savings than others. In other words, they are not all exactly $20 million or $22 million apiece in steady state savings.

CHAIRMAN EDWARDS: I understand that. I just want to be certain.

You show four, and four and four, and four and four and four. I just want to know how many administrative facilities are in that $155 million.

MR. HANSEN: Three.

COLONEL YANKOUPE: There are three right now.

MR. HANSEN: One of which has quite a high steady state saving because of the hospital saving.

CHAIRMAN EDWARDS: At Presidio?

MR. HANSEN: Yes, the saving you can achieve with that one.

For instance, we have closed three. The average is right about right -- $74 million, $13 million, and $0.3 million.

So, it basically is $30 million per average per administrative post, and that is roughly what this chart shows.

CHAIRMAN EDWARDS: Okay.

MR. HANSEN: I would like to start with the category of schools. Do you have a map?

This is the category that we were discussing two weeks ago.

The staff was asked to go and look further at the issue of Fort Devens. I would like now to do that.

This is where we were in discussion from two weeks ago on Fort Devens --basically the only major post, et cetera. But we have prepared a new analysis sheet on it and would like to start with that.

Fort Devens is the only active installation in New England, which makes it extremely important to the Army for recruiting and for a presence in that region.

It provides regional logistic support for the whole of New England. It's the annual training home for

65,000 Army National Guard and Reserve personnel. It mobilizes 298 Reserve units and almost 11,000 personnel. It's a training center for intel and electronic warfare personnel. It's actually a regional training center for Reserve general hospital units, and, of course, being the only Army post in that region, it provides PX, commissary, et cetera, services.

We were asked to look at a couple of possibilities. [redacted] There were two things that we found out.

One is that you can't fire artillery at [redacted] which is a problem, then, [redacted] because then they would not have any place to fire artillery, except going all the way to [redacted]

The second is that a recent referendum in [redacted] -- well, this last election -- established a non-binding moratorium on development on all of [redacted] sits at the beginning of the [redacted] Therefore, the likelihood of being able to develop this land was slim.

We have also discovered that some of the regional administrative services, but not the training, might possibly be relocated at [redacted]

MR. HOFFMANN: Up from Devens?

MR. HANSEN: From Devens. But you would still have a training problem. They don't have any land to train on.

They can take administrative posts, like recruiters and things like that. So, basically, we end up with four options.

The four options are: [redacted]

Now, the option of close and transfer to the National Guard and close and put into caretaker status involve the intel school primarily. There is a split function in the Army, where the intel school was split between Fort Huachuca and Devens, and [redacted]

There is also a special operations unit there and an engineer battalion. All of the close options obviously have that moving out.

We can show you the diagrams for where everything goes.

The realignment, ISC to Fort Devens, still has the intel school moving out, but the special ops brigade and the engineer battalion would stay, and they'd backfill,

1 if you would, with some other command, into there to
2 "mitigate" the outcome. That one does not pay back.
3 So, the key then to this whole exercise breaks
4 down not so much to payback, because the other three
5 options all pay back, but it breaks down into the regional
6 presence of Fort Devens as being the only one in New
7 England, and can we afford to give it up? That's what it
8 boils down to.
9 CHAIRMAN EDWARDS: I want to be clear on the last
10 item up there.
11 If we agree that Fort Devens, for whatever reason,
12 just ought not to be shut down in New England, then I guess
13 the real question is can you load it up with other things
14 and maybe save something somewhere else. You show the
15 ISC to Fort Devens. Are there other things?
16 MR. HANSEN: That realignment is not only the
17 ISC to Fort Devens; it's actually the intel school out
18 to Huachuca, backfilling with the ISC.
19 CHAIRMAN RIBICOFF: Where is Huachuca?
20 MR. HANSEN: Huachuca is in Arizona.
21 MR. CABOT: What is ISC?
22 MR. HANSEN: Information Systems Command, sir.
23 CHAIRMAN RIBICOFF: How many people would be
24 involved in Arizona?
25 MR. HANSEN: You'd actually transfer more in

than you would transfer out.

This is one of the reasons why it does not pay back. It actually consolidates Information Systems Command from, I think, three activities into Devens, and it consolidates the Intel school back. But all these moves cost you money, and, therefore, it doesn't pay back. It's a 12 year payback. That's what it is.

CHAIRMAN RIBICOFF: Would it be the proper thing to do from an educational standpoint?

COLONEL YANKOUPE: What we would be doing with it, sir, is solving a long-term problem that we have had for quite some time, and that is the total realignment of intelligence training at Fort Huachuca, which is where the intelligence school, that is, the predominance of it, is located. Information Systems Command is currently, as you see from the diagram, located in three places, and you would be consolidating them in a single place, which is really quite likely because the Boston area has a lot of its technology devoted to information systems types of things.

CHAIRMAN RIBICOFF: It certainly does. It is one of the centers for that. You know, you have MIT there, too, which is deeply involved in all types of research. You also have all these computer companies.

MR. HANSEN: May I play the Devil's Advocate again,

1 sir.

2 CHAIRMAN RIBICOFF: All right.

3 MR. HANSEN: In this case, we would argue that
4 that is a good idea for research and colocation with MIT,
5 and then the Watertown Lab you said didn't matter, that
6 we could take it back out again. It's a little bit of an
7 inconsistency.

8 MR. CABOT: There is a hell of a difference in
9 the quality there that you are talking about.

10 MR. HANSEN: But it is something that we would
11 have to figure out how to defend.

12 CHAIRMAN EDWARDS: Okay. You have advocated.

13 I'm thinking out loud, now, because I don't
14 know everything that I am going to talk about. But if all
15 the intelligence goes to Huachuca, and you move three,
16 you move from three facilities into Devens with ISC,
17 what are the three facilities that would be losers in
18 that one?

19 MR. HANSEN: Belvoir, which is no problem because
20 we are filling it up; a small number from Fort McPherson,
21 not really too much; and Fort Monmouth, which is small
22 enough that it doesn't matter.

23 CHAIRMAN EDWARDS: It wouldn't necessarily give
24 us a base to close?

25 MR. HANSEN: Oh, no, sir.

CHAIRMAN EDWARDS: But it would make for a more orderly operation.

MR. HANSEN: It is clearly a realignment, yes.

MR. CABOT: What else is at Fort Huachuca? Lots of things?

MR. HANSEN: Other than the intel school?

COLONEL YANKOUPE: There is a signals brigade station at Huachuca.

GENERAL STARRY: A communications command headquarters.

COLONEL YANKOUPE: Yes, a communications command.

MR. CABOT: It doesn't make sense to move intel, all of it, to Fort Devens, does it?

COLONEL YANKOUPE: No, sir, because of the training that they do with the electronic types, particularly in electronic intelligence gathering, in that environment. That would be clearly incompatible with the environment we've got in the New England area weatherwise, and they are perfectly situated at Huachuca.

GENERAL STARRY: Well, Devens is not big enough. It's just a simple problem -- it's simply not big enough to accommodate it.

CHAIRMAN EDWARDS: The intel.

MR. HANSEN: Just to point out, though, the other three options -- [redacted]

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1 [redacted]
2 [redacted]
3 [redacted]]
4 CHAIRMAN EDWARDS: I just don't think we really
5 have that option. I'm impressed with the fact that it's
6 the only facility up there, and if the Commission agrees
7 with my view -- and I'm not trying to sell anybody on it --
8 then it seems like we ought to make the best effort to fill
9 it up for the proper use and move on.
10 MR. CRAIB: It has a role to play in mobilization,
11 too, doesn't it?
12 MR. HANSEN: Yes.
13 MR. CRAIB: In fact, a very important role.
14 MR. HANSEN: [redacted]
15 [redacted] if we keep it open, the best we can get is one of
16 those. [redacted]
17 [redacted]
18 [redacted]
19 [redacted]
20 [redacted]]
21 [redacted]
22 [redacted]
23 [redacted]]
24 MR. CABOT: [redacted]
25 [redacted]]

at Devens instead of at Edwards?

COLONEL YANKOUPE: [redacted]

MR. CABOT: Would they have to take it over to be accommodated on it?

COLONEL YANKOUPE: The Guard?

MR. CABOT: Yes.

COLONEL YANKOUPE: Yes, sir.

[redacted]

MR. CABOT: Why do they have to take ie over in order to use it?

GENERAL QUINN: Mr. Cabot, historically the Massachusetts Guard has had to train in three sites. They go to Camp Edwards during their summer training. They also use Devens, and they go up to Camp Drum. I don't think any two sites could accommodate the entire Massachusetts Guard.

MR. HANSEN: By the way, the answer to the question

of how long does it take to get to Drum, it's about ten to 12 hours by convoy.

MR. CABOT: So you would have to clear something out of Devens in order for that to really take care of the National Guard.

GENERAL QUINN: They don't have the maneuver space in Devens for the type of training the Guard needs to do.

MR. CABOT: So you could not close Devens if you wanted to, as far as the Massachusetts National Guard is concerned.

SENATOR EAGLETON: Doug, is there any of the stuff in any of the bases, the Army bases, that we have already closed -- some of them may have been abandoned, or what have you -- but is there any of that stuff that could go to Devens, on yesterday's sheet, logically?

CHAIRMAN RIBICOFF: You had a chart with different schools. Are any of those shools that you want to eliminate, could those go up to Devens? You listed schools there when you had the chart up. What schools are there that could go up there?

COLONEL YANKOUPE: We would have to take a look at that, sir, and look at the requirments for land that a particular school would have. I am not prepared to answer that one really accurately right now.

MR. HOFFMANN: Are you talking about major combat arms schools?

COLONEL YANKOUPE: I don't think so. Devens has about 5,000 acres of training area available. It's not a very big post from that perspective. So anything that would have a high demand for range firing and so forth would not be appropriate.

Generally, most of our schools have some requirement for that. The school that we do have there, of course, is only a piece, and it's one that does essentially classroom type training. It's cryptologic and so forth stuff.

CHAIRMAN RIBICOFF: Are there any other schools that do classroom training scattered around the country?

COLONEL YANKOUPE: There are, but they are at complexes where we have tremendous adjustments. It would be some of the very large ones, like Fort Levenworth, in Kansas, which is really relatively ideally suited and has tremendous investments in facilities that are there. Also the War College at Carlisle is also ensconsed in investment in the area and has a major program going on now and it wouldn't be a logical choice, either.

The ISC option is really a very good one if the position is that we want to find a backfill.

CHAIRMAN RIBICOFF: How many people are involved in ISC to go to Devens?

1 COLONEL YANKOUPE: We are talking I think about
2 1,700. So it is about a wash with the transition of people
3 coming out to go to Huachuca. I think it transfers out,
4 Huachuca transfers out 1,600.
5 DR. SMITH: Does your last option there include
6 giving the training area to the Guard? I mean, you are out
7 of the training business. What happens to the Tenth special
8 forces? Do you leave them at Devens?
9 MR. HANSEN: Yes, sir.
10 DR. SMITH: Do they train much at Devens anyhow?
11 Don't they train much elsewhere?
12 COLONEL YANKOUPE: They train, obviously some
13 locally there, but they are highly deployed because of
14 their mission to Europe. They go all over Europe, and, of
15 course, they train a lot in Canada, they train at Drum,
16 and you are quite right, it's pretty dispersed training.
17 DR. SMITH: Under this last option, don't you
18 generally become a headquarters kind of facility with the
19 only operation in winter being the Tenth Special Forces
20 Group?
21 COLONEL YANKOUPE: And the Thirty-ninth Engineering
22 Battalion.
23 DR. SMITH: Couldn't you then turn the training
24 area over to the Guard and keep your post complex as the
25 active fort and get some cost savings out of that?

COLONEL YANKOUPE: I would have to look at that. The Guard and the Reserve already will be using a lot of that installation as it is available, and it is heavily used.

DR. SMITH: [redacted]

COLONEL YANKOUPE: Yes, sir, if that can be done. [redacted]

MR. CABOT: Well, it doesn't really change anything much, unless you close the Guard out of someplace.

MR. HANSEN: Oh, it changes quite a bit. [redacted] then it pays back in four years, and all of the units move out.

1 [redacted]
2 [redacted]
3 [redacted]
4 [redacted]
5 [redacted]
6 [redacted]
7 [redacted]]
8 The key is if they would not take it for whatever
9 reason, then the training area is lost. So it's like a game
10 of bluff, if you will.
11 CHAIRMAN RIBICOFF: How can we get Massachusetts
12 to do this in the short period of time that we have?
13 MR. HANSEN: You can't.
14 CHAIRMAN RIBICOFF: It can't be a done deal.
15 MR. HANSEN: It can't be a done deal, no.
16 COLONEL YANKOUPE: The way that would work is
17 through the hierarchy of the property disposal process.
18 At some point of time, it would be offered to the State.
19 CHAIRMAN RIBICOFF: Well, I mean, you would
20 probably have to leave Devens alone and say something in
21 your report to encourage the Massachusetts National Guard
22 to try to work something out there without closing up
23 Devens.
24 MR. HANSEN: Well, it's a prediction. But I,
25 think, it seems to me, that in order to achieve $43 million

in annual saving, the Army might be willing to incur $1 million or $2 million in annual cost at Fort Devens to help the Guard take this place over.

[redacted]

CHAIRMAN RIBICOFF: Well, you're never going to work it out by December 31. That's a cinch.

MR. HANSEN: May I just ask, do you know whether the land was put in at zero? Is that right, do you still get four years?

COLONEL YANKOUPE: Yes, we do.

MR. HANSEN: So the model in this case was run with zero as the land value. It still pays back in four years. So we don't need to receive any proceeds of the sale of property in order for this to pay back.

COLONEL YANKOUPE: The other point is -- and adressing Mr. Smith's point -- our savings on steady state will come out of the base ops portion of savings. So there really is practically relatively little cost associated with maintaining the training lands themselves. The savings that we get out of here are by closing of the

base entirely.

CHAIRMAN RIBICOFF: Well, that is an issue that bothers a lot of people, including me, just closing out a presence in New England for the Reserves.

I think it happens to be important. I think it is a quality of Reservist that I don't think you would want to get rid of.

COLONEL YANKOUPE: I remember when we briefed this the last time, we did not have the last option in there, the ISC option. But, clearly, that has been one of the stumbling blocks to doing anything with the realignment of the intel school for many years. That has been tried at least two times that I know of, getting an acceptable backfill and the complications of that were very difficult.

So we put this one in here because it's not one that is unfamiliar to us in terms of coming up with a good one.

CHAIRMAN RIBICOFF: Well, the problems you had then I gather you wouldn't have now. You would not have the same problems if you do it now, to transfer to Devens?

COLONEL YANKOUPE: The Information Systems Command?

CHAIRMAN RIBICOFF: Yes.

COLONEL YANKOUPE: Well, we tried that last year.

CHAIRMAN RIBICOFF: I know. But now you have

a Commission that can do it. You tried it and you couldn't do it. But how about now, if we do it?

COLONEL YANKOUPE: I wouldn't see a problem then.

CHAIRMAN RIBICOFF: It's a done deal.

It's listed in the realignment, is it not, that we sent up to the Secretary of Defense?

MR. HANSEN: I have to also caution that the last option there is a back of the envelope calculation. It has not been run through our model, as is all the others we have done yesterday and today that came up over the last two weeks. So we have to make sure that this one pays back like it does. But that's our best estimate to date.

DR. SMITH: Is there not a brand new facility built for Information Systems Command at Fort Belvoir, for $50 million or something like that, in the recent past?

COLONEL YANKOUPE: No, sir.

There is one program. It is part of the Belvoir plan for development.

CHAIRMAN RIBICOFF: But it has not been developed?

COLONEL YANKOUPE: Not yet.

DR. SMITH: In the back of my mind, I remember a requirement for a major facility for Information Systems Command to be built on Fort Belvoir. This was Information Systems Command.

CHAIRMAN EDWARDS: Before we jump into a thicket, was this part of the kind of deal that was worked out in changing the complex or the work at Belvoir, was this one of the things that was coming in there?

GENERAL STARRY: The backfill.

MR. HANSEN: I'm sure it is, sir, but it's only 1,600 people, and there is so much more going on there that this is noise level, almost.

DR. SMITH: Well, I don't think it was part of the deal. It has been there a long time. They are there now. They are in old facilities. They are in old buildings there. So I don't think it was part of any new move.

CHAIRMAN EDWARDS: Let me ask this. Abe and I have been doing most of the talking on this.

Is there anybody here who feels like we ought to try to take any of the first three options?

DR. SMITH: I agree, Mr. Chairman, that we ought to keep Fort Devens because of the presence, and I think it is unfortunate that we can't take one of those three options because it does generate some saving. But it would certainly be nice if we could close something else and realize some savings and put that activity at Fort Devens.

I just wish that we could come up with an option that would let us do that.

CHAIRMAN EDWARDS: The ISC option, while it moves stuff from three facilities, really doesn't close anything. Does it open up any other space for other closures?

MR. HANSEN: No, sir.

The main reason is it is a swap of roughly 3,000 people from Huachuca and we go like this (indicating) from Devens to Huachuca and back up.

So, in other words, the main bulk of ISC is at Huachuca. So you are moving 3,000 people from Huachuca to Devens, and you are moving 4,000 from Devens to Huachuca, and you are consolidating activities.

CHAIRMAN EDWARDS: And Belvoir and Monmouth are small parts of that.

MR. HANSEN: Yes, sir.

DR. SMITH: No. Belvoir is a big part. Belvoir is 1,500 or 1,600 people. Belvoir is the big loser in this case. Huachuca ends up just about balanced out, don't they?

COLONEL YANKOUPE: What you get is just about a wash.

CHAIRMAN EDWARDS: What is that number on the far right -- 200-something?

MR. HANSEN: It's 204 at Fort Monmouth, 21 at McPherson, and 2,000 go out -- I'm sorry -- 2,000

go out of Huachuca, 3,000 come in. So it's 1,000 different, made up by mostly Fort Belvoir.

DR. SMITH: This is a good move from the intelligence school point of view. I think that is a smart thing to do. It probably does not hurt the Information Systems Command and may put them in a better place than having them at Fort Belvoir. But it does not free up anything. It allows us to take advantage of some savings.

CHAIRMAN EDWARDS: But it leaves us with about 2,000 or so spaces, if you will, at Fort Devens that we can use as we look at other facilities, doesn't it?

MR. HANSEN: You end up with more at Fort Devens. You have 400 more people at Fort Devens than you had before.

CHAIRMAN EDWARDS: You're talking about if you put ISC in there?

MR. HANSEN: Yes.

CHAIRMAN EDWARDS: I am backing ISC out of the equation for a moment and am trying to find a way to close something. Putting all of ISC into Fort Devens really doesn't directly close anything.

MR. CABOT: What about saving the money at Fort Belvoir that is about to be spent for ISC?

COLONEL YANKOUPE: Sir, that has been a mil-con proposal. The last time it was offered, I think last year,

it was killed in the Appropriations-Authorization Bill.

What it does do is it creates space at Belvoir, which, as yet, would be one that would be in the pool down there because, remember, we've got a major NCR consolidation drill going on down there that will be pulling things out of leased space.

So, we've got additional capacity to put things in down there from this area, be they Army or other service.

CHAIRMAN EDWARDS: How about [redacted] and Belvoir?

MR. HANSEN: Into the space here, the ISC space? If we exclude ISC?

CHAIRMAN EDWARDS: Yes.

MR. HANSEN: The more you do that -- well, we've got the numbers on [redacted] It just doesn't pay back to move it. It's about 3,000 or 4,000 people.

So, you'd have construction involved there.

CHAIRMAN EDWARDS: Now, Doug, you see, we're sitting here trying to dream up things, and you guys are the ones who know all the facilities out there. For God's sake, is there nothing out there that has about 2,000 or 3,000 people in it, in the whole Army, that you couldn't move into a Devens or a Fort Belvoir and close something?

I mean, you tell me all the reasons why you can't do something. I'm trying to find a way to do something here.

MR. HOFFMANN: Well, you have the recruiting command. If you close Fort Sheridan, the recruiting command becomes mobile, and you are going to have the same set of arguments that you see here for Devens for the regional presence, and the site of mobilization and all these things, and the flag position in the Great American Midwest.

The other thing you will find is that the recruiting command ought to be centrally located so they can move about the country well.

If you work that out, you will find that, wherever you move them, it's going to cost the same. You know, some fares will go down; other fares will go up.

But, you know, that's one that you've got, if you decide to do that. I don't know if you can play hospital games there. But what else have we got from our candidate?

MR. HANSEN: Well, most of the small Army posts, of course, are these headquarters posts. I think any of the schools are --

MR. HOFFMANN: What is the problem with TRADOC? No land sale money? We don't get any recoupment on that?

MR. HANSEN: Plus $950 million in cleanup.

DR. SMITH: Well, those aren't part of the equation.

MR. HOFFMANN: If you get those missiles back out of the post, we're all set.

MR. HANSEN: The end result is you take the operating costs at [redacted] and transfer them to Devens. That's all you would accomplish. And you pay for the move. That's all you accomplish.

CHAIRMAN RIBICOFF: But is it a more efficient, better operation, to move it, even if you don't save any money?

COLONEL YANKOUPE: Are you talking about Monroe, sir?

CHAIRMAN RIBICOFF: Anything.

Evidently, as I am listening here, there seems to be a sentiment to save Devens, not to destroy it. Now you've got the problem of the National Guard. You're not going to do that by December 31, but maybe that is something they can be talking about in the years ahead.

But there also seems to be a general sentiment. There must be something out there that we don't know. You people know where all the bodies are buried, that you can move from someplace to Devens. We don't

1 know. We would assume that you know or know where to
2 find them.
3 I would say that that is a charter that we
4 are giving you now.
5 COLONEL YANKOUPE: Sir, part of the problem in
6 looking at that is you want to create a better situation
7 all the way around. That ought to be one of our bottom
8 lines.
9 CHAIRMAN RIBICOFF: Yes.
10 COLONEL YANKOUPE: I understand the idea of the
11 backfill thing.
12 MR. CLAYTOR: Maybe not, now. If you're no worse, if
13 you can save money, you can still do it.
14 MR. HOFFMANN: Well, even if you are a little
15 worse, I get back to the question of what is the objective
16 here.
17 You know, we are rapidly concluding that,
18 notwithstanding the Grace Commission and all of this, there
19 are no birds on the ground out there, that there are
20 very few birds just sitting on the ground. This means
21 that you are going to have to induce some discomfort in
22 order to get savings. The question is do you want to do
23 that.
24 Now, we have shied away from that, it seems
25 to me.

But you have had -- what -- nearly 15 years now and you haven't closed anything. And, in fact, you have been going the other way with backfilling the spaces and getting new facilities. And so, you have the force spread out in a large basing structure. I am not ready to concede that we don't want to induce some pain.

I think it is one thing to induce pain by screwing up operational capability, as we did not do in the case of Myrtle Beach. I think that is a good example. But, on the other hand, I'm not sure that we should avoid all inconvenience in trying to get some savings out of this thing.

DR. SMITH: How about Fort Meade? What is at Fort Meade? Isn't there an Army headquarters at Fort Meade?

MR. HOFFMANN: NSA is there, I think.

DR. SMITH: But you can put a fence around NSA. Couldn't we close the rest of Fort Meade and move the First Army Headquarters to Fort Devens?

COLONEL YANKOUPE: We would have to look at that one because when we looked at Fort Meade, the major driver at Meade, of course, is NSA. If we look at trying to close Meade or some piece of it, how many of the tenants that are there, that are on some of that land, directly support NSA? I would have to look at that and see how much

of that is directly needed.

DR. SMITH: NSA is in a compound now, double fenced. I think you can leave them right where they are.

But there are thousands of acres at Fort Meade.

How many acres are there? There are thousands of acres, aren't there? There is nothing there but an administrative headquarters, other than NSC, and that is located right outside of Baltimore.

MR. CRAIB: Outside of Baltimore?

DR. SMITH: Yes, outside of Baltimore.

MR. CLAYTOR: Half-way between here and the Baltimore airport.

CHAIRMAN RIBICOFF: That must be very valuable land if that is where it is.

MR. CLAYTOR: It is, indeed.

CHAIRMAN RIBICOFF: If you are looking to recapture something, that is.

MR. CLAYTOR: It is, indeed. I spent six weeks there.

MR. HANSEN: It's 13,000 acres.

DR. SMITH: It's 13,000 acres.

CHAIRMAN EDWARDS: Holy cow.

DR. SMITH: How many people?

MR. HANSEN: There are [redacted]

DR. SMITH: How many of those [redacted] are NSA?

52

MR. HANSEN: I also know that NSA has a significant amount of their people that lease space right near the airport and all of that.

DR. SMITH: They are building new facilities for that.

MR. HANSEN: They are still in leased space, though.

DR. SMITH: Yes, that's right -- still.

COLONEL YANKOUPE: The compound for NSA headquarters, you are quite right, is in one place. I'd just say that I need to look and see what else is on Meade that directly supports that.

MR. HOFFMANN: Don, there is a sheet in there on Fort Meade in your book.

GENERAL STARRY: Yes. But the cost, the problem with that is the costs are all NSA. There was a billion dollars to close the thing and move it anywhere else.

MR. HOFFMANN: That's fine. But it will tell you what other units are on it.

GENERAL STARRY: Well, I'm not sure. Let me look.

MR. HANSEN: We can find that out. I don't think we can do that this morning, though. This sounds like another project.

CHAIRMAN RIBICOFF: Is there someone that can

find that out so that we can go to the next item and then come back to this when we have that information?

MR. HANSEN: You want to know what all is located at Fort Meade?

CHAIRMAN RIBICOFF: Yes, and also what can be shifted to Devens or anyplace else.

CHAIRMAN EDWARDS: Devens and/or Belvoir. I mean, if you are going to put all the ISC at Devens, then you've got a Belvoir facility that can take some people. If you're not going to do that, then you've got a couple of thousand spaces up at Devens.

I am hearing our side, so to speak, coming up with all of these "what ifs" and your guys are just sitting over there saying well, I don't know. Somehow I don't think we are all playing the same game.

COLONEL YANKOUPE: Well, if the objective is to fill into Devens --

CHAIRMAN EDWARDS: The objective is to fill up bases and close other bases, if we can -- realignment and closure.

COLONEL YANKOUPE: You see, one of the rubrics that we have worked under here is we have to have cost effectiveness and payback and so forth for the other installations.

Now, we know on the other installations that

1 we looked at, for example, we know what pays for
2 itself and what payback is.
3 Now, if we want to trade off on some of that,
4 what I am saying is I think what you are saying is we
5 need to think that one again.
6 MR. HANSEN: Sir, what has actually happened
7 to us is we have taken it down one scale. We have
8 been looking at whole bases and then, when we got
9 stuck in the mess with Devens, the first time we went
10 into parts of bases.
11 CHAIRMAN RIBICOFF: Well, there is nothing
12 wrong with that.
13 MR. HANSEN: No, there is nothing wrong with it.
14 It's just that it's a new dimension for us and we
15 don't have all the numbers we would have to have in
16 order to do those kinds of calculations.
17 MR. CLAYTOR: It seems to me the big issue
18 here is what is there at Meade, apart from the NSC,
19 and what could we do with it.
20 Now, the NSC is just as separate as anything
21 could be. As he says, there is a double fence around
22 it. Nobody can get in unless you have all kinds
23 of names, special named clearances and everything else.
24 That can stay there. But there is a hell of a lot of
25 Fort Meade land.

55

I spent six weeks there back in 1939-1940. You could get lost in the place.

CHAIRMAN RIBICOFF: That could probably bring you more than everything else we are talking about put together, if they get that on the market.

MR. CLAYTOR: That's right.

MR. HOFFMANN: Don't we have a sheet on Fort Meade somewhere in the archives? Don't we have a sheet?

MR. HANSEN: Yes.

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[redacted]

MR. CLAYTOR: All right, then.

CHAIRMAN RIBICOFF: They don't need that land.

MR. CLAYTOR; The [redacted] is a big office building and that is going to stay there. Just separate that out.

MR. HANSEN: You have some Reserves there, about 2,000 in Reserves.

MR. CLAYTOR: Why couldn't they do whatever they do at Belvoir? It's not too far away.

MR. HOFFMANN: Well, you could leave the Reserve center there if that's all that issue is.

MR. HANSEN: I guess the key is the land. Once you do that, how much is available?

Obviously, NSA doesn't use the land outside of

its double gates. How much is available to get rid of after you look at the needs of the Reserves and all that sort of thing?

MR. CLAYTOR: Isn't that several thousand acres? There is a lot of land there.

CHAIRMAN RIBICOFF: It's 13,000 acres.

MR. CLAYTOR: That's what I thought. It's a significant piece of the county.

COLONEL YANKOUPE: I would just have to look, sir, and see how much of that -- I mean, conceptually I agree. But it's like Meade and Ritchie, these NCR installations that are supporting highly classified operations tend to have a lot more on them or be inter-involved. So I am just saying that we would have to look at that and see what we can flush out of there.

MR. CLAYTOR: I agree.

SENATOR EAGLETON: But there are no people that we can move out of there to Devens or Belvoir?

COLONEL YANKOUPE: There are bits and pieces.

MR. HANSEN: The First Army is only 500 people.

DR. SMITH: That is a significant flag. If you move the flag of the First Army Headquarters to Fort Devens, you have given Fort Devens an identity, then. There it is, the First Army Headquarters, even though it's only 500 people, and I think it is a significant

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move and a show of the flag. It is a three star.

So you have put something at Devens that is a flag.

MR. CABOT: And then move the school back down to Huachuca?

DR. SMITH: Yes, and put Information Systems in Devens as well.

So you end up with Devens as a total plus of 1,000 or something like that, and it becomes a headquarters.

MR. HOFFMANN: If you could snare the sale of the land at Meade into that to make it walk, you may be able to do some creative work and get the costs, so that that really pumps out as being a great thing to have done.

MR. CABOT: Is Meade one of these "maneuver space places" that we need, or is it too crowded, too small for that?

MR. HOFFMANN: It is too small for maneuvers. I think it may sustain ranges.

MR. CLAYTOR: Oh, it has ranges.

MR. HOFFMANN: And you may have impact areas and stuff over there. I don't know what it is.

I think we have to find out. But the munitions disposal thing is not as heavy as your toxic and hazard waste disposal.

Does Meade have an impact area, Fort Meade?

DR. SMITH: [Nods affirmatively]

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1 MR. HANSEN: The Army has told us that Meade
2 does have a significant mobilization mission and it's
3 an annual training and weekend training site for the
4 Reserve.
5 So that has to be put into the equation.
6 MR. HOFFMANN: I went there for years with
7 my green beret, driving up in my convertible. That was
8 the way to live.
9 [General laughter]
10 MR. HOFFMANN: I mean, these era pass by.
11 Don Starry has more color that he hasn't told us that you
12 can imagine. But he is willing to put that aside and
13 move into the future.
14 SENATOR EAGLETON: I think I hear Chairman
15 Ribicoff saying -- and correct me, Abe, if I am wrong -- that
16 we would like you to study as promptly as possible moving
17 the First Army Headquarters from Meade -- is somebody
18 taking notes -- from Meade to Devens, leaving NSA, of course,
19 behind its double fences, making the offsetting transfers
20 that you mentioned, between Huachuca and Devens, and
21 seeing how much land of that 13,000 acres that is sitting
22 there, probably half of a county, someone said, and see
23 if we can't sell about 10,000 acres, or 9,000, and
24 that's worth another half billion dollars.
25 CHAIRMAN RIBICOFF: That's probably more than

anything. I would say you would probably get more from that than from everything else you have so far produced.

SENATOR EAGLETON: And that's what you would like them to study?

CHAIRMAN RIBICOFF: Yes.

MR. BRYAN: I don't know what it would do to the base operating costs, which is the number we have been calculating.

MR. HANSEN: Yes. The steady state -- when you talk about the $2 billion, that is steady state saving, not one-time. I think it is still a significant amount of money.

CHAIRMAN RIBICOFF: Let me ask you this. While you are doing this, is there anybody else on the staff who can be put to work while we are here today to give us some of the answers that we are looking for?

MR. HANSEN: We can try.

CHAIRMAN RIBICOFF: You've got your hands full, and I'm not saying that you should do it off the top of your head. But you have a big staff of able people. Can somebody put that together for us in the next hour?

MR. BRYAN: Yes, we will get as much as we can on that for you.

MR. HANSEN: Yes,we will.

CHAIRMAN RIBICOFF: Then why don't we pass it

for the present and go to the next item.

Hayden, will you take responsibility to see that somebody gets on this?

MR. BRYAN: Yes, I will.

MR. HANSEN: The next item, then, will be going through the collection of headquarters admin bases.

The Commission asked us to look at running all headquarters admin bases through the model, if you will, or through a cost payback equation, with the exception of Fort Myer and Fort McNair, which are located right here in the Washington area -- in fact, right in Washington, D. C.

So we will just do them in order.

But, before we do that, I would like to discuss some of the very important factors involved in headquarters admin bases, to which Devens is very similar.

The ones that are underlined in this and the next charts are the ones that are most relevant to headquarters type installations.

The strategic location can be important. But what is really important is long-term command and control -- meaning that if your responsibility as a three star is the seven state region, then you need to have a command and control network that is obviously in that region and so on.

What is also important is what do you have there. Again, headquarters tend to have a lot of communications

1 equipment, and you might want to consider whether or not
2 that investment is worth replicating.
3 These installations, as we have talked about
4 before, are the history of the Army.
5 The attack on Fort Douglas as a stagecoach
6 protecting fort means that it also is part of the history
7 of the Army. Fort Monroe has a moat, but there is the
8 same thing. And the Army cares about its history.
9 Support for nearby activities -- again, that is
10 the regional idea. If you are the only thing there, you
11 collect everything that is regional around you.
12 Again, with regard to Devens, it came up, the
13 location in relation to centers of expertise, if that is
14 important, and so forth and so on. Also recruiting
15 and Reserve support.
16 The Army feels very strongly that in order to
17 properly recruit in a region, they need to be in that
18 region, that it can't be done from a fly-in type operation
19 or on a part-time basis.
20 Clasified facilities are sometimes hard to move,
21 like NSA. And the regional Army commands also have a
22 civil defense and national emergency missions, which are
23 also regional.
24 Those, therefore, are the kinds of considerations
25 that we have with regard to headquarters installations.

This slide is a little busy, but it shows you how the Army is broken up in the continental United States into First, Second, Third, and so on. First Army is in New England; Second and Third are down in the South; Fourth is Sheridan; Fifth is the Texas region; the Sixth is out at Presidio. Well, now we have closed it and it is now in Fort Carson. They are co-located with Army commands, et cetera, et cetera, at major installations.

So there is a regional spread for the Army. It's not too hard to understand, given that the Army's mission is to protect the United States, and all of these commands are the mobilization points for and the commanders of the Reserves. Of course, the Reserves are spread everywhere.

What I would like to do, then, is go to the first installation, which is [redacted]

MR. HOFFMANN: Now, you see, that is all well and good and fine. But it is a matter of degree. That's number one. Number two, you are talking about tremendous improvements in communications and in the ability to pass stuff back and forth and all, and in transportation.

I understand the need to look at these things carefully. But, my God, this bow wave of things you can't do before we start considering what we can do is a little

bit depressing, to speak on behalf of one member. Let's get into it and look at it.

MR. HANSEN: Yes, sir.

[redacted] is next.

It is the base that houses and operates the Second Army. It's a Federal Emergency Management Region. It has four Reserve centers. It has some of the forces command staff, which are located close by, which are not able to be located close by at [redacted] It has its usual hazards. It used to be a depot, so it has a hazard waste storage site. It's a very large regional headquarters for the Army-Air Force exchange system.

It is centrally located in a transportation hub for its region. It clearly has a mobilization and training center mission. Again, there is FEMA.

Again, the warehouses that AAFES have are 2 million-plus square feet.

CHAIRMAN RIBICOFF: Please tell me where this is located.

MR. CLAYTOR: It is outside of Atlanta, outside of what we would call the "beltway." It's well outside of [redacted] in the country.

MR. HANSEN: The conclusion was that besides this operational location being well suited for its mission, to move it would not pay back at all.

We would gain some steady state savings. However, the construction costs would eat us up and the payback would be 32 years if we tried to move this base.

MR. CLAYTOR: I might add a little bit to that. The land is not particularly valuable. It's reasonably valuable, but it is well outside the city of Atlanta.

I would have said if it were not for the fact that [redacted] at [redacted] which is in the middle of [redacted] has got this $35 million or $40 million brand new building, the sensible thing to have done was to move [redacted] That's 1,400 acres out there, a lot of it unutilized. It was a depot and it's loaded with warehouses, some of which are empty, but most of which are still used. To remove that depot and build new warehouses would be ridiculous.

It's got a couple of tenants, like FEMA. FEMA has located a bunch of its equipment out there. It's a good thing to do.

My feeling about [redacted] is that we ought to find something else to go there. I think it would accommodate additional, well, almost anything. They have a new building that the [redacted] Headquarters is in. It's relatively new -- 30 years old -- it's a brick building and is in relatively good shape.

I don't think it really would be feasible

to try to move it. But we ought to keep in mind that if you have something else that could go there, there is plenty of room.

MR. HANSEN: Okay.

DR. SMITH: I have a problem with the one-time cost in this. What can cost $500 million at [redacted] to replace?

Is there some list of facilities for the $500 million -- the $439.5 million is what I am referring to.

MR. CLAYTOR: A large, suitable headquarters building, which is perfectly satisfactory --

MR. HANSEN: Warehouses.

MR. CLAYTOR: -- plus about I don't know how many million square feet of warehouse space.

DR. SMITH: You can build a lot of square feet of warehouse space for $5 million.

MR. CLAYTOR: I don't know how much it costs, but there is an awful lot of it there.

DR. SMITH: You can build five acres of warehouse space for $5 million.

MR. CLAYTOR: That's essentially all, because most of the housing that is there is World War II housing. It is kept in good shape. But they are old buildings. The troop housing that is there is old buildings.

MR. HANSEN: The 2.5 million square feet of warehouses -- why just for AAFES alone they almost have 400,000 square feet of admin space.

DR. SMITH: How much is 2.5 million square feet of warehouse, how much does it cost?

MR. HANSEN: Plus, we would have the admin space for the command in [redacted] et cetera.

It also says on the slide that there are 400 acres of contaminated waste site.

MR. CLAYTOR: It's a little more than that. They told me this is a current waste disposal area because the soil is [redacted] clay, which is impervious. and the stuff you put into the ground there does not get into the water table.

DR. TRAIN: Is the Army shipping it there?

MR. CLAYTOR: I gather it may not be just the Army, but may be used for others. Certain types of waste disposal are still going on.

There is one other thing that is not on your chart.

The [redacted] Headquarters are in downtown Atlanta, in an inadequate place. The agreement has already been made with the Armed Services Committee that they will move to [redacted] as soon as they can get the statute through. It was supposed to be

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in the last Armed Services Bill and it missed out because of the end of the year.

Everybody has agreed to it. This will be an additional important tenant. It will be a far superior place for the [redacted] than where they have it, where they can't do anything except have a building at the moment.

So that will be one additional thing that will be going into [redacted] which I think is helpful.

MR. CRAIB: Are we going to review [redacted] separately?

MR. HANSEN: Yes.

DR. SMITH: I would still challenge the cost figures on [redacted] You can replace the 2 million square feet of warehouse at $50 million; you can replace that admin space at less than $50 million. I can't imagine that you would spend $100 million to replace those things.

MR. CLAYTOR: I think that's right.

DR. SMITH: If they are giving you a $500 million figure, somebody is saying I have to go buy brand new real estate in [redacted] to be able to replicate this facility. Those figures are nonsense.

The payback of closing [redacted] has to be an awful lot better than that shows.

MR. CLAYTOR: That's right.

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MR. HANSEN: We will draw those numbers for you and try to get an answer.

Let's skip ahead now to [redacted] since it is in the same town.

[redacted] is the operational headquarters for the [redacted]

Again, it is well located for the Third Army mission, primarily because of the transportation hub in the region, et cetera.

The main point about [redacted] Mr. Claytor brought up. They have just spent a tremendous amount of money to upgrade the headquarters facilities, using state of the art techniques for such things as security, communications, et cetera. The estimated replacement cost is quite high for that location.

MR. CRAIB: Could that be converted to civilian use, that facility that they have just built?

MR. HANSEN: I think we would end up with -- well, I'm sure it probably can. It's just that they would not need what they've got. But they probably could use it somehow.

MR. CLAYTOR: I would think so. I didn't inspect the whole building, but it's a major office building,

[redacted] UNCLASSIFIED

beautifully done, and particularly suited for [redacted] headquarters.

I did not have a chance to look at the communications facilities, which would be unique; but nothing else about it would be unique.

It clearly could be used as an office building.

MR. HANSEN: [redacted] is considerably smaller than [redacted]

MR. CLAYTOR: I think it's 400 to 500 acres. But it's right smack in the middle of the city, while [redacted] is out in the countryside. [redacted] is right in the [redacted] and it's built up all around it. In fact, they got quite a substantial amount of money that helped them build some of their recent buildings by transferring about five or six acres to the Transit Authority. They built a big subway station right on what used to be part of their land, right at the edge.

MR. CRAIB: It seems redundant to have [redacted] It would seem that there should be some potential to combine those, particularly when you have an extremely high value, as at [redacted] and something that could be converted to civilian use in a downtown area, and plenty of room out at [redacted]

MR. HANSEN: The estimate that we did on the payback

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1 was using the raw land price, and what we would have to
2 figure out, if we could, is whether it was usable as an
3 office. Of course, there is housing there, and all of the
4 usual things that go with a major post.
5 We would have to take another look at that.
6 MR. CLAYTOR: There are a number of historic brick
7 buildings that were built in the 1890s that are on the
8 National Historic Register, that you would probably have to
9 keep, and it has great tradition. They are very beautiful
10 buildings.
11 On the other hand, most of the troop housing --
12 I think they only have housing in those buildings for a
13 couple of hundred people, barracks spaces. The old barracks
14 are being torn down. There are old World War II barracks
15 being torn down. They are going to make a parking lot out
16 of it.
17 A significant part of the relatively small
18 area is now a golf course.
19 MR. CABOT: I have not been there, so I really
20 don't know the picture too much. But what I think I hear
21 is that they have two bases in the same urban area, and
22 you guys aren't even thinking about whether you can put
23 them together.
24 Why haven't you done an analysis to that effect?
25 MR. CLAYTOR: You could clearly put everything

1 into [redacted] except for the fact that you are sacrificing,
2 I think it is a $50 million building, that has just been
3 put up.
4 Had we had this opportunity seven years ago, I
5 don't think there would have been any question that you
6 would have put everything in [redacted]
7 CHAIRMAN RIBICOFF: Outside that building, how
8 much land is there in [redacted]
9 MR. HANSEN: Sir, let me correct a misimpression.
10 I will try to answer your question, of course.
11 Unless there was a special case, all of these were
12 run on the assumption that we would move it to land the
13 government already owns.
14 Now, it was Base X, and because of the time
15 involved, we don't have a detailed plan of who is moving where
16 and we don't have any of these migration diagrams.
17 But, correct me if I am wrong, they were all done
18 on the assumption that we would move to Base X. The government
19 already owns this property. So the land purchase costs are
20 not in here unless it is special.
21 Did the FEMA costs get put in there? FEMA,
22 having to be in that region, when you close [redacted]
23 we said we'd either have to fence that off or buy new
24 property for them. But that's only 40 acres. So that is
25 not a driver in this at all.

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MR. HOFFMANN: What is FEMA doing in there?

MR. CLAYTOR: They have storage in there for about 300 house trailers that they use for emergency evacuation. It's a pure storage area.

It's only about 30 or 40 acres. That is the [redacted] I guess, of FEMA. They have all of that material stored there.

MR. TRAIN: What is the land value with [redacted] Why is it 103 acres and only $7 million?

MR. HANSEN: That was based on raw land values, not on if you could sell it for something other than that.

MR. CLAYTOR: Do you have the acreage? I thought it was around 400 to 500 acres.

MR. RIBICOFF: Is it 500 acres in the [redacted] area?

MR. CLAYTOR: Yes.

I don't see how in the world you could get $7.5 million for that. I would think it is more like $100 million worth of land, at least.

MR. HANSEN: We will also recheck that.

MR. CRAIB: Plus the value of the improvements.

MR. CLAYTOR: And if you have the office building used civilian-wise, I think they told me they spent $40 million on that building.

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CHAIRMAN RIBICOFF: Is it a modern building?

MR. CLAYTOR: Yes. It's brand new, very modern.

CHAIRMAN RIBICOFF: Is it an office building?

MR. CLAYTOR: Yes, it is an office building essentially. Yes.

COLONEL YANKOUPE: If I recall the figures, the original program amount that they programmed four years ago was around $45 million.

MR. CLAYTOR: For those improvements, and that's in that one building.

COLONEL YANKOUPE: The communications gear that is in there and the classified facility in the basement and so forth is about another $50 million.

SENATOR EAGLETON: And the land is available by a subway stop. Do you know what that means to land value?

MR. CLAYTOR: Yes.

MR. HANSEN: We will check that.

CHAIRMAN RIBICOFF: Can that building stand by itself for the purpose it's used for? That building doesn't need a lot of land except for parking, does it?

MR. HANSEN: The actual office building?

CHAIRMAN RIBICOFF: Yes.

MR. CLAYTOR: That's right.

MR. HANSEN: It's a fairly large building.

CHAIRJAN RIBICOFF: They can use it for its

present mission, but it has 400 acres of land, and you've got that available. For whatever other land they need, they could send it out to [redacted] And you are talking about 400 acres around [redacted]

COLONEL YANKOUPE: Except the installation that supports the organization, that sits there, sir. There are probably 2,000 people there.

MR. CLAYTOR: Yes, about 2,000 people.

COLONEL YANKOUPE: The four star needs a place to live, and then you've got the other facilities.

CHAIRMAN RIBICOFF: Where are they living now? Are they living in the premises, on the fort?

MR. CLAYTOR: There are perhaps a dozen houses for officers, rather nice officers' housing, on the base.

CHAIRMAN RIBICOFF: They can keep that.

MR. CLAYTOR: And there are barracks for 200 or 300 men, I think they told me, in the old buildings.

There are other things -- chapels, recreation facilities, a museum, et cetera.

CHAIRMAN RIBICOFF: That is not used for training, maneuvers, or anything else.

MR. CLAYTOR: And a nice golf course. And tennis courts, a motor pool, headquarters, the usual support facilities.

MR. HANSEN: We will try to see if we can

get an answer to that. I would suggest that we move on and come back to that.

Let's move backwards to [redacted]

MR. CLAYTOR: [redacted] of course, is one of the specified commands. It's like CINCPAC, and that sort of thing. It's a major four star specified command for the whole forces United States. It's a major headquarters.

MR. HANSEN: [redacted]

Its main mission, with its subpost at [redacted] which is a Reserve center, which I think was mentioned yesterday, is it is the place in [redacted] It has a large protocol support mission to the United Nations. It is the flag in [redacted] It is a particularly important housing site in an extremely high cost area, and, of course, there is a large Reserve support population.

Also, it is not very large by the standards of the others. It's about 170 acres. Again, a large portion of that would be houses, I think.

Therefore, mission-wise, it needs to be where it is, particularly for the housing and the protocol support mission, neither of which are going to go away.

CHAIRMAN EDWARDS: It is not really a candidate,

is it?

MR. HANSEN: Well, it will pay back.

CHAIRMAN EDWARDS: If you do what with it?

MR. HANSEN: You've got to put them in leased space, pay variable housing, et cetera. The problem is what it pays back on is land value. You sell things. You'r moving costs are very little because you are going into leased space.

The real figure on the payback is that you incur a longer term cost of $2 million a year for the new option, and that is only at today's leased rates.

So this is not a good buy. It reduces the steady state savings, if you will, and it only pays back because of land value.

Now, given all of the pressure on the city and state of [redacted] for the homeless, drugs, prisons, et cetera, I cannot imagine that we would ever realize any proceeds of sale from this place. So our recommendation is that we keep it.

SENATOR EAGLETON: What about the chart that we had last week with all those dots? Was this on it?

MR. HANSEN: On the array? We didn't put it up, sir, because by doing an analysis of all activities in this category, it became meaningless.

But we can put it up.

SENATOR EAGLETON: I thought we had a chart last week that had them all?

MR. HANSEN: Yes, we have it. Here it is.

MR. HOFFMANN: You mentioned [redacted] as a sub base. Is that the one that's up by the [redacted]

MR. HANSEN: It is on Long Island Sound, I believe.

SENATOR EAGLETON: I am just curious. How did [redacted] become a cost saver? I am not saying that they ought to be saved. It is just a gut feeling. But how did it become a one-year payback cost saver this week, when a couple of weeks ago it was right in the middle?

MR. HANSEN: This chart has no costs in it at all, sir. This is the military value of the place, that's all.

SENATOR EAGLETON: It has no money in it?

MR. HANSEN: No money.

CHAIRMAN EDWARDS: Does anybody around the table seriously want to try to put this into leased space?

MR. HOFFMANN: I would like to try to find out a little bit more about what is going to happen to [redacted] which is a sub base, therefore included in here.

MR. HANSEN: Do you mean if we closed it? [redacted] is the largest Reserve center in the nation for the Army.

MR. HOFFMANN: Well, that's fine.

[redacted] UNCLASSIFIED

MR. HANSEN: This is a big recruiting area for the Army, a big Reserve area for the Army, and this is the only place they can go.

This is even worse than Devens is.

MR. HOFFMANN: What is the post up on the Western end of the [redacted] Is that still open?

COLONEL YANKOUPE: I don't think we have one there.

MR. HOFFMANN: We used to in the old days.

GENERAL STARRY: Are you talking about [redacted]

MR. HOFFMANN: No. That's in the middle of the harbor, and they gave that up years ago.

MR. HANSEN: You are not thinking of [redacted]

MR. HOFFMANN: No. The [redacted] is up at [redacted] and at the Western end of that, on the line to the South, there used to be an Army post.

CHAIRMAN RIBICOFF: Would that be on the New Jersey side?

COLONEL YANKOUPE: I am sure you are right, sir, but I just don't remember the name of it.

MR. HOFFMANN: Well, how does that one figure into the complex of things?

We may have gotten rid of it years ago, but we owned it when I was there.

[redacted] UNCLASSIFIED

COLONEL YANKOUPE: The only one on the West side of the border that we can think about now is the [redacted] which has been transferred to the Navy for the homeport operation.

MR. HANSEN: Well, there is a military ocean terminal that the Army has, but I don't think that is what you mean.

MR. HOFFMANN: No, that's not what I'm talking about. It's right up on the [redacted] there. We will find it. You can check the Atlas. It's not a show-stopper.

It may have been given to the New Jersey Guard or something.

COLONEL YANKOUPE: The town there is Fort Lee. But it doesn't show a military installation.

MR. HANSEN: It is called [redacted] but it is not shown as having a military installation. Maybe at one time it was one.

DR. SMITH: How many people are at Hamilton?

MR. HANSEN: A tousand people.

DR. SMITH: What do they do?

MR. HANSEN: They are a protocol for the [redacted] recruiters, and the [redacted] area command -- you know, cats and dogs.

DR. SMITH: What do they do for the United Nations?

COLONEL YANKOUPE: They handle, for DOD, all of

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the picking up of people coming in from the Air Force, people dealing with the [redacted] civilians and military. They act as a transfer agency to get people where they need to be. They handle all military visiting dignitaries who come in through [redacted] and stop off there, for both our own people and foreigners. It is a pretty sensitive operation.

DR. SMITH: If you closed [redacted] what would you do with that function?

COLONEL YANKOUPE: They would go into leased space; 439 people would find housing out on the economy.

DR. SMITH: There are 439 housing units?

MR. HANSEN: Yes, and that is families, not people. You'd lose money in the long run.

COLONEL YANKOUPE: You'd end up with a long steady state annual cost, a net of $2 million a year for the lease space operation.

MR. HANSEN: If we run this through the model, I can tell you right now that this would not have a positive 20 year payback.

DR. SMITH: You didn't run it through the model?

MR. HANSEN: No. These are all back of the envelope, all of them. We just did not have the time in ten days to run every one of these through the model.

It isn't just a matter of figuring out five statistics and throwing it into a model. You've got to

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1 know where things are going because the model is detailed
2 enough to know where everything goes.
3 MR. CABOT: Who decreed that the Army has to do
4 that travel agency function for the whole [redacted]
5 COLONEL YANKOUPE: Well, I am sure that DOD did
6 because it had, at that time, the biggest piece of the
7 action in [redacted] It had the capability to do it because
8 it was positioned primarily on [redacted] with access to
9 [redacted] as well as [redacted] That is where most of the
10 transportation stuff would be going in and out of.
11 GENERAL STARRY: The Army is the executive agent.
12 The Deputy Chief of Staff of Operations for the Army is the
13 senior military representative to the [redacted] for
14 the United States. That's why DOD.
15 MR. HANSEN: If it weren't the Army, it would
16 be the Air Force or the Navy. It just happened to be the
17 Army that was there. Somebody has to do it. It's that
18 kind of thing.
19 You won't find a Navy protocol to the [redacted]
20 [redacted] or an Air Force protocol. It's only one.
21 COLONEL YANKOUPE: So I am sure that mission, as
22 far as the installation is concerned, is derivative from
23 what General Starry has just mentioned.
24 DR. SMITH: Do you have a map of [redacted]
25 COLONEL YANKOUPE: Yes.

MR. HOFFMANN: [redacted]

COLONEL YANKOUPE: Sir, the Reserves are already in an expansion program there and expanding their capability, similar to what is being done in the [redacted] area.

MR. HANSEN: You can see that it's right on the Interstate. It looks like it's along the water -- another interstate (indicating).

COLONEL YANKOUPE: This (indicating) is the [redacted] Bridge.

[redacted] is on the other end of it.

This (indicating) is housing. This (indicating) is also housing. A[redacted] headquarters is in these buildings here (indicating). I think these are Reserve buildings, as I recall (indicating), and these (indicating) are high rise buildings, as well. Housing and offices are in here (indicating).

CHAIRMAN EDWARDS: Anybody have a comment?

[No response]

CHAIRMAN EDWARDS: Press on.

MR. HANSEN: Fort Meade has already been discussed.

CHAIRMAN RIBICOFF: This is a chance to see it all. It's the first time you are showing it to us on the board.

MR. HANSEN: Fort Meade?

CHAIRMAN RIBICOFF: Yes.

MR. HANSEN: Yes, sir.

Fort Meade is the headquarters of the First Army, which is a small command, a major flag, small number of people; the National Security Agency and tenants who support the National Security Agency.

The main problem with moving off of Fort Meade would be moving NSA, which no one wants to do.

So we are looking at this now as a split sort of action.

MR. HOFFMANN: Show us where NSA is on that map? Where is their complex?

NSA is at number one, isn't it?

MR. HANSEN: Well, it depends on which map you are looking at.

CHAIRMAN EDWARDS: Up at the top part, it is number one.

MR. HANSEN: Yes, it is, if you can find the "one" there. The trouble is I can't read the numbers.

MR. CRAIB: There must be more to NSA than one building.

MR. HANSEN: This obviously is not all the 13,000 acres right here. This looks like a containment area.

COLONEL YANKOUPE: We will try to get a more detailed map, sir.

The point I was making earlier is the last time I was there, looking around at some of the other facilities that suppor it, there is a power plant that i s dedicated to it that is not inside the compound, and things like that; communications gear, I don't know whether they have dishes someplace else or not.

MR. HOFFMANN: Well, we just have to find out. But they aren't taking up the whole 13,000 acres, are they?

MR. HANSEN: No. Clearly not. It is used as a mobilization and training site, so there are empty acres out there, if you will.

MR. HOFFMANN: What about Holabird? Is Holabird a sub-post of Meade?

MR. HANSEN: No. Holabird is supported by Meade. It isn't officially, to the best of my knowledge, a sub-post, but it is suported or is under a support agreement by Meade. We are going to do Holabird later.

To give you a heads up, we have a problem with Holabird. We could move half of Holabird out, but we can't move the other half out and pay back, because it requires new construction.

MR. HOFFMANN: Well, then, let's keep going.

MR. HANSEN: Okay.

[redacted]

of the Army whose mission is CONUS-wide, as far as installations, plus, of course, the doctrinal part of it.

It is co-located with the headquarters of [redacted] which is also a [redacted] has [redacted] and since the Air Force supports the Army, this is a good match.

The problem with the environmental cleanup is, as you well know, [redacted] When they had bad ammunition back in the old days, they used to just bury it. It is just loaded with buried ammunition.

MR. TRAIN: They dumped them in the [redacted] around the fort.

MR. HANSEN: Yes, and they also buried them in the ground.

MR. TRAIN: It would cost a billion dollars to get the ammunition out, would it?

MR. HANSEN: You don't know where it is. I mean, you know the moat, but the rest of the land, I mean, it could be buried anywhere. So every project they do, when they have to do digging, involves explosive ordnance elements there. That is an estimate, sir.

It is hard to guess at how many rounds are buried there. It is just hard to guess.

CHAIRMAN RIBICOFF: How long does that stuff

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1 stay live?

2 MR. HANSEN: It is considered to be live until you

3 get it out of there.

4 GENERAL STARRY: Let me tell you a little story.

5 When we last went through this exercise, I had the [redacted]

6 [redacted] and we got several hundred rounds of ordnance out

7 of it, Civil War vintage ordnance, cannon balls. The

8 work was done by an underwater, a Navy underwater demolition

9 team.

10 The kids were over there with a big long probe

11 prying this black powder out of this cannonball. I was

12 watching this operation and asked what are you doing that

13 for, because, obviously, you know, it's dead, it's inert.

14 The petty officer who was doing this said, "Let

15 me show you something, General." Then he takes this tray

16 of stuff that they had pried out of yesterday's cannonball,

17 which had been drying in the sun. He stands back and throws

18 a match in it and it goes up like that (indicating). He

19 said that that stuff is more volatile today, more explosive

20 today than it was when it was built a hundred-some odd years

21 ago.

22 The problem is that it's all over the place.

23 We ran the metal detectors all over the place and put a little

24 orange flag down every place we found a piece of metal

25 in the ground, and it looked like we had grown orange flags

all over the place. It was a supply depot in the Civil War. It supported the attack on [redacted] and when the war was over, or when the battle was over, obviously, the general said to the colonel who said to the captain, let's get rid of all that stuff. And the captain said to the sergeant, get rid of that stuff. And the sergeant buried it, as sergeants always do. And there it stays to this day.

CHAIRMAN EDWARDS: Is it considered a hazardous duty post?

[General laughter]

GENERAL STARRY: It really is. Kids digging in their sandpiles out there beyond their quarters frequently encounter these.

MR. HANSEN: As long as the military operates this, we don't have to clean it up. As soon as we stop operating it, it reverts to the city and we have to clean it up. We can't give it to the city and say you clean it up, or to the state, or whatever.

MR. HOFFMANN: By virtue of what does that happen?

MR. HANSEN: By deeds.

MR. HOFFMANN: Do the deeds say that you have to clean it up?

MR. HANSEN: No. The laws say you have to clean it up. The deeds say that it reverts to the state.

The last point is that it is probably the most

historically significant post in the Army.

GENERAL STARRY: There has been a fort there since [redacted] the present fort since [redacted] built in part by [redacted] That is why he didn't try to capture it during the Civil War. He knew it was impregnable. They were going to close it up.

[General laughter]

MR. HANSEN: And it doesn't pay back.

CHAIRMAN RIBICOFF: Well, then, from what you tell me, it has no land value.

MR. HANSEN: That's correct, sir.

As per the Commission's instructions, we put in land value regardless.

GENERAL STARRY: The difficult part about this one is that the fort itself is on about 60 acres. Originally it was an island, in the [redacted] Starting in the early 1800s, the engineers began to build, to put in landfill, to connect the island with the mainland, and that is now the case.

For 13 times in about 100-odd some years they did a landfill job on [redacted] and there are 13 separate and distinct legal arrangements that connect that land with the [redacted] for the Federal Government.

When we last looked at this about ten years ago, my lawyers looked at it and said that the litigation to

clean up this land-holding operation would take a hundred years, conservatively, and there is no sense in even addressing ourselves to the problem.

CHAIRMAN EDWARDS: I have been one of those who, just because it was there, though it ought to be closed and turned into a museum.

It seems to me like our predecessors in this old country maybe foreclosed any rational way for us to deal with it.

Does anybody see any way to deal with this, given what we have heard?

SENATOR EAGLETON: I move, Mr. Chairman, that that be one of the items in your brief, or our report, that we have to explain -- you know, where we have these specific hot chestnuts.

CHAIRMAN RIBICOFF: Is there a cadre of men on this?

GENERAL STARRY: Well, it is 1,500 people, 2,000 at high noon on a busy day, something like that.

MR. HANSEN: It's 3,300 total people, sir.

CHAIRMAN RIBICOFF: What do they do?

MR. HOFFMANN: It is the [redacted]

MR. HANSEN: It is a major headquarters.

MR. HOFFMANN: Let me tell you, with all deference

to my friend, Doctor General Starry, there are a lot of historic reasons to having it there, but there is no imperative to having [redacted] there.

The same argument for having the recruiting command out of Fort Sheridan would go for moving the [redacted] You'd just put everything in one place. It would be a lot less travel and a lot more goofing around.

So, the practical fact of the matter is if you could figure out some way to fob that beauty to the Interior Department to be operated as a Tricentennial Center for some doggone thing--we may have missed a chance. We could have given that to Jack Marsh in 1976 for a Yorktown Center or some damn thing. I don't know what we could have done, but we may have missed our chance to operate it.

There is nothing sacrosanct about having [redacted] there. As a practical matter, there are some awfully damn good arguments for getting them the hell out of there and putting them out at [redacted] where they belong.

CHAIRMAN EDWARDS: I don't argue that point. I guess what I am concerned about is how do you get rid of it. It's maybe kind of like the proverbial Tar Baby.

GENERAL STARRY: Under the law, the fort itself reverts first to other agencies of the U.S. Government.

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It is a national historic site. So it goes to the Park Service, that is, the [redacted] The rest of the land holdings are in the litigation category, which the lawyers claim there is no way to really straighten out. This extends back a good bit of time.

MR. HANSEN: And we would have to clean it up.

GENERAL STARRY: Yes, the big thing is that we would have to clean it up.

MR. HOFFMANN: Not if it went to the Interior Department or someplace, or if we just held on to that. If we could figure out a value -- of course, you put in a notional land value of $39 million. What would that be, the value to the Interior Department, of having a historic place?

MR. HANSEN: That is the commercial value of the land.

MR. HOFFMANN: They own [redacted] down there.

MR. CABOT: What are those "moving costs," moving what?

MR. HANSEN: Moving 3,000 people to some land the government already owns, and building them the buildings they need.

Russ, if I could, the question of if we gave, conveyed, whatever you want to call it, [redacted] to

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1 the Interior Department to operate it as a national
2 historic site, are we required by law to clean it up first?
3 MR. MILNES: The Federal Government remains
4 liable for the cleanup, and if it is Department of Interior
5 that ends up owning it, they probably would insist that the
6 Department of Defense step up and take care of their
7 obligations before they took it over. How that precisely
8 would work would be a matter of negotiation. But I think
9 they would expect DOD to handle that.
10 Now, you are talking about ammunition, is that
11 it?
12 MR. HANSEN: Yes.
13 MR. MILNES: Technically speaking, ammunition is
14 not covered by CERCLA. It's not a hazardous waste,
15 even though it is definitely a hazard.
16 And so, under that kind of scenario, there would
17 be some question about what has to be cleaned up. If it
18 were a Super Fund liability, a real hazardous waste,
19 as defined by the law, they would have a definite obligation
20 and I am sure Interior would expect them to take care of
21 it immediately.
22 This one is more in the negotiable range, because
23 it is not a hazardous waste by definition.
24 MR. CABOT: The Army could run it as a museum.
25 GENERAL STARRY: Well, there is a museum in the

[redacted]

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old casement area now.

MR. CABOT: What don't you just close all the rest of the operations and just sit on it?

GENERAL STARRY: Well, I don't agree with my distinguished colleague over here (indicating). The cost of that place, the annual operating cost, is something on the order of -- what -- $15 million a year, and a budget of about $2 billion, if you count the MCA costs, and you are not going to save any money for [redacted] or for the Army by closing [redacted] It doesn't belong in [redacted] in my judgment. It belongs in the Tactical Air Command. In fact, one time we looked at trying to put it on [redacted] on the air base, as opposed to here, and there were a lot of problems with that, the primary one being cleaning up [redacted]

So, I just come down and say that it belongs where it is, and, despite the fact that Commissioner Hoffmann accuses me of having planted at least half of those cannonballs ten years ago, in order to create this problem --

[General laughter]

GENERAL STARRY: -- it belongs where it is.

MR. HOFFMANN: That was an eloquent defense of your facility, sir.

DR. SMITH: I agree. I think there ought to be some way to close the gate on this monster and not worry

about the ordnance, to leave it as a historical park or something. I have to believe it is cheaper to have this 3,000 man headquarters in a single facility, leased space somewhere, than it is to have it spread out on -- how many acres -- 569 acres.

I think we heard about the Belvoir Engineer Proving Ground options the last time, where we were going to get 2 million square feet, or 3 million square feet of office space by trading out the proving grounds. To me, it would make more sense to have the TRADOC close to AMC, because those two agencies do a lot of dealing back and forth and the communications would certainly be improved.

So I think there is an option that would be cost effective that says close [redacted] and move [redacted] headquarters into leased space into the Belvoir area. I think it would save money and I think it would bring about efficiencies.

COLONEL YANKOUPE: There are two things in the points of discussion so far.

One is the reversionary clauses that apply to the three deeds for [redacted] Two of them are for the bulk of the land there, and in those, the land reverts to the [redacted] if it ceases being used as a military installation.

Following Russ' comments, I am certain that they would insist upon the cleanup of that operation before taking on the liability of that.

Secondly, the real question facing us is we have a major headquarters that has a large number of people that are going to have to be housed somewhere, and our payback calculations over here, with no land value coming in in a practical sense, are not going to be able to pay for themselves if you move the thing in 20 years, or in our time of payback period here.

MR. HANSEN: And leased space, in all the analyses that we have done, not of just this one site, leased space has never come out as a better option than continuing to own.

GENERAL STARRY: Of the 500 acres, most of that is landfill. The headquarters buildings themselves are on about 75 or 80 acres, which includes the old fort and the buildings just outside the old fort.

MR. HOFFMANN: The old hotel.

GENERAL STARRY: No, we don't own the hotel. We lease a couple of floors, but we don't own the hotel.

MR. HOFFMANN: I thought we owned the hotel. We don't own it?

GENERAL STARRY: No.

COLONEL YANKOUPE: It is privately owned, sir.

GENERAL STARRY: We should have bought it a long

1 time ago, but we didn't.

2 Commercially, it is a marginal operation. This
3 headquarters doesn't belong next to AMC; it doesn't belong
4 in the Washington area. It belongs right down there,
5 next to [redacted] either on [redacted] or where it is. When we
6 look at the costs of moving to [redacted] the construction
7 and the other problems with the cleanup, we concluded that
8 the best thing to do with it was to leave it where it is.

9 MR. HANSEN: This analysis shows that, no matter
10 where you put it, it doesn't pay back construction-wise.

11 GENERAL STARRY: That's right.

12 DR. SMITH: But I have been having trouble with
13 your analyses all day. They just don't make sense.
14 You make an analysis and say anything you want. I can
15 do you an analysis that will show you that it is cheaper
16 to be in leased space than to be on a 500 acre campus.
17 The fact that you've got all that acreage means that somebody
18 has to mow it. You have to maintain the airfield that is
19 there.

20 GENERAL STARRY: There isn't any airfield there
21 and you don't mow it.

22 DR. SMITH: Helicopters don't land?

23 GENERAL STARRY: Helicopters land there, but the
24 airfield is closed. It's not an operational airfield
25 any longer. The land is not mowed. Most of it is landfill.

In fact, it is sand beach for most of it, going north into [redacted] and what not.

CHAIRMAN EDWARDS: Okay. What's your pleasure? Let's not beat this to death.

MR. HOFFMANN: It is a "Holy Grail," Mr. Chairman, just sitting there outside of our grasp.

I think you have to punt on that because you don't have the numbers. You don't have the numbers, whatever you might be able to do with that over time, and what you will have to do with that under a shrinking military structure over the next 20 or 25 years, in the absence of a Third World War, that is for the ages to determine, not us.

I don't believe you could do a six year payback on that.

GENERAL STARRY: The Navy has to put more ships in Norfolk under the Claytor plan, and we'll have to put more 16 inch Naval rifles at [redacted] to protect the [redacted]

MR. HOFFMANN: Why don't we just give it to the Navy as a headquarters, as a place to berth something, a Reserve system?

GENERAL POE: They stuck a battleship on a sandbar one day.

GENERAL STARRY: They did, indeed.

CHAIRMAN EDWARDS: Next.

MR. HANSEN: [redacted]

CHAIRMAN EDWARDS: Does anyone want to argue with that?

MR. HOFFMANN: That is a classic nonstarter.

CHAIRMAN EDWARDS: Okay. Next.

MR. HANSEN: [redacted] is next.

The St. Louis Area Support Center provides support in that whole area, but its particular mission and support requirements are for [redacted]

Those stand for the [redacted] The [redacted] is just the whole record center and the support command for the whole of the Army.

It also provides, it is a regional center, again. So it is a magnet for housing people, a magnet for all of the exchanges and commissaries, et cetera.

Now, this one would pay back to move it. However,

its reason for being is to support [redacted] We looked at moving [redacted] and that doesn't pay back

So, moving [redacted] would roughly pay back in about 11.8 years.

Again, I must say, if you would like us to pursue any of these through the actual model, we can do that. But it just didn't seem -- well, if you pull the support away from the other agencies, it doesn't make any sense.

Now, I don't know whether or not AVSCOM or TROSCOM could be candidates for filling up Devens.

CHAIRMAN RIBICOFF: What is AVSCOM again, please?

MR. HANSEN: [redacted] a major command headquarters, a nationwide command type setup.

Why don't you explain further what [redacted] is.

COLONEL YANKOUPE: Those are two AMC commands, sir. [redacted] is primarily engaged in the procurement of aviation parts and components and some end items of aircraft. [redacted] is the agency that is involved in individual soldier equipment items, as well as tentage and things of that nature.

There are two separate types of commodities managed with the two organizations put together in GSA space. That's why the 11 year payback -- I think they pay about $8 a square foot in GSA space there.

MR. HANSEN: It's cheap rent.

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This is one of the cases where an old rental agreement through GSA still holds.

COLONEL YANKOUPE: That is the complex there. Ithas other tenants on board. They are essentially housed in office buildings, in old warehouses that have been converted to office buildings in [redacted]

The [redacted] is located on a small installation of about 800 acres and provides the support for the military people assigned to [redacted] So, as Doug says, their existence is related to the organizations that they support.

MR. HOFFMANN: Do they have any room for other things to go in there?

MR. CRAIB: Like some things at Fort Sheridan?

CHAIRMAN RIBICOFF: I am just curious. These are all nonstarters. Do you have anything in that pile that we are going to eliminate? Is there anything -- let's go through those that we are going to eliminate first, instead of these. This is very discouraging, one after another, to proceed in this way.

Do you have any candidates?

MR. HANSEN: Well, we were asked to do --

CHAIRMAN RIBICOFF: Oh, I don't care. Give us a little variety. Are there any candidates for elimination?

MR. HANSEN: Yes. I think we possibly have one.

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CHAIRMAN RIBICOFF: ~~They~~ why don't you go to that and we can come back to this.

MR. HANSEN: Okay.

Just for information, AVSCOM is 3,700 people and TROSCOM is almost 1,700. That's 4,400 people.

MR. HOFFMANN: How many in TROSCOM?

MR. HANSEN: It's 1,700.

GENERAL STARRY: What did you say was in [redacted]

CHAIRMAN EDWARDS: Are they all in [redacted] and not in Illinois?

COLONEL YANKOUPE: AVSCOM and TROSCOM are. [redacted] is located over in [redacted] on the other side of the river.

CHAIRMAN EDWARDS: In [redacted]

COLONEL YANKOUPS: Yes, sir.

GSA maintains a strategic stockpile of strategic metals. I think they have some chromite and things like this that are sitting there on part of the 865 acres that the [redacted] sits on.

CHAIRMAN RIBICOFF: Do you know that place, Tom?

SENATOR EAGLETON: Yes, vaguely.

MR. HANSEN: Next is Fort Sheridan, again, a perennial candidate. It's the headquarters of the

Fourth Army and the U.S. Army Recruiting Command, which is another nationwide command responsibility.

The Fourth Army's region, if you recall, is the Midwest. This command is located in the third largest U.S. metropolitan area. It's a mobilization for 125 Army Reserve Units, 8,000 soldiers, a training site for 19 units and 1,100 soldiers.

Again, it is a regional center for quality of live and housing support, and it's central location in the United States, the Fourth Army area, is ideal for its mission.

Regional representation in Chicago is critical to the Army both for command and control in that region, but also for recruiting, et cetera.

GENERAL POE: Excuse me, but could somebody explain to me what that means, in this day of instant communications and all the rest? What does "general representation" mean?

MR. HANSEN: Why don't we go back to the charts that we had at the start of the briefing.

MR. HOFFMANN: What it means is that there is no other Army unit for miles around there, that you have your Fourth Army, which is a readiness headquarters, and it enables them, then, to get around and look at the Reserve units and be communicated with and have folks come in and this and that and the other thing.

MR. HANSEN: It is a three star post, one of whose responsibilities is to deal with the National Guard, the state-wide National Guard units and Reserve units, its contact with the governors, et cetera, and if there is a command and control for that region, the responsibility is to mobilize the Guard and Reserve in time of war for X number of state regions centered in the Chicago area.

As you can see, it is centrally located to the region, which encompasses that greater area (indicating). Also, as far as the recruiting command, one of the major responsibilities of the recruiting command is advertising to get recruiting for the Army. Chicago, being an advertising center, it is well located for that.

MR. HOFFMANN: But I think the contract is out of New York.

GENERAL POE: We are about to move the Air Force advertisers out of their location, near Hollywood. You know, this is a day of instant communications and all kinds of things like that. I just wonder about that.

MR. HOFFMANN: Well, now, let's keep going here. There are other places around there. You have a naval air station or some darn thing up there. Then you have the Great Lakes Naval Training Station, which is north along the coast.

CHAIRMAN EDWARDS: Where is that?

1 MR. HANSEN: Just north of Sheridan.

2 COLONEL YANKOUPE: Chicago is here (indicating)
3 and Sheridan is here (indicating), and the Great Lakes
4 is here (indicating).

5 GENERAL POE: If you go straight south, you have
6 a place for some bloodletting. We have an empty Air Force
7 base, Chanute.

8 MR. CRAIB: Great Lakes is just below North
9 Chicago, which is just below Waukeegan.

10 MR. HOFFMANN: Does the Navy still own -- wasn't
11 it the Navy that owns an airfield there?

12 MR. CRAIB: Yes, Glenview Naval Air Station,
13 used by the Reserves. That is not very far from Fort
14 Sheridan.

15 But, you know, admitting all of the benefits for
16 Fort Sheridan, why does it have to be located on land that
17 is worth probably the better part of $2 billion?

18 MR. HANSEN: Again, that would be use of the
19 land.

20 MR. CRAIB: For residential purposes. You know,
21 they sell that land by the square inch, between Highland
22 Park and Lake Forest, right on the lake. There is great
23 transportation.

24 There is a Milwaukee Line that goes up adjacent
25 to it.

GENERAL POE: The reason I bring this up is you may have some good reasons to protect this place and it may be the thing to do. But we have two gentlemen here, and if anybody gets anything closed, our co-chairmen are going to be asked about Fort Sheridan -- by anybody who gets anything closed.

I guarantee you that folks are going to come right out of Chanute, down there in the southern part of the state, and they are going to ask about it. The same Congressmen and the same Senators, they are going to ask about it in California and other places like that.

I don't think the answers you have given us are going to be sufficient for what you gentlemen will have to put up with.

MR. HANSEN: Well, it does pay back, as Mr. Craib points out.

CHAIRMAN EDWARDS: I don't hear any of the problems associated with Sheridan that I hear associated with the Monroes of the world and the others.

MR. HOFFMAN: What you are getting is the same resonance that you get with respect to Devens, because of the regional aspect of it and the concentration of Reserves and all.

But it doesn't strike me that that is so strong because you have other military facilities.

CHAIRMAN RIBICOFF: Can't the Reserves go a few miles north or south?

MR. HOFFMANN: That's what we have to explore. My instinct would be yes.

CHAIRMAN EDWARDS: You said you were going to propose something on this.

MR. HANSEN: This will pay back --

CHAIRMAN EDWARDS: I heard you say that. But the Chairman asked you to pull up the one that would break the spell you have on us, and be a proposal for closure, if I understood you, Abe, so show us what you propose.

MR. HANSEN: That's correct.

It pays back and, therefore, it was a good candidate, that's all I can say.

CHAIRMAN EDWARDS: I mean, you are not proposing to put it somewhere or do something with it?

MR. HANSEN: No. This was based on putting it somewhere.

Now, I just wrote myself a note about this recruiting command center, perhaps as a fill-up for Devens.

SENATOR EAGLETON: How many people?

MR. HANSEN: The total is almost 3,000.

SENATOR EAGLETON: The recruiting command.

MR. HANSEN: If I had to guess, I would

say it was the bulk of that, but I am just guessing.

SENATOR EAGLETON: I am inclined to think that if there is land value -- I don't know, a lot of this land value that we are looking at around the country. I am not as well travelled as some of these military people who move around all their lives. But I know that this land goes by the square inch.

I mean, I'll pay you $60 million for it right now. I'll go to the bank. You say it's only worth $60 million. Well, I'll make a killing and pay you $61 million.

Now the question is where are you going to put this regional --

MR. CRAIB: I'll pay $62 million.

Do I hear $63 million?

[General laughter]

SENATOR EAGLETON: The question is where are we going to put that regional command. Those 11 states have to have a Reserve regional command, right? Where are we going to dump it?

DR. SMITH: Fort Ben Harrison makes sense, and that's in Indiana.

MR. CRAIB: How about St. Louis?

SENATOR EAGLETON: What kind of room do they have there?

MR. HANSEN: Technically, St. Louis is outside

of the area.

COLONEL YANKOUPE: The Fourth Army area is this area here (indicating). The Fourth Army Commander would be somewhere within that complex. As Mr. Smith says, Fort Ben Harrison, in Indianapolis, would be the only major Army installation that would make sense to put it on in this area. There are a couple of others.

Fort McCoy is basically a Reserve training area and it would be pretty much in the "boonies" for that kind of operation.

That has been the problem with Fort Sheridan in this area. We need to look at where the other regional military presence is, similar to the argument we talked about in Massachusetts. You don't find a whole lot in that Northcentral area.

SENATOR EAGLETON: Tell us about Fort Benjamin Harrison. What is there? What can be done with it?

COLONEL YANKOUPE: Ben Harrison is a soldier support center. It is a command under TRADOC. It does the schooling and training for the admin MOS school, to a large extent. It also is an integrating center of one of the three integrating centers, organizationally speaking, under the Training and Doctrine Command. It pulls together the functions in soldier support areas, training and doctrine issues now.

MR. HOFFMANN: It is also the Army Finance Center,

[redacted]

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1 isn't it?

2 COLONEL YANKOUPE: Yes.

3 The Army Finance Center is located there, in a very
4 large office complex, which is, essentially, a very large
5 building. In fact, it's probably the largest building the
6 Army has.

7 MR. HOFFMANN: As I recall, when we put the
8 recruiting command at Sheridan, the backup for putting it
9 there was Fort Harrison. It was kind of used to hold down
10 Sheridan, which nobody wanted to lose, and it was also a
11 good place to put it in those early, rugged days of the all
12 volunteer force, so that the people from Washington, a bunch
13 of politicians, couldn't get out there and screw it up.

14 Very frankly, that's one reason why it was put out
15 there.

16 COLONEL YANKOUPE: The Army, when you talk to them,
17 will tell you about the values they ascribe to those things we
18 have laid out here. What we have tried to do is lay out the
19 arguments for why these apparent headquarters and administrativ
20 posts are where they are, geographically polka-dotted across
21 the country. It's not necessarily at random. Many of them
22 are in existing facilities that have been adapted to modern
23 day use.

24 They'll tell you that Fort Sheridan is a bit of a
25 lightening rod in the city of Chicago. It's the third

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largest area we've got, with lots of recruiting in through that area.

Now, Recruiting Command doesn't recruit out of USARE headquarters, to be sure. That's a two star general's office complex and a nerve center. But what they are is a flag and lightening rod for that whole iron belt, through that area in there, in terms of where we have a large bulk of our recruiting effort going.

They ascribe a lot of significance to the fact that we have a three star post in the city of Chicago, with about seven or eight one star Reserve commands located in and throughout the Chicago area. He commands the ARCOMs. Fifty-two percent of the Army's force today is in the Reserve.

MR. HOFFMANN: Now there is no gain saying any of that. The real question is -- well, there are two questions. The first is do you really need to have that facility on land that's worth $5.84 a square half-inch. The second question is under anybody's notion of base closings, can you withhold your hand from this facility and explain it? I am just not sure that you can, by God.

CHAIRMAN EDWARDS: I am inclined to agree.

Tell me a little bit about Harrison. What's there? What's available there?

MR. HANSEN: What is there now is a school and an

accounting and finance center, if I remember right.

COLONEL YANKOUPE: The Army's finance center is there. All of the finance operations for pay and allowances are paid out of Fort Ben Harrison. That is essentially a civilian operation and heavily automated.

CHAIRMAN EDWARDS: I guess what I am really asking is do you have space, do you have buildings, do you have to build buildings to take Sheridan?

MR. HANSEN: It will pay back, even if we have to build buildings there. The key is do we have any space, any land.

SENATOR EAGLETON: That's what he's asking.

COLONEL YANKOUPE: We would have to build there, sir.

What I would like to offer, though, is that we probably would want to drill a couple of locations for that. We might want to look at Fort McCoy, even though I have said it's at a rather remote location, because it may be that that turns out to be a better location in terms of the amount of space at Fort Ben Harrison.

Ben Harrison is not a particularly large post.

CHAIRMAN RIBICOFF: Show us on the map where Fort McCoy is.

COLONEL YANKOUPE: It will generally be in this area here, in central Wisconsin (indicating).

MR. HOFFMANN: You may want to take a look at Fort Snelling. It's right beside the airport up there in

Minneapolis.

I don't know if that has been given to the Reserve and Guard. I suspect it has.

MR. CRAIB: It's Reserve. I was in Minneapolis the other day and asked that question. They have plenty of space up there.

SENATOR EAGLETON: Is there any other place that you can drill in the State of Illinois?

MR. HANSEN: Not to our knowledge. Well--Chanute.

COLONEL YANKOUPE: Chanute.

MR. HANSEN: The closed Air Force Base at Chanute. But that would then cut into the savings achieved at Chanute.

COLONEL YANKOUPE: There is an ammunition plant not particularly appropriate for that.

SENATOR EAGLETON: Have we decided what we are going to do with the training of the 3,000?

MR. HANSEN: The St. Louis Support Center is in Illinois. It must be across the river.

MR. HOFFMANN: East St. Louis is in Illinois.

MR. HANSEN: So that is in the district, then.

CHAIRMAN RIBICOFF: What is in East St. Louis?

SENATOR EAGLETON: That is one of the most poverty stricken areas of the world. It is a tragedy.

COLONEL YANKOUPE: The St. Louis Support Center is there.

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1 SENATOR EAGLETON: It needs every job it can get.
2 But I know economics is out of this.
3 CHAIRMAN RIBICOFF: Is there an installation in
4 East St. Louis?
5 MR. HANSEN: Yes --the one we just did the time
6 before this, that had TROSCOM, AVSCOM, and all of those.
7 If I could make a recommendation, with the Navy's
8 strategic homeporting, the option was, the Commission said
9 this is what we want to happen in the Navy, you come back and
10 tell us how to make it happen. I would recommend that we
11 allow the Army to do the same thing with Fort Sheridan.
12 CHAIRMAN EDWARDS: I'm sorry, but I couldn't hear
13 what you were saying.
14 MR. HANSEN: I recommend that we allow the Army to
15 come back and give us the options for this and not decide
16 that ourselves.
17 CHAIRMAN EDWARDS: I agree with that, but I think
18 the Army ought to be told to at least look at Chanute. I
19 mean, if this property is as valuable, at Sheridan, as we are
20 all saying it is, then whatever you might have to save at
21 Chanute might not be that important.
22 MR. HOFFMANN: I think you ought to look at other
23 facilities within Illinois because you have Scott Air Force
24 Base that's in Illinois -- is it not?
25 We are not touching that. That is a major facility.

MR. CRAIB: What about the Great Lakes training site?

MR. HANSEN: I've been there and it's pretty crowded.

COLONEL YANKOUPE: The two big issues would be the Fourth Army Headquarters and then USAREC itself. USAREC has to move out of where it is now in the metropolitan area. It will want to stay in a metropolitan area because of its synergism with travel and the business of the advertising, and so on.

MR. HOFFMANN: You may want to move that to Atlanta. You talk about the heartland of the recruiting effort, you know.

DR. SMITH: Well, you are also moving 2,000 people out of Fort Belvoir in the IOC. If you put the IOC at Fort Devens, you have facilities and space at Fort Belvoir for the recruiting command.

MR. HOFFMANN: That's too close to the flagpole. I think it ought to be out in the country.

MR. HANSEN: Well, it could go straight to Devens.

CHAIRMAN EDWARDS: Do I hear, then, the feeling of the Commission that we will close Fort Sheridan and the Army is now tasked to come back with a recommendation?

[Ayes]

CHAIRMAN EDWARDS: Any objection to that?

SENATOR EAGLETON: I agree with it, but I don't know how we are going to word this.

Are we going to close it and then direct that they look at certain ones.

CHAIRMAN EDWARDS: We're doing that now. By the time we write our report, we'll know where it's going.

SENATOR EAGLETON: Can we express to them a preference that they give high consideration to the state of Illinois, if feasible?

CHAIRMAN RIBICOFF: Well, what is available in Illinois?

MR. HANSEN: About three sites, maybe. We don't know exactly what is available. But there are three places.

CHAIRMAN EDWARDS: I would rather not tie them too tightly. I'd rather have them come back with the best alternative, even if it's down in Georgia.

SENATOR EAGLETON: [redacted]

CHAIRMAN EDWARDS: Oh, no.

SENATOR EAGLETON: I'm just teasing you.

CHAIRMAN EDWARDS: We don't have any high rise buildings in [redacted]

SENATOR EAGLETON: Well, can we ask them to look at the available Illinois space?

MR. HOFFMANN: USAREC is the recruiting command. That is national. It can go anywhere.

The problem is the Fourth Army Command. How many people are in the Fourth Army Command?

1 MR. HANSEN: It is the same. There are around 500.
2 COLONEL YANKOUPE: Around 500, sir, at the most.
3 MR. CRAIB: They could go into leased space someplace
4 in suburban Chicago.
5 CHAIRMAN EDWARDS: Let's hear your recommendation.
6 Give some positive thought to Illinois, then, for some obvious
7 reasons.
8 MR. HOFFMANN: The Army may be willing to go out on
9 the west side of the O'Hare complex there and pick. If
10 they need regionalization, you can get a decent facility out
11 there.
12 CHAIRMAN RIBICOFF: But O'Hare is probably the
13 busiest airport in the world.
14 MR. HOFFMANN: I'm saying out on the far side.
15 CHAIRMAN RIBICOFF: Are you going to use that for
16 transportation?
17 MR. CABOT: They use it now for that.
18 MR. HOFFMANN: Yes, they use it now. That's where
19 they go out of.
20 COLONEL YANKOUPE: The problem is going to be trying
21 to definitize something like that. There are alternatives
22 that I am sure can be thought of much more quickly than others.
23 But it would take some time to drill something like that, and
24 I am sure the kind of studies necessary to conceptualize
25 that might be heavy.

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[redacted]

MR. HOFFMANN: I think they have been running this drill. They have known that it's vulnerable. The backup has been Harrison for just about everything that comes out of there.

COLONEL YANKOUPE: Yes, sir. I was speaking about an option on the backside of O'Hare, or something like that.

MR. HANSEN: Those ones get more difficult.

MR. CRAIB: If they go to South Chicago, we could give them combat pay.

[General laughter]

MR. CABOT: Do we have to decide what they are going to do with it? Can't we in this case say that obviously there is a better place than a $2 billion site, and let them decide?

I know we are supposed to say where things go, but do we have to in all cases?

CHAIRMAN EDWARDS: It seems to me that in our final report, we need to have an answer for that.

MR. HANSEN: If they don't, then the money to move it doesn't become available to the Army. So we end up with no fort and no way to move.

GENERAL POE: Let them amaze us with their ingenuity

CHAIRMAN EDWARDS: Well, we will handle homeporting before our report comes out.

MR. HANSEN: Yes, and we will handle this before

the report comes out.

CHAIRMAN EDWARDS: All right.

MR. HANSEN: I have a couple of others in this category, very quickly.

MR. HOFFMANN: Mr. Chairman?

CHAIRMAN EDWARDS: Yes, sir?

MR. HOFFMANN: Would it be in order, in the interest of various pressures, if we could have our traditional five minute recess?

CHAIRMAN EDWARDS: Well, Abe told me that he was going to call one.

[General laughter]

CHAIRMAN RIBICOFF: Yes, let's take a five minute recess.

[A brief recess was taken.]

CHAIRMAN RIBICOFF: Okay, Doug. Continue.

MR. HANSEN: Next is [redacted] located on the island of [redacted] It is the [redacted] of the United States Army, Center West, et cetera.

It has to be where it is. There is no other land available to move it around to, and, basically, this is a major command with communications responsibilities et cetera.

Our recommendation is we not close it.

DR. SMITH: Where is the [redacted]

located?

COLONEL YANKOUPE: [redacted]

DR. SMITH: How much land is on [redacted]

GENERAL POE: A bundle.

DR. SMITH: Why can't we put [redacted]

COLONEL YANKOUPE: Well, number one, we have a lot of things on [redacted]

MR. HANSEN: Which are located in the general region [redacted] being considerably across the [redacted] into -- well, not the "wilderness" of [redacted] if there is any, though.

MR. CRAIB: Is this near [redacted]

MR. HANSEN: Yes, near [redacted] Near the [redacted] All the commands are located very close to each other.

MR. HOFFMANN: What does the envelope tell us about the saving, if you close it?

MR. HANSEN: This one was off the scale, primarily because, I'm pretty sure land was involved in this. It was off the saving scale.

COLONEL YANKOUPE: The problem with [redacted] is we had to find another place for it in the area where it could do its job, recognizing that [redacted] from

everything I have seen in looking at this, [redacted] contonement area, which is the area available for construction and replacement facilities at [redacted] is basically full. This means they are going to go into the maneuver areas. Th maneuver areas, like all the division posts, if you move in there, it degrades the maneuver capabilities of [redacted]

So, the land cost, then, drives this thing way up high. To replace it with another facility somewhere in or around [redacted] would be basically nongovernment land.

CHAIRMAN EDWARDS: How much land does it need?

MR. HANSEN: Well, it has 600 acres.

CHAIRMAN EDWARDS: Which it probably doesn't need. How much do you think it needs? Does it have a golf course?

MR. HANSEN: It's deprived, sir. It has only a nine hole golf course.

CHAIRMAN EDWARDS: Can it go on [redacted]

GENERAL STARRY: The golf course or the headquarters?

[General laughter]

MR. HANSEN: [redacted] is 55 acres. It would be a small gold course.

Do we have a map of the area, a map of [redacted] The map that I have looks to me like it's pretty well used up in housing. Housing is all the way from the top down through this side (indicating), and then there is an

administrative area and all of that.

CHAIRMAN RIBICOFF: What is the complement there? How many people are on it?

MR. HANSEN: Oh, 5,000.

COLONEL YANKOUPE: [redacted] is a pretty full operation. The Reserve unit that is going from [redacted] to [redacted] as I understand that, is the last available land available for relocating into [redacted] that they could find. In fact, that is the Kapalama deal, to move the Reserves off DeRussey into Shafter.

MR. CRAIB: But it looks like there is a lot of family housing there.

MR. HANSEN: Lots. [redacted] being a very high cost area, the military does as much as it can to provide housing for everyone.

COLONEL YANKOUPE: In the [redacted] area, all of the housing is managed with a central command, all of the services.

MR. HANSEN: By the Army.

COLONEL YANKOUPE: The Army is executive agent for that.

DR. SMITH: Does the 5,000 number include Reserves? How many active duty is that? Does the 5,000 head count include Reserves?

MR. HANSEN: We will have to look that up --

personnel loading at [redacted] military-civilian, et cetera.

COLONEL YANKOUPE: It is military and civilian. But I don't think we counted Reserves in that. None of the others would count Reserves.

For example, at [redacted] with 6,000 people there, when we compiled these statistics, we did not include Reserve strength.

MR. HOFFMANN: Now, I'll tell you, the net one-time saving of $435 million, of what's listed there, the back of my neck bristles at it. But even if you cut that in half, I don't think you will have anything that will amount to anything.

MR. HANSEN: You never would, as long as you can't achieve a steady state saving. If you don't achieve a steady state saving, nothing can ever pay back, unless it is a positive that you start with.

CHAIRMAN EDWARDS: Does anybody want to belabor this?

[Nays]

MR. HANSEN: Fort Belvoir is next.

The land at Fort Belvoir, because the charge was to run them all -- we have already talked about Fort Belvoir to quite an extent.

This is a fort in transition. It used to be the

engineers school. It is now going to be the main headquarters post for the Army and a magnet for moving out of leased space, not only for the Army, but for defense agencies, the Air Force, et cetera, et cetera.

Our recommendation is that this is a valuable piece of property for the future and we shouldn't fool with it.

CHAIRMAN RIBICOFF: You were talking about moving something out of there to Devens.

MR. HANSEN: Yes, that's correct, and that is still part of an overall analysis. There are 3 million square feet of leased space needs in the Army alone, counting Cameron Station, [redacted] and we've closed. And so, moving 1,600 people out just means your construction bill is a little less for putting them on to Fort Belvoir.

MR. CRAIB: Flick on the map of Belvoir, if you would.

MR. HANSEN: This is the land use map. The colors are these. Blue is planned development; green is civil works properties, so, technically, it is not owned by the Army. The brown is developed areas -- I'm sorry, training areas and developed areas. The green, which is the shoreline, is environmentally sensitive and over in the far left is the engineer proving ground, 820 acres, which we have targeted for this sidebar recommendation about moving out of leased space into there, using public/private

24

1 financing and development, et cetera.

2 The red is the airfield and the safety ranges

3 around the airfield.

4 CHAIRMAN RIBICOFF: Is there excess land there

5 for sale?

6 MR. HANSEN: No, there is not.

7 CHAIRMAN RIBICOFF: No excess land?

8 MR. HANSEN: No. The area used in training is

9 the only area, especially if we start talking about Fort

10 Meade, the only area where Reserves can train. It's the

11 only area where the active duty units in Washington can

12 go down and train fairly close by, et cetera.

13 MR. HOFFMANN: This Camp A.P. Hill, if you get

14 in a truck at Fort Myer, you might as well go to A.P. Hill

15 instead of Belvoir.

16 MR. HANSEN: Well, it will be at least double

17 the distance.

18 MR. HOFFMANN: It is still there. What is the

19 red, the airfield? Which airfield?

20 MR. HANSEN: Davidson Army Airfield.

21 MR. HOFFMANN: Davidson Army Airfield.

22 CHAIRMAN EDWARDS: Well, don't we look on Belvoir

23 as a receiving kind of facility, and we are not really

24 sitting there and thinking about trying to close it, or

25 any part of it, are we?

1 Does anybody oppose it?

2 DR. SMITH: I think that whole huge training area
3 is probably an under-utilized training area and that real
4 estate is available. The Army doesn't need that real estate
5 to do all of the consolidations that he's talking about in the
6 National Capital Area.

7 I don't know how many acres that is. I'm talking
8 about the southern part, below the airfield, all of that
9 training area.

10 MR. HANSEN: A thousand acres.

11 DR. SMITH: A thousand? I'd suspect that it is
12 more than that, or so I would guess.

13 MR. HANSEN: Put up the next chart.

14 COLONEL YANKOUPE: That breaks out, out of the
15 8,600 acres, 820 acres is involved in the NCR land space
16 consolidation that we have already talked about, the civil
17 works property, the airfield, 500. Incidentally, the airfield
18 is both fixed wing -- that's prop -- and heavy rotary wing.
19 We talked a little bit the last time about Andrews. Andrews
20 is not interested in putting rotary wing aircraft of this
21 nature into that.

22 The developed property, which we show over here
23 on the map (indicating), which includes basically all the
24 contonement area and the things that exist there, totals
25 that (indicating). The environmentally historical and sensitive

areas include a lot of the land here along the water, which is heavily covenanted already in terms of what you could build there. Sitting over here to your left is Mt. Vernon, with a direct shot over here at Belvoir (indicating). Excessing any piece of this along here (indicating) isolates that piece of land. I'm not clear what one could do with it.

MR. HOFFMANN: Wait a minute. That's a little too fast.

Excessing what isolates what?

COLONEL YANKOUPE: Well, the post sits between any of this peripheral property along the water here.

MR. HANSEN: It is wetlands and stuff like that.

COLONEL YANKOUPE: This is all water and wetlands in through here (indicating).

MR. HANSEN: There is a wetlands area in there, too, right around the bay. Not all of the colors are coming out on this map.

MR. HOFFMANN: What are you saying about that piece of land? What is isolated from what?

COLONEL YANKOUPE: The installation sits here (indicating), this piece of land here (indicating), with water on the side here (indicating) means that anything that's in here (indicating) that could be used for anything el other than being a piece of the installation is totally isolated from the rest of the world which exists outside

of U.S. 1 over here, north or south.

MR. HOFFMANN: But you've got the whole big training area down to the south there.

MR. HANSEN: Yes, 1,000 acres.

MR. HOFFMANN: A thousand acres. Now what is the future use of that? Is that going to be used?

MR. HANSEN: It's used for training. The future use is, if you will, future expansion and future flexibility. It's in an area where you are not going to have any flexibility if you lose it.

CHAIRMAN RIBICOFF: Future development land. Is it development for private or public?

MR. HANSEN: For the Army or any other DOD activity which needs a home in that area.

COLONEL YANKOUPE: This area in here (indicating) is used by one or more of the DOD teams that operate special mission stuff into the Capital Region, as well as the 29th Infantry Division local. We will run for a number of years because it is really uneconomical to do anything other than leave them at Belvoir, an AIT training session which trains generator mechanics and heavy engine mechanics -- basically in structures over here (indicating). They have additional training needs in addition to just classroom instruction, and use this part of the training area (indicating)

It seemed to us, in taking a look at this, with

all we've heard about consolidation out of the National Capital Region, that one of the plans that is the most mature is the one that looks at all of this installation and the most advanced in terms of getting things happening, and anything that one might contemplate doing with this almost doesn't make any sense right now, and there are other kinds of things possible in the future, not just involving the Army but involving the other services in the area.

We have Air Force, for example, operating over here, on North Post (indicating). They had a 200 man move in their 1990 or 1991 budget, which I think is still a budget issue, although I thought it had been dropped for funding reasons. But those kinds of consolidations are certainly possible and, looking long-range, make a heck of a lot of sense

MR. CRAIB: The DOD school.

COLONEL YANKOUPE: Yes, sir. The Defense Management Systems College is located over here (indicating) and is in the process of expanding.

My research for the Army indicates that they are sitting on any number of requests individually from agencies outside of those they have already considered.

MR. HANSEN: Perhaps governmental agencies, too, which would be allowed to use that. Not that it matters here, for instance, but the FBI has a large school down at the Marine Base at Quantico, so those kinds of things can happen,

too.

COLONEL YANKOUPE: It looks like a national asset in this area here (indicating) that has tremendous potential and leverage capability, because expansion in this area, even as we speak, is incredible. People who have driven down along Telegraph Road will attest to that.

CHAIRMAN EDWARDS: [redacted]

MR. HANSEN: Approximately an hour south, an hour and a half if by convoy, or two hours.

CHAIRMAN EDWARDS: [redacted]

MR. HANSEN: [redacted]

CHAIRMAN EDWARDS: I'm trying to deal with Mr. Hoffmann's point, that if you close or carve up Meade you then have Belvoir [redacted] I need a feel for that, if you are going to talk about closing this.

GENERAL STARRY: [redacted] is about 40,000 acres, and there really is no plant. There is no infrastructure, like you've got on this base. It is essentially a training area. There are some barracks, wooden barracks. So it is a different sort of thing than that thousand acres down there.

MR. HANSEN: Now, Meade would be used on weekends by Maryland area Reserve and Guard units.

For weekends Belvoir would be a fair haul for you. For longer-scale exercises, Belvoir [redacted]

I am sure they use them already.

DR. SMITH: [redacted]

MR. HANSEN: Yes, going north, into [redacted] But the weekends is what you are really talking about here, and that is the key.

If you move them far enough away, then you just lose your Reservists.

GENERAL POE: I have a feeling that if this ongoing thing is a success, and it probably should be, there will be people getting in line to use that property out there.

MR. HANSEN: They already are in line. It's just a matter of funding and all of that.

GENERAL POE: Which would give the people who follow us a chance to move some more stuff out of the high rent district. I don't know.

CHAIRMAN EDWARDS: Does anybody have a proposal? I personally don't have any problem with leaving Belvoir alone. Does anybody have any proposal to make?

MR. HOFFMANN: The civil works property, what does that amount to?

COLONEL YANKOUPE: That is where the current water resources support center is. It's the area where, when we move the COE, the U.S. Army Corps of Engineers out of leased space in the Pulaski Building, it will go in here. It has the Engineer IG, has the Army IG School in there as a

1 tenant. The Army Topographic Lab is in the back, over here
2 (indicating).
3 MR. HOFFMANN: But all of that space is used up
4 by those things?
5 COLONEL YANKOUPE: Except for that which is being
6 looked at for expansion, to handle the Pulaski consolidation.
7 MR. HOFFMANN: No, I don't have any problem leaving
8 that.
9 I think we may want to earmark it for high density
10 relief from expensive --
11 MR. HANSEN: We already have, sir.
12 COLONEL YANKOUPE: We already have, and will do that,
13 sir.
14 MR. HANSEN: Next is the Presidio, of San Francisco.
15 We have already discussed the Presidio of San
16 Francisco and made a tentative decision to close it. But the
17 question was does this mean that we are closing the Letterman
18 Army Medical Center. The answer that we gave you was not
19 too clear, I'm afraid, so we put it back on the schedule
20 again today.
21 The answer is yes, they are inextricably inter-
22 twined. In fact, most of the operating support costs, a
23 majority of the operating support costs of the Presidio
24 are, in fact, to operate the hospital.
25 Mr. Smith points out there is a second hospital

in the region at Oak Grove, which is on the other side of the San Francisco Bay, and that is a Navy facility, both of which are teaching hospitals. Therefore, a graduate medical program can happen at both.

The Secretary of Defense has recently, within the last couple of weeks, assigned the Navy responsibility for the overall regional medical authority there and they are actively looking at right now, in Health Affairs, in OSD, what to do about the two hospitals, both of which are seismically unsound, meaning that an earthquake will knock them over -- by state standards -- and both need a lot of work.

Now, there are 30,000 active duty military on the Navy side of the Bay, and there are only a couple of thousand on the Army side of the Bay. So it doesn't take too much to figure out when the Navy is in control of this where the new hospital is going to be built, because it should be built near where the military are that use it.

So, the Letterman, to the Army, it looks like this is a done deal. It's gone. A new hospital will be built on the Navy side somewhere. We're not sure where -- that is, it has not been decided where. That will be the regional hospital for the whole of the San Francisco-Oakland Bay area.

Consequently, for the Army, then, operating

1 the Headquarters of Sixth Army there, with no hospital
2 to support anymore doesn't sound like a good idea. It's
3 not cost effective, it's not efficient, et cetera, and a
4 good match as far as the Army Headquarters can be made at
5 Fort Carson, in Colorado, and the recommendation is
6 to close both.
7 The payback is enormous when looking at the land
8 value associated with the Presidio and the hospital --
9 $555 million. But as we heard two weeks ago, the vast
10 majority of that land reverts back to the city for the gateway,
11 that is the Golden Gate National Park and the expected land
12 proceeds are really $36 million, which, in fact, involves
13 the sale of the hospital. That still pays back in two years,
14 because of the first year steady state saving of $74 million.
15 The recommendation is that we close both the
16 hospital and the Presidio, which will result, if you will,
17 in precipitating action by the Navy and OSD Health Affairs
18 to decide what to do with the hospital.
19 CHAIRMAN RIBICOFF: I think we ought to defer
20 that until Tom gets back. He is going to go, before the
21 next meeting, and look at Letterman. I would assume that
22 he would look at the whole Presidio, too.
23 Is that right, Tom?
24 SENATOR EAGLETON: Yes, defer at least 1 percent
25 of the decision.

CHAIRMAN EDWARDS: Okay.

SENATOR EAGLETON: [redacted]

MR. HANSEN: Yes.

CHAIRMAN EDWARDS: I don't want anybody leaving here assuming that we may reverse it.

SENATOR EAGLETON: No. That looks pretty sound.

MR. HOFFMANN: I notice on your previous chart you had it that CHAMPUS picks up a lot of the health care costs presently being engineered by Letterman. Have you cranked that cost into your figures?

MR. HANSEN: Yes.

There are two kinds of CHAMPUS costs that are cranked into this analysis. The first is the increased cost in San Francisco by the fact that those that cannot use Oak Grove would have to go into San Francisco CHAMPUS; but also by being able to take the doctors, nurses, et cetera, and assign them to other Army hospitals where there is a shortage of doctors and nurses, thereby causing CHAMPUS to be incurred somewhere else. Take Texas -- you will reduce those CHAMPUS costs in that area, and, in fact, it is a net gain.

The reason is Letterman is not fully used, as we can tell. The Army and military presence -- again, Letterman served those on the San Francisco side by the Navy. Well,

there is nothing left. They closed the shipyard. They are not going to put in a new homeport, et cetera, et cetera.

So, the presence on San Francisco itself, by the Armed Services, has dwindled and dwindled and dwindled and can't support a hospital there.

GENERAL STARRY: What is the status of those three little coast artillery forts out toward Golden Gate Bridge? Are they part of Presidio?

COLONEL YANKOUPE: They have been returned to the Golden Gate National Recreation Area. But we have kept use, through an MOU, of the housing there to house personnel in the San Francisco area.

GENERAL STARRY: Would we get rid of that or would we leave the memorandum of understanding alone?

MR. HANSEN: There is no problem because it all reverts to that anyway. I guess we would probably try to keep the houses, yes.

COLONEL YANKOUPE: I think we would try to keep the houses, depending upon what comes out of this recommendation. When we went through it with the Army, their recommendation and their thought was we'll take a look at that when we see the fallout of what happens here.

MR. HANSEN: We'll probably keep them to the extent they need them.

Now, there are still recruiters that need to be

housed, other regional San Francisco purposes there that might have to stay behind.

But, for the most part, the command picks up and moves to Fort Carson.

CHAIRMAN EDWARDS: Any other comment on this one?

[No response]

MR. HANSEN: That concludes the headquarters admin drill.

DR. SMITH: Did you take a look at [redacted] as a part of this?

MR. HANSEN: No. I think we treated that as a school.

MR. HOFFMANN: Do we now return to [redacted] Army Hospital for a reprise of the massive hemorrhaging done --

MR. HANSEN: We should, sir.

MR. HOFFMANN: -- to the medical training program.

MR. HANSEN: Yes.

If we close Letterman, subject to finality after Senator Eagleton returns, that takes out 9 percent of the residencies available to the Army and, in fact, some of those can be shifted to the Navy at Oak Grove, because the Navy also has a teaching hospital. It may not be the right kind, though.

So, [redacted] then, adds 11 percent more to that, which would be a 20 percent reduction in residency for Army

1 [redacted] and I don't think there is a surplus of Army doctors.
2 So I think that would be damaging.
3 MR. HOFFMANN: But the other issue is how full is the
4 program and how full can they keep it, and all of that.
5 MR. HANSEN: We will try to get those kinds of
6 statistics.
7 MR. CABOT: Can Army doctors go to residencies in
8 civilian hospitals?
9 MR: HANSEN: No, not according to my understanding.
10 MR. CABOT: Or to Veterans Hospitals?
11 GENERAL POE: We'd better be careful here. I think
12 there is a program that sends them there.
13 MR. BRYAN: I talked to the Assistant Secretary
14 for Health, and he indicated that was an option. In the
15 San Francisco area they had some good residency programs and
16 graduate medical education could take place there.
17 MR. CABOT: I don't think we should be too intimidated
18 by this issue.
19 MR. HANSEN: The only thing I would mention is,
20 speaking for Russ on this, accreditation is an asset that is
21 not easily recreated if you lose it. And, in fact, the AMA
22 has said they are not even going to look at accrediting
23 anything until 1992.
24 MR. CABOT: That's because they don't think we need
25 any more medical schools or hospitals for this purpose.

MR. HANSEN: Yes, or they don't think doctors' wages are as high as they should be, or something.

MR. HOFFMANN: But we haven't solved the question of can you expand the program at [redacted] can you expand the program at Carson, can you expand some of those programs where you are presently accredited and do the right thing. You have a hell of a nice piece of property there at [redacted] that is number one. Number two, it is a lightening rod.

MR. HANSEN: Yes, sir. We are going to collect those statistics.

DR. SMITH: I must agree. I don't see how the training of doctors can have a significant impact on what your decision is at [redacted] There are ways to train doctors. I mean, you have to put more at Walter Reed and more at, say, Fort Gordon and Eisenhower Hospital. There are ways to do that.

I can't believe that we would keep that facility open on the basis of training doctors. It just doesn't hang together.

MR. HANSEN: Well, that is one of the things that we still owe you for the 13th.

CHAIRMAN EDWARDS: That may be a part of the justification, but, if it's a large part, I would sure agree.

MR. CABOT: What do you mean by the words "lightening rod?"

1 MR. HOFFMANN: It's a chestnut. It's been out
2 in the public view for so long as being closable that you're
3 damned if you do and you're damned if you don't. But you're
4 really damned if you don't.
5 MR. CABOT: You mean more damned if you don't?
6 MR. HOFFMANN: Probably.
7 CHAIRMAN EDWARDS: It's certainly going to draw
8 attention.
9 Where are you now, Doug?
10 MR. HANSEN: I would like to start into Fort Dix-
11 [redacted]
12 CHAIRMAN EDWARDS: Okay.
13 How many installations are you going to talk about
14 in the schools field?
15 MR. HANSEN: Sir, just these two -- Dix and
16 [redacted]
17 CHAIRMAN EDWARDS: Okay.
18 MR. HANSEN: Where we were when we broke down
19 two weeks ago, if you will, was we were trying to figure
20 out whether or not using these options was a good deal.
21 What we discovered or thought we'd discovered then
22 and have confirmed, is that what this chart had on it was
23 apples and oranges. So what we have done is drill the whole
24 thing again, and we would like, if you will, to just start
25 with a clean slate and try to make this right.

1 These numbers are not good, so please don't
2 focus on them. I just wanted with this chart to show you
3 where we were before.
4 One of the things we have discovered is that
5 these are the active Army accessions by year from 1977
6 and primed out through 1993.
7 As you can see, they are cyclical. They work on
8 about a three year pattern of up-down-down, up-down-down,
9 up-down-down, and so forth and so on. They are declining
10 as the Army has declined in size -- I'm sorry, as they
11 are getting better troops and retaining them longer.
12 But the key is they are up-down-down and up-down-d
13 and so on.
14 Now, we started our analysis last time based on th
15 capacity available in 1991, which, as you can see on this
16 chart, was at a low point, a dip, and, therefore, we had the
17 highest excess capacity.
18 Now, there is nothing wrong with that. But if
19 you're making decisions based on your valley, you're not
20 going to be able to support your peaks.
21 Therefore, what we would like to do now is to
22 take a look at what one could accomplish using the peak
23 as the excess capacity, and there is still excess capacity
24 at the peak for training.
25 This chart shows 1990, the capacity available

at all of the various posts that do basic training and one-station-unit training.

The total excess capacity, not counting the summer surge, is 6,600. The summer surge amounts to about 2,000. So, therefore, we are talking about 4,600 surge -- I mean, excess capacity out of peak.

What this chart shows, then, is where the excess capacity is, which is at Dix, Jacksonville, Leonard Wood and Benning and Sill. It's spread out, and we would have to have quite a lot of movement around in order to meet the fill. But no one post, other than Knox, Sill, and the specialt schools, if you will, are down to the levels of that surge themselves.

So, the problem becomes how do you make this work, as far as making the push arounds.

The answer that we have come up with is that it is very difficult to close [redacted] Dix [redacted] if we use this analysis of what the Army needs at this peak.

Other considerations for these posts are, while they are training posts, they are also potential candidates for stationing of units coming back from overseas, [redacted] such as anything that might come back from Europe, such as Secretary Carlucci was talking about today. Or there are also future expansions, mobilizations, bases, et cetera.

One of our original charts showed how much these posts are required to support mobilization. The mobilization load at Dix is 18,000, as compared to the 6,000 or 7,000 on here, and at [redacted] it is 25,000, as compared to the 10,000. So, they're talking about 2.5 times the load at these -- plus, all of the others have similar increases; plus, your division posts -- [redacted]

So, the system has some excess capacity. It also is loaded with split functions, much in the sense of Huachuca and Devens. It has split functions around.

And so, there are some benefits to be gained out of consolidating these split functions.

So, our recommendation is that overall Army readiness, meaning their ability to train plus their ability to mobilize, would be degraded if we closed either Fort Dix [redacted] and there is absolutely no way you could try to do both.

The other part of the equation, and correct me if I am wrong, Roger, which has not been factored in is, as the cohort changes or becomes much smaller, the prediction is the standards will have to be dropped in order to get enough people into the Army. History shows that, when that happens, you get more drop-outs and, therefore, you have to have more trained in order to meet the hit. We learned

you had a 20 percent drop-out rate just at the Marine Corps recruit depot alone, and that is with high school graduates coming in -- 100 percent high school graduate, if I am not wrong.

So, the flexibility wasn't there. Our conclusion is that Fort Dix [redacted] need to be retained.

However, what we would like to show you now is where, basically, we were two weeks ago, and that is that there are some significant realignments that could occur that would benefit the Army and pay back.

MR. HOFFMANN: Now wait a minute, wait a minute.

The press was on to close Fort Dix, and you are saying that you don't want to do that?

MR. HANSEN: That's correct.

MR. HOFFMANN: Now, before we go skipping off to what you do want to do, let us just examine the Fort Dix exercise a little more thoroughly.

Fort Dix is another lightening rod type operation. It's fairly valuable land, isn't it?

It's impacted by encroaching civilization.

MR. HANSEN: Yes.

MR. HOFFMANN: It is not a maneuver type post. In other words, there are far preferable alternatives if you bring back a division to putting a division there. You couldn't put a division there.

MR. HANSEN: You might be able to put a light division there.

MR. HOFFMANN: How many acres do you have?

MR. HANSEN: Acres and land values are two questions. Do we have an answer to that?

[Pause]

MR. HANSEN: This has clearly not been totally thought out, but one thought was that you might be able to get a light division in the base. You clearly could not get a heavy division in there.

MR. HOFFMANN: Well, I'll tell you. We fooled around with that in the old days.

MR. HANSEN: It's $170 million -- the estimate on the land value.

MR. HOFFMANN: Whether or not you have the excess capacity to do it, there are clearly other places where you can expand your basic training capability.

You know, you've got a bunch of classic arguments for leaving everything open -- mobilization, Reserves, et cetera, et cetera.

Now, if you are looking at Army posts, camps and stations of the quasi-divisional character and you've decided you can't stomach Devens, because of the geographic thing, you've got no geographic pull with respect to Dix, or at least it is attenuated -- right? You've got a

1 mobilization mission. That's not saying you couldn't
2 put them somewhere else if, in fact, you're going to
3 mobilize.
4 Doctor General Starry will give us the approximate
5 chances of our having to mobilize in the next 20 years
6 on a scale that would involve Dix. But that is a post,
7 very frankly, that's about the next logical one, if you
8 don't do Devens.
9 So, the extent to which there is any give in the
10 system out there at all, this is it..
11 Mr. Smith, do you disagree with that?
12 DR. SMITH: No.
13 I think if you closed Fort Dix tomorrow, the
14 rest of the training bases could absorb that training
15 road without skipping a beat. They'd have to move
16 some equipment, perhaps, but you saw the excess capacity
17 on all of those training bases.
18 CHAIRMAN EDWARDS: How many acres are at Dix?
19 DR. SMITH: About 14,000.
20 CHAIRMAN EDWARDS: What does General Starry say?
21 GENERAL STARRY: Well, I went back over this
22 last night in great detail, after we talked yesterday
23 afternoon. My impression of this was that we could afford
24 to do without it, and, when we did this analysis ten years
25 ago, if you remember that chart that you had on this

side (indicating), we had a lot larger training loads than we have now, and at that point we had concluded that we could do without it.

The last time we studied this and went over the base closure was in the 1978-1979 period, and we took a point about half-way up between the 1978 low and what became the 1979-1980 high. [redacted]

I need not point out that the trendline is down, even though the 17-21 year old cohort is declining and we may have to make some changes in the recruiting standards, and so on.

It is difficult to see how it is going to get back up to where it was in 1978-1979.

As I read all of this -- and Jack Marsh, by the way, has been over this in great detail, personally, so what I am telling you is what I know of his argument -- it's the flexibility to accommodate to, one, mobilization, and, two, the chance that we bring forces home from Europe or have to under some conventional arms agreement.

If we bring forces out of Europe, they are heavy divisions, and there is no way to station a heavy division here. So a heavy division would go to [redacted] or even the [redacted] and you would backfill

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1 the light division bobtailed into a place like Dix.

2 As far as the second argument for mobilization, the
3 mobilization training loads are based on an assumption --
4 actually, they were based on the DPQ, the Defense Planning
5 Questionnaire, which we send every year into NATO, which says
6 that we will provide the SACEUR with the [redacted]
7 [redacted] The fact of the matter is, with the
8 transportation means available, air and sea, we can provide
9 him with [redacted]
10 [redacted]
11 [redacted]
12 [redacted]
13 [redacted]
14 So, the mobilization requirements are based on the
15 assumption that you can move the troops as rapidly as we
16 had agreed to move them in the Defense Planning Questionaire.
17 The fact are, though, that we cannot do that.
18 So the mobilization argument, I am as "iffy" about
19 that as I am about the need to keep this place open because
20 we might have to bring forces back from overseas.
21 So you could argue both sides. The Secretary
22 has elected to argue this on the basis of flexibility and
23 expansibility of this training base, going forward, and
24 for mobilization, and for the contingency of having to bring
25 forces out of Europe. I really believe that the training

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1 loads could be accommodated elsewhere in the system.

2 So, you could argue both sides of the argument.

3 CHAIRMAN EDWARDS: Any other comments?

4 DR. SMITH: Are there numbers available on a

5 close and sell Dix versus a close and retain Dix in

6 caretaker status?

7 MR. HANSEN: The close and sell, if I am reading

8 this Option B-2 right, the close and sell was a two year

9 payback.

10 MR. HOFFMANN: Is there a slide on that?

11 MR. HANSEN: I don't have a slide on close and sell.

12 COLONEL YANKOUPE: Why don't we try and make one.

13 MR. HANSEN: This chart is the chart on the 1990--

14 that is the low point. This 6,600 gets eaten up by

15 the 2,000 summer surge, which means in reality that it is

16 4,600.

17 The difficulty becomes you've got 7,000 -- I'm

18 sorry -- 1,400 in excess capacity at Dix if you are looking

19 at this. So there are a lot of push-arounds that are

20 occurring.

21 MR. HOFFMANN: But these people are coming from

22 somewhere to go to that basic training facility. So you

23 would not really require them to go to the railroad station

24 at Dix and then go to Fort Jackson because at Fort Jackson

25 you are not really pushing them around in that sense.

You are redirecting them from their point of origin to their point of training.

MR. HANSEN: I was not referring to people, sir. I was referring to the fact that you are not even voting at each of these posts. It's in the 6,000 range, except for the specialty places at Knox and Sill, McClellan and Bliss.

MR. HOFFMANN: Then a relevant point is what are you training at Dix?

COLONEL YANKOUPE: Basic training, sir, plus special.

GENERAL STARRY: At Dix?

MR. HOFFMANN: Yes.

GENERAL STARRY: Common specialists.

MR. HOFFMANN: It's common specialist basic training.

GENERAL STARRY: Cooks, mechanics, and so on.

MR. HOFFMANN: So, when you are talking about spreading that around, obviously some goes to Fort Jackson. But is Leonard Wdod engineer basic?

GENERAL STARRY: Yes, that is engineer basic. The bulk of your common specialist training in the Army is split between these two places -- Jackson and Dix. So, the logical thing to do would be to expand. If you close Dix or drew down on Dix, it would be to expand Jackson's capability to take the common specialist training,

1 and that can be done.

2 CHAIRMAN EDWARDS: Well? It's a tough one.

3 Does anybody have a proposal?

4 MR. TRAIN: Do we have any answer on the payback

5 or on the closing and keeping it?

6 COLONEL YANKOUPE: This first one is close and sell.

7 MR. HANSEN: A two-year payback. The value of the

8 land is good.

9 CHAIRMAN EDWARDS: What did you say about the

10 value of the land?

11 MR. HANSEN: It's $170 million. This is not the

12 way we would normally display it, but it's $170 million.

13 It's in the middle of the chart. The steady state is

14 $37 million, which is what comports with what we were talking

15 about at the beginning of this morning.

16 MR. HOFFMANN: The one hooker in this thing is I

17 think this is clearly a place where you are talking about

18 the concept of a swap, where you are talking about taking

19 a tract of land on the East Coast that is heavily impacted,

20 you know, the ratio of usability, the value of that land

21 is pretty, and what we really ought to do is take the proceeds

22 from that and add to the National Training Center out in the

23 West and extend the sweep of that land up there.

24 Now, if you had a way of doing that, you could sell

25 anybody on it. I mean, these contingency arguments, we have

to have it on the shelf for mobilization, we have to do this, we have to do that, you know, when the troops comes back I mean, that makes assumptions. The thing that bothers me is when you've got the troops coming back from Europe, you have got a dramatically changed world, and the notion that you are going to be able to hold those divisions is a real question mark in my mind, the same as those carriers.

GENERAL POE: They are going to give them a ruptured duck and pat them on the back and send them home.

GENERAL STARRY: Some, at least, of them would come out of the structure.

MR HOFFMANN: The problem is demobilization, not mobilization. I think a trade today for more training area out West would just make this an absolute zinger.

GENERAL STARRY: And if we couch it like that, it would be a lot more palatable.

MR. HOFFMANN: If we couch it like that, it would be a lot more palatable, yes. And if we can couch it like that --

GENERAL POE: That would be a sell and buy. Physically, I don't think you could work a trade, could you?

MR. HANSEN: No. We could not.

MR. HOFFMANN: Well, I think you ought to talk to the State of Nevada, but I don't think you could do that.

CHAIRMAN EDWARDS: Could you address the subject in

the report in a way that it is very strong?

MR. HANSEN: Yes. We had already planned on doing that anyway.

The bottom line is that much of the proceeds of this, the sale of Fort Dix, will go to the requirements to move and build -- not much but some of the proceeds will go to the moves, if you will, and any construction that is required to make it happen. I am not sure that these are mutually exclusive arguments.

Built into this whole question of if you were not going to close Fort Dix or ([redacted] there were some things that you could do by moving around schools within that and specialty areas, and make money there, too. So perhaps there is even a bigger picture of how do I eat up the excess capacity by closing Dix and pushing around some stuff and still have it pay back, and, therefore, the benefit grows. Maybe the total saving diminishes slightly, but the benefit grows to the Army.

GENERAL POE: The first priority is paying what you are going to have to pay to get the moves. But then I think you can address the range business as multi-service, money saved in all three services, for a national range, for extension of a national range.

COLONEL YANKOUPE: There are two other items about Dix that we have not talked about this morning. One of them

is that Dix and McGuire are contiguous. McGuire Air Force base and Dix share a common boundary.

We train at Dix about 7,000 air base ground defense people for the Air Force annually. That latch-up works very nicely because it affords the opportunity and it suits the guidance in selecting a location at each air base ground defense, and developing the agreement with the Air Force as to how we would do that, in that the Dix-McGuire latch-up was clearly the most ideal that we could come up with.

GENERAL POE: Let me comment on that.

The Air Force was directed to have the Army do that training. I don't think they fought it very much, but the Army decided to do that training. That training was done at Bullis for a long time, at San Antonio. I would anticipate the Army would continue to do it somewhere. It could do it at Pope.

We're not talking about very many people, are we?

COLONEL YANKOUPE: About 7,000.

GENERAL POE: How many at one time?

COLONEL YANKOUPE: Base ground defense, officers, NCOs, and enlisteds.

GENERAL POE: It is a very important course, but I am not sure that it requires McGuire. You have air bases at a number of other Army installations.

COLONEL YANKOUPE: Yes, sir. But I think the most

desirable thing about Dix was that it was a training base dealing in some of the fundamental techniques, such as marksmanship, riflery, and soldier kinds of skills that are a large portion of that training, POI, as opposed, let's say, to Fort Bragg and Pope Air Force Base, where Bragg is an operational base.

MR. HOFFMANN: How about Fort Bliss? Don't we have an Air Force Base contiguous to Fort Bliss?

GENERAL STARRY: On the base.

MR. HOFFMANN: Fort Bliss, when you look at that basic training, and you want to go somewhere with basic training, Fort Bliss has all kinds of area there.

GENERAL POE: I would be inclined to let the Army and the Air Force figure that out, and I would think they would be able to.

GENERAL STARRY: You know, we almost put that training at Bliss when we started this thing up.

GENERAL POE: You teach people to shoot down airplane at Bliss.

CHAIRMAN EDWARDS: Do you want to close Dix?

MR. HOFFMANN: Yes, sir.

CHAIRMAN EDWARDS: Do you want to close Dix? Are you marginal, or where are you on that?

GENERAL STARRY: I am sort of on the fence. But if we had to vote for it, I would vote to close it.

1 CHAIRMAN EDWARDS: Okay.

2 Are there any objections?

3 MR. TRAIN: I vote to close Fort Dix.

4 CHAIRMAN EDWARDS: If this is our conclusion, then

5 what are we saying to Doug and the Colonel -- to come back

6 and tell us where to put it?

7 MR. HANSEN: Yes. That would be the best for the

8 Army, to give them a chance to think about the best options

9 for that.

10 CHAIRMAN EDWARDS: Any objection?

11 GENERAL STARRY: May I suggest that we add the

12 training area notion that Commissioner Hoffmann raised with

13 us; in other words, try to use at least some of the proceeds

14 for this particular maneuver range capability in the Western

15 part of the United States.

16 MR. HOFFMANN: To expand immediately the joint

17 service, you know, specifically at the National Training

18 Center.

19 GENERAL STARRY: Right.

20 MR. HOFFMANN: If that means taking, saying that

21 we are not going to take credit for a saving here because

22 we intended to be investing, I would be for doing that.

23 In other words, if we net out some bucks --

24 MR. HANSEN: Net out at six years, with the

25 remainder going to the National Training Center -- is that

the idea?

MR. HOFFMANN: Yes. Or if you net out in two years, obviously we would like the balance to go -- well, we'd have to take a look at that to see if that excludes a lot of things.

What we have seen here, particularly in the last two meetings we have had, is the tremendous compression of maneuver area, the tremendous compression on air space, and the practice ability and all of that, and I think we need to make that point very strongly. It is a realignment. I guess that's what I am talking about, a realignment into open spaces and usable manauver capability.

COLONEL YANKOUPE: There will be a bill, sir, and replacing that training capacity is going to require some construction, plus we are dealing with an installation that has I think we said 14,000 acres earlier. That is outside of the impact areas necessary to run ranges. You've got 37,000 acres total at Dix.

MR. HOFFMANN: Now it can be told. They suddenly found a lot of acreage out there and an impact area.

COLONEL YANKOUPE: Well, the figure I gave you before had the maneuver area. That was a maneuver area factor without the range impact areas on it.

CHAIRMAN EDWARDS: So we are really talking about even more?

MR. HANSEN: No. The value at close is the same.

COLONEL YANKOUPE: I read off the maneuver acre summary over here, for maneuvering. That was all.

CHAIRMAN EDWARDS: Okay. Let's look on this as a heartburn item for the Army and move on.

MR. HANSEN: Next I would like to answer the questions of the Commission regarding the Area Oriented Depot System.

As we learned two weeks ago, there are three designated Area Oriented Depots in the Army -- Sharpe on the West Coast, New Cumberland on the East Coast, and Red River in the heartland.

Sharpe's duties involve Western states plus Pacific; New Cumberland, the Eastern states plus Europe; and Red River, the Midwestern states plus any SOUTHCOM responsibilities.

In essence -- do we have the other map?

Here are the customer major posts that Red River serves as a depot.

The Army, as part of the buildup, the Reagan buildup, and it will continue, I hope -- they hope, anyway -- through on this into a very large force modernization program which generates a large volume of materiel in the supply system.

Besides that, the Department's policy regarding disposal of property has been restricted quite a bit, mostly in concern with the GAO charge that we were selling property

at the same time we were buying it, the same things.

So there has been a large increase in the supply requirements for all the services, and the Army is not any different.

The Area Oriented Depot modernization program advantages were a 20 percent productivity increase. This is basically taking World War II type storage retrieval systems and bring them into modern conditions. There's $65 million in annual operating savings and a one-time cost avoidance of $57 million.

Three AODs are required, as I said before, because of insufficient storage and warehousing capability at Sharpe and New Cumberland. Transfer of the Red River mission to both of those would increase in-transit time by two days and have an additional cost of three and a half man-days. Also, a two depot concept --meaning the two Coast depots -- would result in a 25 percent depot deficit in lines shipped and received during mobilization, which means that people don't get things when they are supposed to.

Consequently, our conclusion is that the Army should be proceeding with the third Area Oriented Depot.

GENERAL POE: I think, in fairness, you ought to say, too, that you have to watch the Air Force customers. There is a good deal of multi-servicing in these things, because, in its wisdom, the Congress has cut the air log

a number of times in some of our other systems of movement. The cost of movement is very important; when you start moving things all the way across the country, you get some problems.

I'd throw in with the Army on this one.

CHAIRMAN EDWARDS: Are there any problems?

[No response]

MR. HANSEN: Also, I might add Red River is not a closure. Red River is a multi-function depot. It has a maintenance function also. Some supply would be required for that. So the key was whether you'd want to spend the money on the area of the depot.

DR. SMITH: Did you do any analysis of those Army numbers that you were just given?

MR. HANSEN: Well, they are clearly Army numbers that we got, but that was what the justification before Congress was.

DR. SMITH: I was just asking whether anybody looked at those numbers to see if they made sense.

COLONEL YANKOUPE: The extent to which I looked at the numbers amounts to saying how do you get $65 million worth of annual savings, productivity increases, and satisfy myself that there is some analysis behind that that is explainable in the time that I had available to do it.

DR. SMITH: The analysis leads me to think that you are better off with five depots than you are with three.

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1 What was the number you showed us, the additional
2 cost of three and a half something per day?
3 MR. HANSEN: That's man-days.
4 No, I'm sorry. It's $3.5 million a day. I'm sorry.
5 DR. SMITH: So, if my arithmetic is right, that is
6 $1.2 billion a year as the increased transportation cost.
7 Is that a good figure?
8 GENERAL POE: It is transportation and pipeline.
9 You see, when you increase the pipeline, I forget the
10 Air Force figure, it is a shocking figure when you add it to
11 the pipeline. I don't know what it is for these guys,
12 but if you are talking about overseas pipelines in certain
13 circumstances, it's high.
14 DR. SMITH: So it's $3.5 million per day increased
15 cost by going to two depots, just in transportation?
16 CHAIRMAN EDWARDS: I thought that was 3.5 million
17 man-days, or something.
18 Put that chart back up.
19 MR. HANSEN: It is an inventory cost.
20 DR. SMITH: That's what I thought, $3.5 million a
21 day, which is $1.2 billion per year.
22 GENERAL STARRY: It may be man-days, Jim. Wait
23 a minute.
24 MR. HOFFMANN: You know, it's going to be $7 million
25 a day, even better than $3.5 million, because you are doing it

by two-day figures.

MR. HANSEN: No. It increases the pipeline by two days at a cost of inventory of $3.5 million a day. It's a billion dollars more in inventory costs.

CHAIRMAN RIBICOFF: For the interest of everyone involved, Mitchell was elected the Democratic Majority Leader.

CHAIRMAN EDWARDS: And he sent us word to close Loring.

[General laughter]

MR. HANSEN: In general, in response to Dr. Smith's question, we had ten days to not only develop the questions and let the services work them, come back, and analyze them, and that is why we keep saying that everything is tentative, until we can check it out.

GENERAL POE: I wouldn't believe it in transportation, Jim, but let me give you an example.

When I got a cut in air log, I had to buy more track breakers for the F-111 at a quarter million dollars apiece. You know, I buy an awful lot of air lift for a quarter million dollars apiece for track breakers. It's just that the pipeline will kill you.

MR. HOFFMANN: What is a track breaker?

GENERAL POE: It's a thing when a guy is trying to kill you, you turn his stuff off (indicating).

CHAIRMAN EDWARDS: Anything else?

MR. HANSEN: Do you mean anything else on this one?

CHAIRMAN EDWARDS: On this one.

MR. HANSEN: No, sir.

CHAIRMAN EDWARDS: Okay.

SENATOR EAGLETON: May I ask, do we have any other things that are possible closures? Do you have something close to the line, or is everything off the mark, as you say?

MR. HANSEN: Actually, you are not going to be too happy to hear this, but the next topic is bad news. It is not bad news on closure. It is bad news on a couple of ones we have already made. After that, there are some recommendations that we would like to suggest the Commission delve into on some areas of property sales that we think we could make a little money out of.

SENATOR EAGLETON: I have to go away this afternoon. Can we do the bad news one now? Does anybody care about the order?

CHAIRMAN EDWARDS: No.

Let's move on.

MR. HANSEN: I would like next to give you a brief discussion of chemical demilitarization, of chemical weapons.

The Army has eight sites in the United States which store chemical weapons. Demilitarizing these chemical weapons is about as hot a topic as you can get.

Congress has required the Army to dispose of these chemical weapons, or, in fact, they are required by treaty, I think, to dispose of them. But the public law has extended the deadline, primarily because nobody can agree not only on where to do it, but how to do it.

GENERAL POE: Excuse me, but did you say that we are required to demil by treaty while the Soviets are still building the stuff?

MR. HANSEN: I think it is a treaty.

GENERAL POE: I don't think it is a treaty.

MR. HANSEN: By law, then.

GENERAL POE: This is unilateral disarmament, so I don't think it is a treaty.

MR. HANSEN: These are not the binary ones; these are the unitary ones, or whatever the word for them is. You know, get rid of the old stuff that leaks, et cetera, and it is volatile because it is put together as one package.

In February, 1988, the Under Secretary of the Army mandated on-site disposal, primarily because of the intense political pressure over the movement of this stuff to one site and, not only that, nobody could decide where the one site would be. Nobody wanted it.

MR. HOFFMANN: I thought it was in Tooele.

MR. HANSEN: That's where they were going to put it

1 because that's where most of them are.

2 Now, the problem we have is that the chemical
3 demilitarization time extends past the Commission's 1995
4 deadline. The other problem we have is Congressional
5 notification is required before we can move it, although the
6 decision right now is not to move anything.

7 The two problems are the time deadline and the
8 fact that we can't isolate chemical demil and draw a fence
9 around it and deal with other properties.

10 So, we have on-site disposal selected at five of the
11 eight states, or at five of the eight sites, because five
12 states would agree to allow the chem demil to be done in
13 their state. Three won't allow it to be done there, won't
14 allow it to be moved. I'm not exactly sure what they expect
15 to happen to it.

16 But, right now, it is such a hot political issue
17 that they can't resolve it.

18 Two of the sites, for these construction funds
19 have been requested, at Umatilla and Pueblo. The reason we
20 are mentioning these two is because they are on our closure
21 list. However, we are not going to get the chem demil done
22 in time. Clearly, we can't move the chemicals out of those
23 two posts, and, therefore, it falls back to the issue of --
24 first-off we thought can we separate closure from disposal
25 of the property. The answer is that legally we can do that.

1 Legally we can separate them. So, it falls back to can we
2 physically separate chem demil from the rest of the site. In
3 some cases we might be able to do that, but in others we'd
4 have difficulty.
5 The other problem is that we have a chem demil
6 mission at Umatilla or Pueblo and you have to have an
7 infrastructure to support that. This means electricity,
8 power, and so forth and so on.
9 Also, I would opine that I'm not too sure which
10 American developer would buy land right next to a place where
11 chem demils are going to be disposed of.
12 So, the problem we have is we have two closure
13 candidates that we think have to be dropped from the list.
14 MR. CABOT: Do we have to drop them completely
15 just for this reason?
16 MR. HANSEN: Yes, sir.
17 Now, they are not ones that were going to be big
18 ones anyway. Umatilla was going to net us $7.2 million in
19 steady state savings, and Pueblo was $6.7 million. So we
20 are talking $13 million.
21 CHAIRMAN EDWARDS: Is there a way, accepting for
22 the moment what you say, that we can address these two and
23 propose them for closure conditionally, that such and such
24 a thing can happen with the time?
25 GENERAL POE: You don't want to give anybody the

excuse of using these to throw the whole thing out.

MR. HANSEN: What we might be able to do is by the 13th run to see if we can make the realignments that we are planning and keep the post open just for the chem demil, so it would be a realignment as opposed to chem demil. Clearly, it will not pay back as well because, like I said, some infrastructure will have to remain to support chem demil, and then, just say once the chemicals are destroyed, this installation would be a likely candidate for closure. But we'd have to separate it from all or none, I think.

That's feasible. But it depends, really, basically, on how the numbers work out. The Army would like to make the realignment, but we are not sure whether it would pay back.

MR. HOFFMANN: Do you know what the particular problem is in Pueblo, Colorado? They just flew the last of the gas two years ago out of Rocky Mountain Arsenal.

MR. HANSEN: I'm not sure.

MR. HOFFMANN: They just put it on a C-141 and flew it the hell out of there.

MR. HANSEN: This is the wierdest thing I've ever seen. Next year, at Johnston Atoll, they're going to have the first chem demil plant set up. These things are like $400 million or $500 million apiece -- sorry, $40 million apiece -- plus the operating costs. It seems

1 to me that we could, like you say, load them up on planes
2 and send them to the Johnston Atoll. But that idea was
3 thought of and dismissed. You know, Congress is heavily
4 involved in this.
5 MR. HOFFMANN: You would just have to send it to
6 Tooele.
7 MR. HANSEN: That didn't work, either. In fact,
8 we have a requirement to take some of the stuff out of
9 Germany and no place to take it to, because you can't transport
10 it over any state.
11 GENERAL POE: It took six years to get rid of the
12 Agent Orange, and it's not anything like this kind of problem.
13 MR. HANSEN: If I could make it even more complicated,
14 now Congress and the Army can't even decide what method they
15 are going to use to destroy this stuff.
16 COLONEL YANKOUPE: There was a programmatic EIS
17 completed in January, upon which Mr. Ambrose made his
18 decision that we would destroy it in place, obviating the
19 argument of moving it between states -- a continuing battle
20 that we have been unable to solve for five years, backed up
21 against a deadline in the law that was extended by two years,
22 to give some flex. Even moving out the way we are, with the
23 first two plants, it would probably see us getting the first
24 destruction out of the way in about 1996. For these two
25 depots over here, it would put us over the time limit of 1995.

The feeling is that negotiating any kind of movement is highly unlikely, with the Army having come on line and saying this is how we are going to get rid of the stuff, and announced the decision to take transportation out of the discussion.

MR. HOFFMANN: Do we get any savings at all out of realigning and cutting down the overhead in this?

MR. HANSEN: We will have to look at it.

COLONEL YANKOUPE: That is what we want to look at.

MR. HANSEN: The paybacks on full closure of Pueblo and Umatilla were four and two years, so my gut reaction is probably yes.

CHAIRMAN EDWARDS: Does anybody want to argue that we have little choice?

MR. HOFFMANN: If we can't waive the laws of Congress about transporting the gas, I don't think we have any choice. We could get our own 141, get the staff into fatigues, and just get out there and do it one day.

[General laughter]

CHAIRMAN EDWARDS: Let Russ Train fly the plane.

MR. TRAIN: Oh, yes, sure.

[General laughter]

CHAIRMAN EDWARDS: Then I guess the suggestion is that you guys will put it together the best way you can.

MR. HANSEN: Yes, we will do the best we can, sir.

MR. TRAIN: Is this any different from a base where we have a bad hazardous waste site?

MR. HANSEN: It is certainly more volatile as far as emotion goes, and these gases, if they get out or if something goes wrong with their destruction -- am I wrong, didn't we gas all of the sheep out in Dugway with something like this?

MR. HOFFMANN: No, no. That was totally different. The Air Force did that.

GENERAL EDE: Well, you know, we only got blamed for it. There is no question about who did it.

MR. HOFFMANN: They have demilled this stuff very safely at Tooele. They demilled a whole bunch of it at Colorado.

One of the problems is that the stuff is in the weapon. It is in a projectile.

MR. BRYAN: In an M-55 rocket.

MR. HOFFMANN: Then you have to have a special enclosure in case the thing blows up while you are taking it apart -- you know, because it is rusted and things have become volatile. It just has not been well managed.

MR. HANSEN: They are leaking. There is a long legislative history on it.

MR. HOFFMANN: That's what it was, the WETEYE bonbs that we flew out of there.

MR. CABOT: What did you mean by doing the best you can?

CHAIRMAN EDWARDS: Well, to see if they can carve out pieces of it and still make it viable.

MR. CABOT: Make it a realignment, rather than a closure?

CHAIRMAN EDWARDS: If possible.

MR. HANSEN: Well, a realignment with a sort of side-bar closure, once the chem demils take place.

MR. HOFFMANN: You could argue in the case of Pueblo that if there were no mission there to rationalize and if the only thing holding that up from becoming available to the community for this, that, or the other thing, was the disposition, that would put some pressure on the other way. But I don't know how realistic that is.

Unlike Colorado Springs, Pueblo is not in a boom environment. It's a pretty tough operation.

MR. MILNES: Mr. Chairman, I think another element, to answer the further question about the differences between this and some other hazardous waste situation is in a demilitarizing operation, for this chemical demilitarization, there is a lot of infrastructur that is tied in with that which is in place or will be built right there at the site which requires support

1 personnel to accomplish. So you are really leaving the
2 base largely intact or in place; and, maybe, through this
3 realignment option there are ways to move other things off
4 that make it cost effective, but it is really a different
5 kind of problem.

6 GENERAL POE: A lot of these things require a lot
7 of people. You have to have a non-working guy with a
8 check list, you have to have a two-man policy on certain
9 things so that you are absolutely safe and some guy doesn't
10 make a mistake.

11 MR. HOFFMANN: It may be in the fullness of time
12 that it's going to be such a marginal reward and raise a lot
13 of other questions that we should just footnote it and
14 say that these things certainly were candidates, except
15 for this other problem, which is another problem that the
16 Executive and the Congress have not figured out how to solve,
17 either. Nobody has.

18 COLONEL YANKOUPE: One thing that would probably
19 help a great deal, sir, is being able to provide some
20 leverage that the Army could use down the road to facilitate
21 closing when it got to the point where it could. Both of
22 these are example of things that it is difficult maybe
23 to pull them off.

24 MR. HOFFMANN: See what you can come up with.
25 See what they want to do.

MR. HANSEN: The Army would like to see them closed, but there is just no way around the chem demil problem.

MR. HOFFMANN: Well, then that's fine. But what I'm saying is let's not break out pick over something that is, you know, another area of intransigence by the rulers of the country, the elected and appointed representatives.

Okay, what is next?

MR. HANSEN: Moving on to more "good news," the issue of GOCOs was deferred to this time around. I am sorry to report that there really has not been any successful resolution. The letter from Secretary Taft basically said go ahead and give me a charge to look at GOCOs, but don't mention any names.

So, we really would not recommend it.

MR. BRYAN: I would say, for the record, that the letter was never sent actually. They were about to send the letter, and I advised them that it didn't really help us to have a letter, and if we did this, it would tie the Commission in with one more string. And if we were to go ahead and assume that we wanted to do the GOCOs here, we didn't need a letter telling us that we couldn't do it. We already understood that, and it was up to the Commission whether they would care to chance putting them in there and come up with a different interpretation of the law, different from the OSD General Counsel.

CHAIRMAN EDWARDS: The problem is we are stuck with the General Counsel's view that they are not properly before us, and if we take them up, and there are some candidates in the group, we run the risk afterward of being called to task on that in some court, somewhere, or in the Congress, or wherever. That was the purpose of my conversation with Carlucci, and later Taft, two weeks ago, to try to see if we couldn't resolve it, so that we could go forward. That was the genesis of the effort to try to get a letter moving back and forth.

Nothing ever came of it that was something we could put our arms around. And so, unless somebody likes to tempt fate, I guess we really need to leave the GOCOs alone.

MR. HANSEN: That, then, concludes the Army. What is left on the plate is six brief analyses, general type studies. For example, there is an analysis of chestnuts.

GENERAL STARRY: Excuse me. May I ask what we are going to do about the labs? Did we make a decision?

CHAIRMAN EDWARDS: That is coming up.

GENERAL STARRY: Oh, it is? I'm sorry.

MR. HANSEN: Well, then, if we are having a briefing on labs, that will make seven things.

We need to be flexible here. There is an analysis

of chestnuts, the National Capital Region leased space, Fort Holabird, GSA Property Surveys Analysis, High Value Operational Bases, and availability of lands and selected bases. Finally there is the labs.

So, I guess we should proceed.

CHAIRMAN EDWARDS: Does anybody have anything else before we get into these things?

MR. HANSEN: We do have a rough-up Fort Meade map on land use, if you would like to look at it.

COLONEL YANKOUPE: This is the Meade complex. I apologize for the roughness of the diagram. Basically, you've got two portions. You've got the NSA piece up here and a large part of the base support operations, the headquarters, and so forth. You have an airfield located in here (indicating), an area which is used by the USAR for their field training, absent firing and so forth with this large blue area over here (indicating) being an impact area for weapons firing around firing points around the outside that have been firing in there. If it has been used as an impact area for anything other than small arms fire, we'll have a problem in there environmentally.

CHAIRMAN EDWARDS: You said "if it has?"

COLONEL YANKOUPE: If it has, yes, sir.

The airfield piece is over here (indicating), and there is a sanitary landfill, which is being used over here

(indicating), some laboratory structures in here (indicating) and the support area, including such things as power generation and so forth are there (indicating).

MR. HOFFMANN: What labs are there? Who do they belong to?

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COLONEL YANKOUPE: Isn't there a [redacted]ab there? There is the Walter Reed Army Medical Center animal environmental studies lab and there is a dental lab there also, which means probably that they do some manufacturing of braces, crowns, whatever, as well as dental research. The U.S. Claims Service operates out of there as a tenant. There's a lot of housing for Army families assigned to the Walter Reed Army Medical Center. They use housing there for compassionate reasons in the Washington area, too, evidently.

There are several lake areas on the past, and some 20 cemeteries, evidently, and a large amount of warehouses.

CHAIRMAN EDWARDS: Do you know lake areas and the cemeteries? Which side of the highway are they on, Highway 31, or 32, whatever that is?

COLONEL YANKOUPE: The indication was not where they are. I know a couple of them were shown on a previous picture that we had up here in this area (indicating) but I am sure some of them must also be down in this area

here (indicating).

CHAIRMAN EDWARDS: If you were going to break this out into something we could deal with or not deal with, would you draw the line at the highway?

COLONEL YANKOUPE: Yes, sir, but I would want to look and see what the impact of this area was here (indicating) -- who trains there for Reserve centers. I would want to know what the character of this area in here is (indicating).

We did not look at Fort Meade in any detail. We looked at the installation in terms of relevance to the National Capital Region functions that it performs as a whole. I don't know too much about this airfield right now (indicating).

MR. HANSEN: But we will do that. That just gives you a sense of things.

MR. HOFFMANN: March on with that one.

MR. HANSEN: Thank you, Roger.

If you recall, we have been asked to look at what would have been called "chestnuts." Last time, we took them off the list of all the bases that had appeared on any lists, on any of the last four lists, and did an analysis of those.

CHAIRMAN EDWARDS: Tom, are you getting ready to leave?

If so, before you go, I would like to get just a feel of what we have left hanging with you and the Colonel, Doug.

MR. HANSEN: Yes.

My list includes taking a look at -- well, certainly, to fill up Devens. That may mean that some of the moves out, the intel school out, which is a good idea, perhaps even the special operations, whatever, out, but then fill it back up so that it is maintained as a viable post.

One of the options was to put the First Army flag there and other options have come up in the interim. Of course, we still have the information command option, et cetera.

We are looking at filling up [redacted] to the extent we can, and we are going to check the cost figures for construction, and moving [redacted] just as a validity check.

We want to relook at the land value of [redacted] to be sold as developed, as opposed to as raw land, and then look at whether or not it could be put into Gillem primarily.

We're going to do a capacity analysis for doctors at Letterman [redacted] and also run that through the model.

We're going to close Fort Dix and do the best we can to move everything around, hopefully leaving some proceeds

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for the National Training Center at Fort Irwin.

We're going to close Fort Sheridan, look at moving it, at least the flag remaining inside the five or six state area that it controls, with a special emphasis on Illinois.

That's it.

All the rest are just movement options for activities.

CHAIRMAN EDWARDS: Is that okay with everybody?

[No response]

CHAIRMAN EDWARDS: All right, then.

MR. HANSEN: We are also going to look at the realignments associated with chem demil.

MR. HOFFMANN: And at the two, Umatilla and Pueblo, made intractable by the chemical situation.

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SPECIAL STUDIES:

CHESTNUT ANALYSIS; NCR LEASED SPACE; DIS PERSONNEL INVESTIGATION CENTER; GSA PROPERTY SURVEYS; HIGH VALUE OPERATIONAL BASES; AVAILABILITY OF LAND (SELECTED BASES); AND LABORATORIES.

MR. HANSEN: Going back to our analysis of chestnuts, what we did was analyze -- what, how many?

MR. URBAN: The 1985 notional list and the 1978-1979 studies.

MR. HANSEN: Kevin Urban is here from the Defense Logistics Agency and he will join me in this analysis.

Of the four previous lists, the 1978, 1979, and 1985 and 1986, if you will, 27 installations appeared on that that we either didn't discuss in detail for some reason or were doing some analysis of and we've talked about it in the last day and a half. So there are still installations that we could talk about.

They really fell into two lists, the 1985 list and then the 1978 and 1979 lists.

I'd like to talk about those bases that were on the 1985 notional list. These are the 22 installations that Senator Goldwater and Secretary Weinberger put together.

The list was illustrative of potential savings, and as I mentioned earlier, was one of the ways the Department was trying to downscale the expectations over what you

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could achieve in base closures.

They concluded that, of the 22 bases on this list, and you will recognize many of the names -- they are mixtures of small sites, large sites, et cetera -- it would cost you $2.5 billion to move in order to save $500 million a year in steady state saving.

So, in essence, we are at a stage where we are going to spend $750 million a year in order to save $500 million, $600 million, or $700 million. So we are doing a lot better than even those expectations.

MR. TRAIN: Did you say $750 million a year you were going to have to spend?

MR. HANSEN: No, sir -- one-time.

MR. TRAIN: Oh, one-time.

MR. HANSEN: I will leave this list up for you.

On the next chart, of the 22 bases on the list, four of them we have closed. Four of them we covered in briefings today -- Fitzsimmons, Fort Devens, the Great Lakes, and Camp Smith, or actually yesterday.

One base, the Jefferson Proving Grounds, was reviewed in detail during Phase II analysis by Russ Milnes, but did not have an acceptable payback, and that was briefed to you two weeks ago.

Four of the bases on the list, as best we can tell, were not ever intended to be total base closures. They

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1 were realignments within that base. But, by the time it
2 got to the press, it became a closure, and, therefore,
3 we would not pursue -- in fact, we've talked [redacted]
4 today and it is one of the three Area Oriented Depots.
5 The Letterkenney Army Depot is a major depot. We analyzed
6 it significantly in Phase I. The same with the Naval Air
7 Rework Facility. But the Philadelphia Support Activity is a
8 small activity that we have not done too much with, to be
9 honest.
10 The shipyard, of course, we addressed quite
11 significantly during our previous deliberations.
12 Next you see the bases that are slipping through the
13 cracks and need discussion. Fort Ruger was originally
14 a 600 acre ceded land, but all of those acres, 8 acres, have been
15 returned to the State of Hawaii. Consequently, this looks
16 just like an error. In fact, the eight acres -- this is
17 on the backside of Diamond Head in Hawaii -- support an
18 officers club and there are a bunch of antenna there. That's
19 all it is.
20 The Naval Regional Medical Center we spoke again
21 of earlier today. It now has expanded responsibilities
22 as the Joint Military Command Health Affairs point in the
23 San Francisco area.
24 Chicago's O'Hare appeared on the list as an
25 example of a single mission Air Force installation for the

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1 Reserve. However, they have very small operating costs.
2 You don't save a lot of money. Again, they have to be
3 located where the Reservists are. They have grown slightly,
4 by two tankers, in size, and I would not recommend pursuing
5 it anyfurther than that.
6 Again, the W.K. Kellogg Regional Airport is a
7 Reserve site, another single mission Air Force base, but,
8 you know, it's not much, not a base. Here we have another
9 increase in the total number of planes serving the area,
10 indicating continued viability as a Reserve site.
11 Blytheville Air Force Base, which is now Eaker,
12 I believe -- or is it the other way around, with Eaker now
13 Blytheville -- no Eaker, was another example in 1985 of a
14 single mission base. There were 16 tankers, 14 B-52s.
15 Today there are 13 tankers and 16 B-52s. But it's also
16 a candidate for the rail garrison missiles, if that option
17 is developed. It's also centrally located, which heightens
18 its pre-launch survivability, et cetera. Therefore, it is
19 valuable and with a lot of military value array, it would
20 score highly as a valuable base.
21 McConnell Air Force Base used to be tankers and
22 fighters. It now has the B-1. That is a significant
23 change of mission fromthe time it was on the list. Again,
24 I point out that this list is notional, anyway.
25 The Naval Air Development Center in Warminister,

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Pennsylvania, that mission has not changed since 1985. It R&Ds stuff like this. Perhaps Russ might be interested in that as far as his study goes. We didn't get much more information on that, other than that it is a very, very unique location, with one of the most seismically quiet sound spots in the nation. It's built on bedrock. That may be important to the Navy.

Finally, the Naval Air Station South Weymouth is a Reserve naval air station whose mission has not significantly changed since 1985.

Other than bases we have already listed, that was the 1985 scenario.

MR. CABOT: What do you mean by that, about South Weymouth, that it hasn't changed since 1985?

MR. HANSEN: That is when it was on the list.

MR. CABOT: Then why is it still on the list?

MR. HANSEN: Well, the list of Reserves -- I don't know, perhaps Russ can speak to that. Russ handled the Reserves. But the Reserve stations, again, they are just demographically located. To be frank with you, I don't know why it was on the list. The list was not a closure list. It was a notional, illustrative list. But I also don't know much more about it than they knew back in 1985, and it's the same as it was. It's a Reserve base.

MR. CABOT: Is it the only Reserve base in

Massachusetts or something, or in New England? Why do you need it? Why can't they go and do it someplace else?

MR. MILNES: Sir, we would have to go out and get the specific information on that, which we can do. But, when you go back to some of the points that Mr. Hansen made about the construction of this particular list, when Senator Goldwater asked the Secretary of Defense to produce a list, he was looking for a real list of recommended candidates for closure. He was also looking for a change in the statute.

The statute that they were working with, 10 U.S.C. 2687, has set forth a whole series of requirements that you have to go through to close a base. Basically, the Secretary of Defense, Secretary Weinberger, said that until the laws were changed -- and he did propose a change, which was to waive all of the restrictions he was not prepared to present a recommended list of closure.

However, he wanted to demonstrate to the Congress what might be saved if they went into this kind of analysis, that it was worthwhile.

So, what he attempted to do, at least as we understood it, was to put together a list of bases that represented the kinds of categories that should be looked at. And so, you see most of the categories that we have

1 talked about throughout our discussions are represented by the
2 notional list -- everything from shipyards to Reserve centers
3 and also to show the kinds of savings that go along with these.
4 Some of them paid back very quickly; others did not.
5 So, there really was no substance behind that, and
6 when you read the actual letter that Secretary Weinberger
7 sent forward, he had very little analysis to back that up and
8 nothing further when the Committee is trying to get further
9 information.
10 MR. CABOT: There is no substance to closing South
11 Weymouth and using some other facility, then?
12 MR. HANSEN: We can't say that at all, sir.
13 MR. MILNES: No, we can't say that.
14 MR. HANSEN: We asked the Navy to tell us as much
15 as they could about it, and they came back and said it had the
16 same mission as it had in 1985, and that was it. That
17 is a kind of brief response, and, if you would like us to, we
18 could pursue that.
19 MR. CABOT: It's not a big deal. But it just sort
20 of represents to me the doubletalk of not getting an answer.
21 CAPTAIN SZUTENBACH: Sir, if I could characterize
22 that a bit, I hate to put the Navy in a bad light, but
23 we did not ask the Navy for an analysis of the naval air
24 station at South Weymouth. We said has there been a change
25 in the mission since then or are they continuing with their

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1 mission as they have had it. They came back and said they
2 still have a mission. That was not intended as a closure before
3 and it had not been analyzed as such.
4 Quite frankly, I didn't ask for much on that
5 particular one, other than for what we really got. One of my
6 thoughts are that these are Reserve centers, again, and we
7 had captured those in a different analysis that was run by
8 Mr. Milnes, and Reserve centers were generally in locations
9 where you needed to have them demographically.
10 So, when you look at the independent information
11 that we had, beyond what was there, it didn't appear there
12 was much to go after at South Weymouth. It was more than
13 what we got back from the Navy. We had other information,
14 other categories and other ways. We didn't think we needed
15 to pursue that.
16 CHAIRMAN EDWARDS: Does anybody have any comment
17 on any of the chestnuts?
18 MR. HANSEN: I'm sorry, sir, but there is more
19 to go. That was just the 1985 list.
20 CHAIRMAN EDWARDS: Okay. Then keep moving.
21 MR. HANSEN: On the 1978 and 1979 lists, there were
22 five bases that we had not done any detailed discussion of
23 in front of the Commission. So we thought we'd tell you about
24 it.
25 First is [redacted] The property is

owned by the State of Pennsylvania. The Army leases it. The lease expires in 1991. Our recommendation is that we let the Army decide in 1991 whether they are going to allow that to revert back to the state or attempt to lease it continuously.

We clearly would not get any proceeds out of this one and it is a large mobilization center for the Army. [redacted] we have, in fact, talked about because of its being a sub-post of Fort Hamilton. It is the largest Reserve center in the nation. It is extremely important to New York City, where there are a lot of Reservists.

We would recommend that it stay open.

Vint Hill Farms is a very similar place to Fort Ritchie in the sense that it has a lot of classified communications type facilities, which are inextricably tied to activities here in the nation's capital. I would not recommend that.

MR. HOFFMANN: Well, yes and no.

What has happened at Vint Hill is that was a candidate for closure back before that, in 1973, 1974, and 1975, as well. What happened there?

MR. HANSEN: Well, it has two things. The greatest two things are its B-1 [redacted] information facility, which is not easy to replicate. I mean,

it is costly to replicate. It has six square miles of antenna field. This is an antenna relay. It looks to me like a communications relay type of activity.

CHAIRMAN EDWARDS: Is that the place that is built on the side of a mountain?

MR. HANSEN: No, sir. I think you are thinking of headquarters SAC in Offut. This is down near rolling foothills, near Warrenton, in the rolling foothills of Virginia.

MR. HOFFMANN: Who is the author is that last sentence on the chart, "a detrimental impact on the Department of Defense [redacted] B-1

MR. HANSEN: The Army.

MR. HOFFMANN: Are they tenants down there?

COLONEL YANKOUPE: Sir, we have about four reasons that we can't really discuss in any detail that attest to the value of [redacted]

MR. HANSEN: In other words, we are talking about classified information [redacted] B-1

MR. HOFFMANN: Well, my God, I am cleared for the bizarre.

[General laughter]

CHAIRMAN EDWARDS: Well, you were.

MR. HOFFMANN: The thing here is I cannot

imagine that the antenna farm down there is, you know, that you couldn't put it somewhere else, and you have all kind of secure facilities a[redacted]which we are preserving out of the kindness of our hearts[redacted] B-1

Have we really taken a hard look at this? That's a valuable piece of property.

There are farms right there -- as a matter of fact they modified an old barn and a silo,[redacted] B-1

CHAIRMAN EDWARDS: Let me just say something off the record for a moment.

[Discussion off the record.]

MR. HOFFMANN: They are on the verge of building a[redacted]eadquarters down there to replace an accumulation of shacks, hasty shelters, jiffy-rigged packing boxes, and other things they inhabit down there. So this is the last chance to take a hard look at[redacted] B-1

That is very valuable land.

MR. HANSEN: The answer to your question of who wrote the last sentence is that was run through the Army, through the Secretary of the Army.

GENERAL POE: Perhaps a couple of members that have the clearance ought to take a look at it.

MR. HOFFMANN: I think the Commission needs to

1 continue to bristle a bit as we go down to our waning days
2 here. I would suggest that we bristle at the [redacted]
3 and ask the Secretary of Defense if he is removing that from
4 the list of closure candidates.
5 I would make that into a motion or whatever you nee
6 CHAIRMAN EDWARDS: I'm sorry, but I didn't hear
7 the motion.
8 MR. HOFFMANN: What we have is a suggestion from
9 the Army, who is the landlord of a number of these folks
10 down here, that we cannot look at this because it is so
11 highly classified and sensitive and that it would have a
12 detrimental impact. I think we need to ask the question is
13 the Secretary of Defense taking this off the list because
14 it is so sensitive. You know, if it is that important, it
15 should not be in this kind of hasty, rigged shelter type
16 operation down there. If they are going to build a
17 [redacted] facility, and we have Belvoir and various other
18 places that we are going to redevelop, that might be a
19 nice thing to put in there, and the land is very valuable.
20 CHAIRMAN EDWARDS: That is a fair question.
21 Let the Secretary respond. He doesn't have to tell us anything
22 except yea or nay.
23 Who is going to ask him?
24 [General laughter]
25 CHAIRMAN EDWARDS: Get him on the line.

MR. HANSEN: We might very well be able to write him a letter.

CHAIRMAN EDWARDS: We don't have time for that. See if you can get him on the telephone.

MR. HANSEN: You could hand-carry it.

[Pause]

CHAIRMAN EDWARDS: Are you through with this?

MR. HANSEN: We have one other chart, sir.

If Homestead is all right, the explanation of Homestead that you see on the chart, Homestead is a quite heavily used air base, with excellent access to its training facilities, et cetera.

GENERAL POE: It is also covered up with DEA aircraft and acquisitions at the point of a gun. So it is a pretty busy place.

MR. HANSEN: Yes.

The last two on the list are two Defense DLA depots -- Ogden and Tracy. The best we could tell about that one was in the 1978-1979 timeframe there was a study of the entire departmental materiel distribution system which concluded excess capacity existed. However, no one ever recommended any actual base for closure. So this may have been caught up in the studies.

As we mentioned in the Army's depot system, the same thing has happened to DLA. The increased stockage

levels -- yesterday's excess is today's shortage. DLA is actually leasing storage space now.

So I don't think this would be a viable candidate. We grilled DLA in our system. They did not slip through any cracks.

So we have already done this.

That concludes that briefing, with six more to go and the pizzas are available.

I wonder what the Commission would like to do.

CHAIRMAN EDWARDS: Does anybody have any comments on those remaining chestnuts?

[No response]

CHAIRMAN EDWARDS: It is kind of the bottom of the barrel, isn't it?

MR. HANSEN: Yes, sir. We have covered a lot of them in great detail with the Commission.

CHAIRMAN EDWARDS: Okay, then.

CHAIRMAN RIBICOFF: Why don't we break for lunch.

[Whereupon, at 1:05 p.m., a luncheon recess was taken.]

AFTERNOON SESSION

(1:37 p.m.)

CHAIRMAN RIBICOFF: Okay, Doug, continue.

MR. HANSEN: Next, Admiral Don Connor has joined us to discuss what we have learned about the overall National Capital Region leased space.

Our primary source of information for this was a study done by the Department of Defense and submitted to Congress -- this (indicating) is the study here -- on May of 1988, concerning, and the title of it was "DOD Administrative Space Planning for the National Capital Region."

I'd just like to highlight it for you. I think we can perhaps help out the Department in this regard.

This is just in general the areas that we are talking about. All of these bases for the most part we have already discussed.

This chart is a depiction of the projected payments to GSA for space from today out through 1997.

The interesting thing here is no matter whether the GSA leases space for the Department or actually owns the building and we use it, we pay, in essence, the fair market rate for it.

So, to the Department of Defense, it doesn't matter. It's leased space at the going rates pretty much.

1 Now some of the leases that the study shows are
2 quite old. And, in fact, for those of you who are in town,
3 you probably read regularly about how the lease costs are
4 going to double and triple. This report estimated that lease
5 costs would double very soon, within the next few years, and
6 that is part of the reason for the increase.
7 Oh, I'm sorry. This does not include that. This
8 is with status quo. So it's going to go up that much anyway.
9 So, the main thrust of the report was the
10 Department has to get out of leased space. This is the plan
11 they developed. Without much change in personnel, you can
12 see a large increase in the owned space for the Department
13 versus that owned by GSA, no DOD leases, and a decrease in
14 GSA lease space. Again, the total square footage doesn't
15 change. It's just a matter of how you pay for what you get.
16 The goals of the study were to reduce costs
17 through increased ownership, consolidate facilities, and
18 therefore put activities that are fragmented in many different
19 areas together, which is a benefit that you cannot measure
20 in dollars, improve security, et cetera.
21 Some components were going to move out of
22 Washington and administration procedures would improve.
23 Now, what makes this worthy of briefing to you
24 is that the study, even though it was done in May, basically
25 is a year old at least and it already does not include

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1 things like the Fort Belvoir part in the Army plan did not
2 include the proving grounds, while the Navy activity in
3 the Navy Yard is pretty much ongoing, although there is some
4 talk about the GSA portion of that not going.
5 The study is less than totally accurate today.
6 But it is only based on, they probably didn't even realize
7 how much land they had. Part of the plan included commercial
8 development on the Eisenhower Avenue corridor.
9 Anyway, if we just have the status quo lease
10 costs, which are expected to double, even so, we can save
11 over ten years $2 billion. Some of the savings involve
12 other types of savings, meaning not having to improve buildings
13 or stuff like that.
14 So it's an extremely good idea, but it's been
15 blocked.
16 Part of this plan involves the Pentagon South,
17 the Pentagon Annex, and that was blocked by Congress. This
18 is a very volatile political issue. Obviously, you are talking
19 for the Army alone, 3 million square feet. You are talking
20 a ton of square footage going to commercial entities, which
21 will, over the long run, pay well for the Department to be
22 out of using Bolling, Belvoir, and all those places.
23 So, our recommendation is that we can't get
24 our arms around it in the time available to us, much like
25 we couldn't get our arms around the engineer proving grounds.

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1 The most innovative ways to deal with this
2 problem sometimes require special legislation, like the
3 proving ground. The proving ground itself, a simple sell
4 and build, you could only build, if you recall, 1.2 million
5 square feet of space, whereas they estimate that by changing
6 the zoning in conjunction with Fairfax County and getting
7 private development in, and so forth and so on, they can
8 get 3 million square feet out of it. So you have to be
9 innovative nowadays to really make money.
10 So our recommendation here is that we strongly
11 support the concept of getting out of leased space and
12 getting into land, and that we recommend the study be
13 updated to include land that we already know about that was
14 not included in their study.
15 CHAIRMAN EDWARDS: Is there any comment?
16 MR. CABOT: Leased space has to do with buildings.
17 Getting into land has to do with land.
18 MR. HANSEN: We already own the land, sir.
19 MR. CABOT: So what you are really saying is
20 getting out of leased space and building our own buildings?
21 MR. HANSEN: On our own land.
22 MR. CABOT: The thing that really drives that is
23 the assumption that everything is going to go up by 4.5 to
24 5 percent a year. If that's true, I mean, if you really
25 believe that forever, why it is better to own hard assets

than it is to own money, or to lease.

MR. HANSEN: We also have a situation where the average lease cost for the whole Department today is $17 a square foot, in Washington, that is, and the commercial going rate today in this town is $30 to $35.

CHAIRMAN EDWARDS: And up.

MR. HANSEN: Yes, and up.

Of course, the Department does not come to K Street very often.

MR. CABOT: Then again, it is apples and oranges. You are comparing renting space in Washington versus having space in a low rent area, somewhere out in the country.

MR. HANSEN: Well, it's not that far out. It's Fort Belvoir, just outside the Beltway.

MR. CABOT: I know. But at least you can rent commercial space out there cheaper than you can in Washington, D.C.

MR. HANSEN: Yes, it is different, but not dramatically so. Most of our leases are, in effect, out in that area. The Hoffman Building is right on the Beltway.

CHAIRMAN EDWARDS: The what building?

MR. HANSEN: The Hoffman Building.

GENERAL POE: He left his mark on it.

CHAIRMAN EDWARDS: Is it a memorial?

MR. HANSEN: It is a single "n" Hoffman Building,

not quite as old as the family.

CHAIRMAN EDWARDS: They probably couldn't afford but one "f" either.

[General laughter]

MR. HANSEN: The idea there, sir, is all the leases were negotiated pretty much at the same time, during the large expansion of the government. They are all coming due within three to five years. They are all being currently negotiated.

If nothing else, having a nice strong recommendati like this in this report on the street might dampen some of the private developers' need for doubling their rates, if nothing else.

Timing is good on this. The idea is good, it's sound. I personally have experienced it in my old office in the Hoffman Building. That was a lousy, ratty building to be in, and then, when they started negotiating the lease, the first thing they did was to come in and spruce up the whole thing. They painted every office, they painted every hallway, they put out new carpets, and so forth and so on.

CHAIRMAN EDWARDS: Any opposition to this recommendation? Any concern about it?

DR. SMITH: Mr. Chairman, I have a concern.

I think it is a very strong statement for us to make because in a lot of cases it may be smart for the

Defense Department to lease, rather than to buy, depending on the nature of how long they are going to be there, what their mission length is, and that sort of thing.

I think that the proposal on the engineering proving grounds, just for the Army to lease that space --

MR. HANSEN: That is a trade-off.

ADMIRAL CONNER: To let the developer use that space and then, in turn, he would build a building which the Army would use.

MR. HANSEN: It essentially splits the property.

DR. SMITH: My understanding was that we would lease the building back from him for a fixed rate over the life of this thing.

ADMIRAL CONNER: I think there was a different quirk to it.

DR. SMITH: You know, we are all for private enterprise. I am not going to go out and buy buildings for my business. I am going to lease them because I know I have a corporation that is something you want to look at over time, and you may want to change that.

The concern I have is putting ourselves in a position of prejudging what is in the best interest of the Department on a case-by-case basis.

MR. CABOT: And it is not exactly what we are here to do.

DR. SMITH: That's right.

I sympathize totally with GSA ripping off the Defense Department. They have done it for years. The Defense Department has paid rent for the Pentagon forever, and the Defense Department has never gotten one nickle out of that rent.

That rent, excess rent, is supposed to go into a building fund to be used to build facilities. GSA has never built a thing for the Defense Department, despite the rent they got. I don't know, they were paying what, $25 million a few years ago, for rent for the Pentagon, annual rent for the Pentagon, and the cost to GSA was $5 million or $6 million. So they were making $20 million a year in profit off the Pentagon for rent of the Pentagon.

The Pentagon never got a nickle of that back.

MR. HOFFMANN: What were they doing with it?

DR. SMITH: It goes into the GSA Building Fund and its' used to build the [Tip O'Neill] Post Office in Massachusetts and other buildings that the GSA builds from time to time.

MR. HOFFMANN: That seems to be a rather prominent example to use.

I would assume a certain wisdom on the part of the gentlemen, which I don't have.

MR. HANSEN: Well, perhaps the recommendation

is too strongly stated. But I think it would be appropriate for the Commission to note that they have found properties where this could be done and has chosen not to excess them, which is part of our charter, because this is a good idea and we ought to pursue it.

DR. SMITH: Well, supposing your engineer proving ground, that it turns out from a tax point of view the developer wants to lease that building to the Army and he will lease it to you for $1 a foot for 20 years. That lease deal there is a hell of a lot better than building.

I just don't want to prejudge what is in the best interest on a case-by-case basis here.

I think it is appropriate for us to say that we are made aware of the lease costs and the lease costs are going to be exhorbitant and the Defense Department ought to be looking for alternatives to paying the high lease costs. But to become an advocate for one option, ownership, I think is a little strong.

I may be overly sensitive to this, Mr. Chairman, but I think that is a little out of our charter.

CHAIRMAN EDWARDS: Any other comment?

[No response]

MR. HANSEN: With your concurrence, sir, we will draft something a little less strongly worded for your final report, subject to your approval.

CHAIRMAN EDWARDS: All right. Do that.

Mr. Smith is on the Drafting Committee and he can take a look at what you have done.

DR. SMITH: I will be quiet.

[General laughter]

CHAIRMAN EDWARDS: Thank you, Don.

MR. HANSEN: Next we would like to talk about Fort Holabird.

If you recall, two weeks ago we were discussing this recommendation, that we basically close all of Fort Holabird, which would primarily affect the Defense Investigative Service Personnel Investigation Center because the other part of Fort Holabird, which is physically dislocated across a couple of streets from each other, was already in a planned move to Fort Meade. But at the time, we had issues concerning loss of specialized workforce, et cetera.

What we discovered was that, what we did was we ran the move of the Army Criminal Records Center through the model and it paid back in 4.3 years because their construction costs at Fort Meade were going to be less. They were going to renovate an old commissary. However, there were not two old commissaries, so, therefore, we didn't have a home for DIS, and to build new facilities for the Defense Investigative Service on Fort Meade did not pay back.

Now, I might point out that since Fort Meade is

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in a comprehensive analysis right now, this may change. It wouldn't change the Defense Investigative Service part of the equation. But wrapping Fort Meade up into a much larger comprehensive study of ins and outs, it might. But, given the time we have, I don't want to accept any more work than I need or that I can handle.

So, I am not sure what we could do with this Defense Investigative Service. But we ought to support the move of the Criminal Records Center to Fort Meade. I think that is in the contonement area. So it would not hinder excessing the other land at Meade, if that is a good idea.

So, our recommendation is to leave the Defense Investigative Service where it is right now for want of a payback option that would work for us.

CHAIRMAN EDWARDS: Any comment?

[No response]

MR. HANSEN: By the way, for the Recorder, that was Kevin Urban from DLA away.

At your tables, you should find a two-page summary that we left with you over lunch regarding properties that the GSA has on their excess list. Again, just to refresh your memory, let me describe how properties end up on GSA's excess list.

The first way is the easy way for the Department. If the Department decides it's excess, it turns it over to

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1 GSA for disposal. We have no problem with that system.
2 We don't wish to do anything about it.
3 The second part, though, is GSA has an active
4 survey team which goes out to installations and does surveys
5 of whole installations and recommends things for excess.
6 We had a long computer list collected on these
7 types of surveys, many of which the Department or the service
8 involved disagrees with. And so, what I have asked Karen
9 Chase to put together is an analysis of these, and the
10 criteria we used was any parcel that GSA recommended for
11 excess that was either 500 acres or more or represented
12 50 percent or more of the actual installation. This
13 should be a somewhat exhaustive list of all of those that
14 met those criteria.
15 You will recall things like the GSA would go out
16 and survey 109,000 acres at Fort Knox and recommend 12
17 acres for excess. Well, we didn't follow up on those kinds
18 of things.
19 What we followed up on were ones that were
20 either the whole installation, which would met our criteria,
21 or a significant amount of an installation.
22 The first list of properties is shown. In
23 general, we think the Commission could concur with the
24 GSA and take credit, since they have not been officially
25 excessed, and say we have also discovered these properties

which should be sold. The only problem we have is you will note that four or five of these are involved with the National Guard, and things get a little delicate when dealing with properties the National Guard is using.

So our recommendation would be that the Commission, much as it has in other cases these last few days, target these, subject to anyone finding a legal impediment or other impediment that would stop us, if you will, in the next two weeks.

MR. HOFFMANN: What would you do, refer those to the Guard Bureau?

MR. HANSEN: I would refer them to the Army National Guard, or whatever. The Navy happens to control the Salton Sea Test Base, of which 6,700 acres of it is the Salton Sea, or part of the Salton Sea.

CHAIRMAN RIBICOFF: I am just curious. What do you do with land that is under water?

MR. HANSEN: Well, you can build marinas on it. The Salton Sea is actually developing --

GENERAL POE: They sell it to people.

MR. CRAIB: There is always low tide.

[General laughter]

MR. CABOT: What will they do with the other 6,000 acres?

MR. HANSEN: That is the value of the plot.

MR. CABOT: Do they have something going on there?

MR. HANSEN: No, they are not using it.

MR. BARRETT: There is one thing. It almost falls under the list. It is a possible contamination, a minor contamination, problems from some underground storage tanks.

MR. HANSEN: The second list, as Charlie Barrett mentioned, is also candidates for excessing, although they all have toxic problems that either need to be cleaned up or that need to be identified, whether they are there or not. But, again, subject to the cost being less than the value, they might be good candidates.

At this stage, we would not be able to come up with the cost of cleanup. We would only be able to come up with a rough estimate of the value.

We have not come up with any values on any of these so far.

The second page is a list of actions which we would recommend. The properties are excess and either they are in the last stages of being finally reported as excess to GSA or there is good reason for them not to be excessed.

The biggest one that I would like to point out to you there is the two areas in [redacted] I guess that stands for Army National Guard Base, or, rather, Air National Guard Base.

Quite a few acres are there. The Air Force is

1 negotiating with the State of Colorado on property exchanges
2 for those, and those usually work out very well, to the benefit
3 of the Department. They are always based on fair market
4 value and equal trades and, you know, the Department not gettin
5 messed up. I would recommend that the Air Force be allowed
6 to continue those types of negotiations.
7 The final lists are those where the staff, using
8 information provided by the Service, disagrees with the
9 GSA on whether or not these are in excess. Dillingham
10 Military Reservation -- the GSA did not consider that it was
11 used at night. They only appeared to measure it during the
12 daytime and didn't find much going on and said this is excess.
13 There is a heavy night vision goggle flight training usage there
14 MR. HOFFMANN: A nine to five investigator, right?
15 MR. HANSEN: Yes, a nine to five investigator.
16 The Navy Outlying Field at Imperial Beach is excellent.
17 The Imperial Beach, California air base is heavily used by
18 helicopters for landing. It is just south of San Diego,
19 right near the Mexican border. I wouldn't be surprised if we
20 would find there is quite a bit of ground based Customs
21 work going on there, too. It would be good to have a buffer
22 zone, if you would.
23 Miramar is another one where it could be exchanged,
24 but we put it on this portion of the list because no active
25 negotiations are going on right now.

Whidbey Island is another one which was a mistake. In essence, the vast majority of this is encumbered by ammunitic storage. Apparently, GSA didn't understand explosive arcs.

The other one is a complete outlying field, heavily used by the Marine Corps Air Station at Cherry Point for training. Maybe they had their midnight investigators doing that one, I don't know.

Our recommendation ~~is~~ that we pursue the ones on the first page to see if there are legal impediments or environments that would be show-stoppers, and, if there are not to include them in our recommendations.

CHAIRMAN EDWARDS: Any problem with that?

[No response]

CHAIRMAN EDWARDS: Okay, that was page one.

Page two?

MR. HANSEN: For page 2, our recommendation is that we not pursue that.

CHAIRMAN EDWARDS: Any problem with page 2?

[No response]

MR. HANSEN: Thank you, Karen.

I think this was done Sunday night, between 10:00 and 1:00.

MR. CRAIB: What kind of testing do they do down at Salton Sea?

MR. BARRETT: They don't do anything any more.

It was originally a nuclear testing site. That's why there is some question about contamination. It has not been in use for almost 15 years.

There is some question about the land value put out by GSA, $1,000 an acre for sand and sagebrush.

MR. CRAIB: And at 112 degrees.

MR. HANSEN: I was going to say if you go to San Diego a lot, you would fly over it. You can see the development down there. It is sort of recreational developmen

MR. CRAIB: Down at the end of the lake the fish glow just a little bit.

[General laughter]

GENERAL POE: There is another test area that was very nice, where you could get higher speeds because you were below sea level. So you'd test certain things, especially water vehicles, for high speeds.

MR. BARRETT: That is why a part of the acreage that includes this was a part of that, you know, drop zones, instrumentation, things like that.

MR. HANSEN: This next analysis was an analysis that I think Mr. Claytor asked us for. In a sense, it was a portion of the high value properties, but it was the operational base portion.

We were asked to look at high value operational bases and only look at their value as far as land goes,

which may or may not be of interest to the Commission, to say something like we looked at 20 such properties with a value of billions of dollars which some future commission might consider swapping for needed training land, or something.

We chose, in general, the 20 largest metropolitan areas and did the best we could -- the highest cost areas -- and did the best we could to find a military installation in them. If you will note, in Seattle we had a hard time finding anything big there that was not already considered because we had Sandpoint already on our list.

This is now not Seattle-Puget Sound; this is just Seattle itself.

CHAIRMAN EDWARDS: Is Bayonne in California?

MR. HANSEN: It is in New Jersey. That is supposed to be New Jersey up there.

CHAIRMAN EDWARDS: I thought so.

GENERAL POE: It seems to me that I sailed out of there one time.

MR. HANSEN: If we could have the next chart, this is operational bases, and also the next one, the Marine Corps chart. We tried to be balanced, if we could, for a number of things.

That is a billion dollars for the Marine Corps.

Our recommendation on these is, while we may be able to save the analysis we did and talked about, to mention

1 these bases would be severely detrimental I think to their
2 continued operations. We clearly don't have any idea of
3 where we'd put them.
4 The Naval Air Station Miramar, we know that is
5 targeted by the FAA; we wouldn't want to highlight that, that
6 we were even half-way considering it.
7 This needs to be treated very delicately.
8 GENERAL POE: You have "Lake" up there. That is
9 supposed to be "Luke" in Phoenix.
10 CHAIRMAN EDWARDS: Any time we mention a base,
11 we create a problem over on the Hill, and if we mention one,
12 even if we are not going to close it, it just puts up a
13 cautionary flag. I would just as soon not mention anything
14 that we are not going to actually deal with.
15 MR. HANSEN: I would certainly concur with that.
16 Do we have a sense that we would like maybe to
17 incorporate this, the values of these that we have
18 collected at all, even without mentioning the bases? Or
19 what are we going to do with this, if anything? It's not
20 that I need any more work, of course.
21 CHAIRMAN EDWARDS: I doubt if it serves a purpose.
22 MR. CABOT: You are not changing your view about
23 what you said yesterday, that there ought to be some things
24 which we don't close which we ought to say why we didn't
25 close.

CHAIRMAN RIBICOFF: Oh, I think there should be examples.

CHAIRMAN EDWARDS: But I am not sure they ought to be in the report.

MR. HANSEN: But we could prepare defenses for those examples. To put them in the report is to mark them.

CHAIRMAN EDWARDS: What I meant to say yesterday was that those of us who are going to have to defend the report need to be prepared with some additional information as to why we did not do certain things. But I wouldn't put those bases by name in the report.

MR. BRYAN: Let me just say that every time you mention a base in the report, whether we actually get to close it or not, it irritates someone and perhaps helps to create a critical mass of votes against this report in Congress. So we probably ought not to do that.

MR. HANSEN: I have only one left before I turn the floor over to Russ.

We were asked in particular bases, it was mentioned specifically to look for some excess property. The bases were [redacted] the middle ground there, are all tied up in the National Capital Region area, with very small land, if any, to build on. Whatever could be carved out of there, even if it is not quite zero, would be a candidate for getting out of leased space or

something like that. So I would not recommend anything there.

But we do have some analysis of [redacted] and DLA Depot.

[redacted]s an Air Force Base of 349 acres. It was surved by the GSA in 1983 in the same type of survey. They found a ten acre parcel; a lighted softball field and a picnic area was declared excess by GSA. But they couldn't find a way to relocate it at all.

As you can see, it kind of gives you a sense for this.

CHAIRMAN EDWARDS: Are there two [redacted] I thought [redacted] was in [redacted]

GENERAL POE: It is, and that chart is wrong.

GENERAL QUINN: This is to the [redacted] You are exactly correct.

MR. HANSEN: No, not San Antonio.

DR. SMITH: Which is to the East of San Antonio, too.

[General laughter]

MR. CABOT: Was the problem that they could not find a way to relocate the picnic area or the softball field?

MR. HANSEN: They could have relocated it, but they would have gotten $100,000 for the land and would probably have spent $200,000 to relocate it.

GENERAL POE: There is something else to say about

that, too.

We have a noncommissioned officers academy for the Air Force there, and I would think they would probably like to play softball once in a while. That is my reaction.

Maybe they have two softball fields, but I just know the GSA and the way they look at things.

MR. CABOT: For GSA to pick out ten acres for a softball field someplace is really nit-picking.

GENERAL POE: That's right. You see, the guy has to justify the TDY, the ticket and the hotel room, all of that.

MR. HANSEN: Now [redacted] does say that they could probably perhaps build on as much as 35 acres. The ability to build on land and the ability to excess land are two entirely different things. I think you will see that when you get to the DLA Depot and Brooks.

GENERAL POE: The problem with this, Mr. Chairman, is I think if somebody could do an exhaustive study over time, say of the area university down there, you would probably figure a way to move these activities over there.

But it is so complex and it is one of those things you do not want to screw up because we have tried it before and we have some other things going at [redacted] now, like the people who have determined what kind of computer programs you should use for the whole Air Force and all of

that.

But I just have the gut feeling that you could do it. But I don't see any opportunity at all for the staff or ourselves or the Air Force to do it now.

MR. HANSEN: Okay.

[redacted] Air Force Base is 1,310 acres west of [redacted]

[General laughter]

CHAIRMAN EDWARDS: And how about San Antonio?

[General laughter]

MR. HANSEN: It was also surveyed by GSA and they figured all land was essential to the Air Force mission. However, the Air Force has told us that they perhaps could find 400 acres of land to build on there at [redacted] but, in accordance with GSA, they could not excess it out.

GENERAL POE: That's my service. They want to give us a radiological burial site.

[General laughter]

MR. HANSEN: This was late-breaking news. Brooks does have planned growth. In fact, it turns out that the excessed property at Brooks is the old runway area. They are planning to build 150 houses in there between 1987 and 2001. Obviously, they do long-range planning in the Air Force. There are R&D facilities, et cetera, et cetera.

So, there may not be a total of 400 there, but

1 the area has been built on and built upon.

2 I see these circles around here (indicating).

3 The circles tell me there might be buildings in the center of

4 them which might mean some ammo or something there that is

5 hazardous. Those are the kinds of drawings you get on maps

6 like that.

7 Finally, we have the Defense Depot, [redacted]

8 DR. SMITH: So your recommendation is to do nothing

9 at [redacted]

10 MR. HANSEN: Yes. It is to leave it, in an

11 area like San Antonio, as large as that is, to leave it for

12 future flexibility. I mean, it can't be carved out. That's

13 the problem.

14 It's not excess. It is capable of being built on.

15 But it is pockets here and there.

16 If you can't excess it -- and GSA couldn't even

17 excess it, and they are mean -- then what?

18 DR. SMITH: Would you put the map back up again?

19 That confirms my recollection. You have all of the

20 runway area, the lower right side of that. So it looks to me

21 like it could be sold off.

22 You've got plans to put Air Force housing in, but

23 that could go at [redacted] or any of half a dozen Air

24 Force bases. Aren't there about half a dozen or so?

25 GENERAL POE: Well, now, don't overstate it.

It's about a quarter of a dozen.

MR. HANSEN: The biggest circle there is centered around something called a "Directed Energy Lab." I don't know what that is.

GENERAL POE: I think that is laser technology.

MR. HANSEN: Well, if you want to sell it, you obviously would have to move the lab. That is what I mean, whether you could move the lab.

Sanitary landfill is in here, too.

Next is Defense Depot [redacted] There are a total of 1,139 acres. It was surveyed by GSA in 1984, and they recommended small, little parcels be declared excess, but DLA disagrees.

Now, the 750 open acres was reported to us in Phase I analysis by DLA, and the best we can tell is that that was a mistake. We'll put a map up to try to show you what we have here.

This is a huge depot surrounded by rail lines. All of these lines in here (indicating) are railroad lines. All of these squares (indicating) have been built in as storage, and all of these (indicating) are open. So, you could make the depot bigger for storage and use the rail lines and all that sort of stuff, but you can't make much else use of it.

All of this property above here has been excessed

already and the property that GSA was talking about is right down in here (indicating), alongside the railroad lines. They have 1989 and 1990 plans to build on that. So I think the 750, if it is a 750, it is pockets like that. I don't think we could do much other than make [redacted] bigger.

So, again, I would say when the Department needs more storage space, instead of leasing it, we might consider putting it there.

But, actually, Ogden is not the best place to have a depot either, so that probably is why it hasn't been done.

That concludes the property there. Our recommendation is there is nothing more the Commission could do in that area.

CHAIRMAN RIBICOFF: Thank you very much.

MR. HANSEN: There is one more topic. Russ has a briefing on his morning meeting on labs.

MR. MILNES: Mr. Chairman, when you asked me to go into my room to think about this, I definitely took your suggestion to heart, and I didn't do it alone.

I had a meeting this morning with the senior leadership of the military departments -- Army, Navy, and Air Force -- the senior research, development, test, and evaluation people. We met for about two and a half hours.

I would have to say that the meeting was a

heart to heart talk about the laboratory system in general and development tests as well, but with the emphasis on the labs.

I basically explained to them that the Commission felt that this area was one that warranted further examination and that this was their window of opportunity to participate.

After they reflected on that a bit, their reaction was -- and this was each service reporting in turn -- that in their professional opinion, there really was no excess capacity or candidates for closure.

They gave some reasonable arguments about that, which I would be happy to go into. But, before I do so, if the Commission would like to hear of those, it really leaves us with only a few options at this point, based on the military departments' view that they are as low as they believe they can go in the RDT&E area.

One of the options that we can take is to request the same kind of detailed analysis that we have, in fact, requested on the other functional areas. The problem with that, I think, is that no matter how carefully we craft that analysis or how carefully we ask those questions, we will end up with the same answers at the end of ten or 15 days.

I think we will end up with incomplete information at best and that same conclusion.

That really leaves us with the only option that I

1 believe is viable at this point: with 20 days left before
2 our report has to go to the printer, that we follow the
3 policy recommendation, as we talked about yesterday, that
4 we recommend to the Secretary that he perhaps direct the
5 Joint Director of Laboratories, which is a joint group, to
6 look at this issue, to develop a uniform set of standards.
7 to measure the laboratory functions, with an eye toward
8 enhancing the overall technology base of the Department,
9 especially with a joint service, or cross-service.
10 I think that is the only viable option, at least
11 in my view. I would be happy to go over the points that
12 they made this morning.
13 MR. CABOT: Are you proposing that we give
14 up the idea of closing Watertown?
15 MR. MILNES: No, sir.
16 In the way we developed the approach to this
17 particular category, we asked them to identify early-on
18 either where there was a defect in mission or -- well, not
19 a defect, but, rather, a decrease in mission or something
20 where the mission was going away -- or excess expense in
21 the cost to rehabilitate a facility to make it functional.
22 Watertown came up on that particular review,
23 and I think that we are still well advised to recommend
24 closure.
25 But it did not produce any other candidates.

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That's what we went back to the military departments this morning to ask: what else was there that could be done, based on the framework of this Commission and its approach.

I would say it was a very candid discussion, one where we left no question unanswered.

MR. CABOT: Who was candid besides you?

MR. MILNES: Well, I called in the senior leadership of the military departments. We had Major General Williams from the Army; Brigadier General Malcolm O'Neill from the Army as well. He represents Technology Management and Planning for the Army Materiel Command, which is the major function area for the laboratory area. We had Major General Thomas Ferguson, Headquarters, Systems Command. Systems Command is the major arbiter of RDT&E functions within the Air Force. We also had Mr. Ed Tunstall, who is the Director of Navy Laboratories, which represents the bulk of the Navy lab system.

We told them ahead of time -- this was something that we said last time -- that we expected them to come over here and be able to speak for the Department.

So, I believe that they were candid. However, it is not totally clear that they were. I guess what I am saying is that, given that they have identified no further labs for review, there is probably no way in which we can develop an analysis that can get at this issue in less than

20 days.

If we had to do this over again, beginning back in May, we perhaps should have gotten outside experts who could have helped us in this particular area.

But I think we have really run out of time. At least that is my opinion at this point.

MR. CABOT: Well, I think if we are going to make any recommendation other than to close Watertown, rather than talking about a uniform system of evaluation or something like that, we also ought to consider maybe proposing some kind of peer review process, like is used in the rest of the scientific community. I think that is where they would flock.

I don't think you would learn anything if they set up their own system of evaluation. You might learn something if you got the National Science Foundation or somebody to do something, the way they have done in some of the other labs in the Energy Department, et cetera.

MR. MILNES: In our analysis, in our discussion with other people in the scientific community, that point has also been raised, that a peer review certainly sorts out the good labs from the bad labs.

So I would agree that we could add that in the recommendations, that that be one of the bases that the Secretary could use for evaluating the RDT&E area.

MR. CABOT: Well, I would prefer that to the other way.

DR. SMITH: That is done now to an extent. The Army Science Board does peer reviews at the Army labs. I have sat on two of those at Belvoir, and at the Engineer Topo Labs. I think over the last couple of years, probably every Army lab has had a review of outside scientists, if you will, who have come in and evaluated the quality of the people, the quality of the programs. There is a fairly structured approach, and some of those have been very critical.

CHAIRMAN EDWARDS: Are you saying that that is working?

DR. SMITH: I'm saying the reports are there and some of those reports are critical. Whether or not it is having any influence on the labs I think is a function of whether or not the Army is paying any attention to it.

MR. MILNES: I would add that apparently things are working in that area.

CHAIRMAN EDWARDS: Was that are or are not working?

MR. MILNES: They are working. The Air Force has said that they have regionalized their laboratories and co-located them with production functions. I will just give you an illustration.

The Wright Aero Labs is co-located with Wright-Patterson Air Force Base. Now that is not the way it always was. But in the recent past, in the last ten to 15 years, the Air Force has gone through a major effort to close labs and consolidate next to their production facilities.

The Navy reiterated today that they had gone from something like in the last 15 years from something like 20 to about 15 labs, and down to 10 labs in 1978, and now down to seven labs. So they have also been involved in this consolidation.

They brought up some other points as well. For example, 50 percent of the RDT&E dollars in the tech base area is really going to outside contracts for execution. So they are already working quite a mix between universities and other contractors.

So they seem to have a system in place that may not be perfect, but that certainly incorporates some of the points made this morning.

GENERAL POE: I can confirm that the Air Force was very disturbed with labs on my watch. For example, one of our highest costs of ownership of an airplane is when an airplane leaks. I found they were testing the tanks in the lab that did that with water, instead of fuel. This, of course, makes a big difference on things like the sealifts and the rest of it.

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We found one lab that was working on grasses for airfields. We asked the FBI if they could do that if we ever needed to do that again, and they agreed.

So there has been a condensation. They have worked that problem to some extent. How much good has been done in savings, I don't know. But the functions have been looked at in the last ten years, at least to some extent.

CHAIRMAN EDWARDS: Okay.

Are we satisfied with Mr. Cabot's approach?

MR. HOFFMANN: Well, I am not sure that that really answers the question. It does something. But I think if you take the Navy at face value and say we are going to co-located these things and we are going to shrink them down, you are going to wind up in this laboratory area with some potential savings. We get back to an analysis of whether or not, as in the Natick Lab situation, if you don't have a lab that -- well, you could do the work anywhere, and it's sitting on a valuable piece of property.

Mr. Chairman, incidentally, this is having read through now the draft of the report, something we are going to have to grapple with as to exactly what our mission is.

If our mission is just to look around and see if things are unused, as the report says, if bases are unnecessary, then that is one thing. But if our mission is to go in there and find some savings, in the grossest kind of

1 setting, you know, really cost benefit types of savings,
2 even if it induces a little pain and discomfort on the part
3 of the service, then I think the labs come in for the same kind
4 of treatment.

5 Now the Army has produced a very interesting
6 document here. Under my friend, Doctor General Starry's
7 guidance, they have put together a list of the labs and
8 they indicate which are free-standing. Then they have given
9 us an analysis of what they do. From that we have gotten
10 our scrutiny down to about four free-standing labs, where
11 you could make a difference if you closed it, because that
12 lab is a free-standing lab and it owns a piece of real estate.

13 Now, that is the Army, in which we have some
14 rather immediate expertise. But it seems to me like the least
15 we should do -- and, again, maybe I am looking too hard to
16 keep us prickly in our latter days -- but the least we
17 should do is get that same information from the other services
18 and find out where the free-standing labs are, find out
19 where there is some potential that we can review in a gross
20 way.

21 I am not sure that we have satisfied the glowing
22 language we have in our report as to our analytical process
23 by going in and asking the services what they think. Okay?

24 That's number one.

25 Number two, I would far rather have a little

1 interview with the Assistant Secretary for R&D on the
2 political side, rather than the military side, and say hey,
3 you've got to haul in your belt here. You want to keep
4 this laboratory base in a state of some turmoil, you know,
5 to provide them an incentive to keep on their uppers, and
6 where can we zap us a lab. Okay?
7 What is a lab you would like to close because of
8 a consistent failure in being able to deliver the goods
9 for the customers? Okay? Where can we make some savings,
10 because that is really what we are about as a Commission,
11 I think. That is a little over-simplification, I think,
12 but it sounds gutsy and do-able.
13 CHAIRMAN EDWARDS: I think that request, in a
14 sense, has already been made to the Assistant Secretary for
15 R&D and did not produce any response.
16 MR. HOFFMANN: Oh, no, no.
17 DR. SMITH: We haven't gone to him and sought
18 a response. Your suggestion I would take a step further
19 and say that we come up with our own list of three or
20 four and say these are the ones that we intend to take,
21 do you have any problem with that, or do you have another
22 recommendation to make as a substitute.
23 MR. HOFFMANN: Well, you see, the problem is, in
24 the case of the Army, you know, my brother Starry and I
25 have done that. But in the case of the other services, it is

not so clear.

Now I suspect if you have the equivalent list in the Air Force and the folks could look at that, you could look at that and say aha, I remember them, they were making square wheels for airplanes and doing things like that, and they ought to be closed. They didn't satisfy many customers - whatever it is.

GENERAL POE: I am not sure that we have any free-standing ones.

MR. MILNES: We have some, in the Air Force, that is, but they fall into development centers.

I should clarify the fact that we do have the level of information that you are asking about, Mr. Hoffmann, from the other services. So we can make that kind of comparison.

But one of the things we find is, and I think it was well put, that the laboratory function responds to the customer, to the service customer and to the corporate board structure of any of the services. When they are out of phase with the services, they hear about it in a hurry. Just based on the dynamics here, they depend on the customer for their funding. So that is one way that keeps them reasonably honest.

The other thing is that the level of funding in this area is not as high as some people might expect.

1 The pure tech base, the basic research base, the kind of things
2 that we really have been talking about, is under 2 percent of
3 the Defense Department budget. It down in the general weeds
4 area.
5 MR. CABOT: That's a lot of billion dollars,
6 though.
7 MR. MILNES: Yes, sir. But when you spread it
8 across the entire functional area, it's a small percentage.
9 I do not mean that to depreciate the value. But the fact
10 is when you are down that low, the Defense Department has to
11 husband that very carefully because it is not money that they
12 can throw away frivolously because the Congress doesn't give
13 them too much. Frankly, the technology area is an important
14 one, especially in the Air Force, but also in the Army and
15 Navy. So I think there is some internal, at least from a
16 staff point of view, some internal mechanism to keep the
17 ship aright in this particular area.
18 I think there is some danger to taking the approach
19 of recommending certain ones for closure and then waiting
20 for the Department to react because they may well just let
21 us carry it right on into the report. I think we would be
22 hard-pressed to come up with the justifications for those
23 particular elements if they put us to the test.
24 MR. HOFFMANN: But you are not saying to close them
25 and do away with the function. You are saying, like any other

1 installation, here it is, it is a valuable piece of land in
2 an urban area and if you were required to move this, where
3 would you put the pieces? How can you align this to make
4 more sense out of it?
5 You know, it looks to me like in some of the Army
6 cases, as we have been chatting, that there is some opportunity
7 to do that. I hate to single out the Army as being the
8 only people that we are going to get into trouble with, except
9 that there are a couple of nice, big opportunities there becaus
10 of the potential saving.
11 MR. MILNES: Yes, sir. We have asked the question
12 generally. Maybe it can be asked more specifically. But if
13 the function doesn't go away, if the mission gets realigned
14 and it turns out the laboratory function, because of the hardwa
15 that goes along with it and the skilled people that handle
16 those missions -- it gets costly to disperse it if the
17 mission stays. If the mission goes away, then, of course,
18 it is a different problem.
19 But in terms of costs of relocating activities,
20 the labs move into the upper realms of cost. So it is hard
21 to pick up a lot of saving in this area.
22 GENERAL STARRY: I don't know whether we will
23 make a recommendation or should make a recommendation about
24 this or not. It needs more analysis. Had we started in May,
25 I would be a lot more comfortable doing the things that

1 Commissioner Hoffmann and I have discussed. But I will just
2 tell you that what is at stake here is the efficient
3 management of the R&D process for the Defense Department in
4 an era of declining resources.
5 My experience on the military side and in
6 industry is that most laboratories are hobby shops and
7 that unless you devise some system, some management system
8 of discipline as to drive them -- and, it's true, they
9 sort of respond to the customers; but it's also true that
10 they sort of respond to the need to keep themselves alive
11 and moving in the disciplines and the technologies that
12 they have been pursuing for all of those years, and they
13 really don't care whether it ever gets fielded or not.
14 In fact, in many cases they would rather it
15 didn't because they might have to go and figure out how
16 to do something new, and they don't want to do that.
17 Age and other impediments intervene over the years, and
18 people don't like change, and so on.
19 My view of the whole thing in industry and --
20 I hate to make sweeping allegations -- in industry and
21 in the government is that it is not a very efficiently
22 managed process. I just have the uneasy feeling that,
23 even though the overall bucks involved are not all that
24 impressive, that we say something, in our report draft,
25 anyway, about efficient management of this, you know,

the efficiency of the Defense Department. Here is an area in my personal view, at least, in which there is great room for improvement in the efficiency of the management of the R&D process, and I would hate to see us pass up this opportunity to stick that needle in the body politic.

By the way, if we decide to say nothing, I won't jump up and down.

MR. HOFFMANN: Do we have lists from the Navy and the Air Force that indicate that there are any free-standing laboratories, as such?

MR. MILNES: Yes, sir.

MR. HOFFMANN: Are there any?

MR. MILNES: In the Navy there are basically seven. In the Air Force, they are all co-located with their production facilities. So they are not purely stand-alone in that sense.

They have a development center at Arnold, which is really not a lab, but a test and development facility, a massive facility. So that when you start looking at stand-alone only, the Air Force has all of theirs as tenants on bases. But we have the information.

MR. HOFFMANN: How about the Navy?

MR. MILNES: The Navy has seven that are considered stand-alone. I have them right in the book.

GENERAL FOE: Let me talk out of both sides of my mouth.

First, I essentially agree with you. The reason I would be concerned about something in the report is, I hate to be cynical, but my reaction is when this budget cutting on the Hill gets to be really tough, they will quote whatever that is and arbitrarily take a chunk of money out of the research and development business and tell us to clean up our act, and that may or may not be possible to do without closing some places, which we cannot then do.

That is the problem that I foresee.

CHAIRMAN RIBICOFF: I'll tell you what bothers me.

Marty, I think you have a very good idea and I'm very sympathetic. But at this stage, to make a comment and say something, we have no basis for it, which is unfortunate, and time has run out. I don't know how anybody can get this together. It is an important field, but we have nothing to back it up on.

That's what bothers me.

MR. HOFFMANN: Well, I am not for the language because I think the language is straying from our mission, which is not promoting efficiency in the Defense Department. It is in closing facilities and installations.

Now, on that head of the problem if there is a facility and an installation that happens to be a laboratory, it has received immunity, to an extent, from our process.

CHAIRMAN EDWARDS: But that may be our fault or may be the fault of a lot of people.

CHAIRMAN RIBICOFF: Well, we woke up to it and we woke up to it very late. We never addressed it.

MR. CABOT: Let's be specific.

I am going to go up and look at Natick next week. We talked all last night of our war stories about Natick and what a bunch of dumb things they have done.

Now, hell, am I supposed to judge whether they do good research or whether you could do it cheaper somewhere else?

MR. HOFFMANN: I think in the case of [redacted] and the [redacted] and the other one -- there are three -- they are really candidates. There are four free-standing ones. One is [redacted] which is an electronic thing in suburban Maryland, probably with a high property value. One is a free-standing building in [redacted] that is a [redacted] I don't know why it should be there instead of someplace else.

MR. CABOT: That is where the [redacted] ski team is.

[General laughter]

MR. HOFFMANN: The [redacted] is in [redacted] which is a prime piece of real

1 estate.

2 MR. BARRETT: That is a joint service operation.

3 MR. HOFFMANN: Well, you may have some tenants,

4 but it is an Army facility.

5 MR. BARRETT: I know. But the point is they do

6 joint service research.

7 MR. HOFFMANN: Sure. Fine. But that doesn't mean

8 that it can't be moved.

9 MR. BARRETT: I understand.

10 MR. HOFFMANN: What I am saying is I think we ought

11 to take at least two of those -- I don't know, anything --

12 and [redacted] are perennial visitors to the

13 list. I would think that there was more than abstract value

14 in saying they ought to be with some other Army post

15 somewhere doing this work, and that we ought to ask the Army

16 to take a look at the economics of closing this and freeing

17 up that land for sale, and putting these labs somewhere else.

18 We could then look at the result and see what

19 we have.

20 CHAIRMAN EDWARDS: I am troubled by our time problem

21 and how much more we can task somebody to do between now

22 and the time we start turning out all of this. If we have

23 blown it in the sense of not dealing with this earlier,

24 then it seems fair to raise the question of whether we have

25 just blown it or how long as we going to go on tasking

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these guys to do one more thing and one more thing. There has to be a cut-off somewhere.

MR. HOFFMANN: Well, we're not tasking our people to do it. We are tasking the Army. We have the specific ones. They have come back to us with this list. We are going to go back and say okay, tell us what are the dynamics of closing this, and show cause why it should not be realigned.

It is the same process we just used on Fort Dix, which emerged out of a sea of potential candidates and twisted rationales.

CHAIRMAN EDWARDS: But we had a Fort Dix by name. I don't know the names of the facilities that you are talking about.

MR. HOFFMANN: Well, we know them because we asked the Army about them specifically.

GENERAL STARRY: Well, the candidates that we looked at are [redacted] in Massachusetts, the [redacted]

CHAIRMAN EDWARDS: Are those two all that you are talking about?

GENERAL STARRY: Yes. There are others, but those are the two main ones.

MR. HOFFMANN: Well, there are only four free-standing ones.

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MR. HANSEN: Four free-standing ones in the Army, sir, that is. There are seven in the Navy.

MR. MILNES: There are really no pure stand-alones in the Air Force.

MR. HOFFMANN: All right.

Could you get with Graham Claytor with the Navy list. He was interested to see that and thought that we ought to do something. See if we could deputize him to identify a couple that the Navy ought to take a hard look at.

MR. CABOT: I am going to see the Naval Research Lab, wherever it is here in Washington, tomorrow. I don't think it is going to be on our list, but I am just going to look at it.

MR. HOFFMANN: I don't want to overkill this, but --

CHAIRMAN EDWARDS: And I don't want to pass up an opportunity. I just think that somewhere we have to draw some lines and say that we have done all we can do.

MR. HOFFMANN: Does it give the acreage of Natick in there?

MR. MILNES: Not in the material. I don't think so.

MR. HOFFMANN: I think it would be worth doing, just to keep the pressure on the system, very frankly.

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MR. MILNES: [redacted] the center occupies 765,000 square feet of floor space. Let's see what else. We don't have the acreage of that.

MR. HOFFMANN: If [redacted] were up there, that would be one thing.

MR. HANSEN: If I could just make an overall workload comment, we have less than two weeks left before we meet again, and less than a week left before the staff owes you chapters and write-ups on every base we have closed, chapters we haven't given you yet, revised chapters that we need to get back, and so forth. In other words, there is a fair amount of work.

In order to do this data verification, we had hoped to be able to use some portion of our staff to do travel next week, to go out to bases to do verification. We have some staff members who are accompanying Commissioners. And we have, with the exception of the Air Force, the services with a fair load of work to do on analyses, such as changing homeporting and Devens and a whole long list of things like that.

I am really concerned that something will have to give. Clearly, our final report cannot be what gives. I am concerned whether I can produce all of the analyses that you have asked me to produce

in the time available. I am wondering if this is seemingly headed toward a if we can't decide which labs to drill, then let's drill them all, that kind of effort. That would really break the backs of the Army and Navy.

MR. HOFFMANN: Now that is not what has been proposed.

What we proposed was that you get the data on two labs from the Army and that you submit the list of free-standing labs in the Navy to our distinguished colleague and let him see if he sees any possibilities there, and that we take a look when we get it back at the story we get from the services.

CHAIRMAN EDWARDS: Is that the will of the group?

MR. HOFFMANN: I am just saying that it is a possibility. If you think that the staff has too much to do, well, then, that obviously is a factor.

DR. SMITH: Mr. Chairman, yesterday we talked about how we are going to get there from here. I think it is useless to send the staff back to do another round of research. We are not going to get anything.

I think that we have talked about an awful lot of things here today, a lot of things in the Army, and yesterday a lot of things in the Navy. We have some mixed ideas here about what you can and cannot do.

I still think one way to get at this is to come

1 up with a fairly long list of things that we are considering
2 closing, that at least three or four Commissioners would
3 agree that that is something that we ought to consider closing,
4 and then you and Chairman Ribicoff could delegate somebody
5 to go and sit with the leadership of the Army and the
6 Navy and say this is what the Commission has under serious
7 consideration, this list of 12 items. We need to know from
8 you quickly which ones hurt bad, which ones don't hurt bad.
9 CHAIRMAN RIBICOFF: If you will excuse me, I think
10 Marty knows more about this than anybody.
11 You are in Washington. I hate to put the burden
12 on you, but will you sit with the services and ask them
13 just what you want? Give them those names.
14 MR. HOFFMANN: Okay.
15 CHAIRMAN RIBICOFF: Why don't we delegate it to
16 Marty to get, and then we'll come back on the 13th and
17 let them report back to you. They will report back to you,
18 too, because you are not a staff man. They will report
19 back to you. Then you will give us the stuff here on the
20 13th.
21 DR. SMITH: I think he can do it faster than that.
22 I think we can say okay, we'll go with these ten, and
23 we'll begin the justification and writeup on these ten,
24 and then, when we meet back here on the 13th, we can either
25 ratify that ten or change our minds on some of those,

if we want to, based on the will of the Commission.

MR. HOFFMANN: Now you are talking specifically about the labs, aren't you?

DR. SMITH: I am talking about beyond the labs. I am talking about Fort Dix, Fort Sheridan, about the other things today that there seems to be a consensus that we ought to do something on.

MR. HOFFMANN: I thought we had decided that.

MR. TRAIN: I wouldn't open them up again.

MR. HOFFMANN: I would not open them up to any subsequent discussion.

MR. CABOT: Homeporting is the one that might have some further discussion.

MR. HOFFMANN: Well, I think we have thrown down the gauntlet on homeporting. We are due to hear from them on these recommendations that have been made. We have sent them back. That is all done. That is part of their workload. That is causing the problem, because they have to come back with things and then the staff has to analyze them and come up with a recommendation, and then we have to look at them and see what we think.

They will come up with all kinds of things on Dix, and Fort Sheridan, and this and that. You all are going to have to be tough enough on the costs, now, when you sit down and talk about these, to get them to look

behind the numbers, because you are really going to see them come out now with the good stuff. You have seen billions, but you will see more billions.

This is going to be the last desperate war in the trenches.

What we are suggesting in the case of the labs is just throwing a few more on the stack over there.

If you don't want to do it -- I mean, I am perfectly happy to acquiesce in the Commission's judgment on the workload and the art of the do-able.

CHAIRMAN EDWARDS: Do you have a list of the ten or 12 you are thinking about?

DR. SMITH: I sure have, yes. There is not a unanimous view. It is just things that have been brought up, that have been talked about. In most cases, we have sent the staff back to the drawing board.

We talked about closing ([redacted]) We talked about moving ([redacted]) into leased space somewhere. We talked about closing Fort Sheridan, moving the Fourth Army to Fort Ben Harrison, or somewhere, and sent the Army back to the drawing boards.

MR. HOFFMANN: Okay. But, you see, there is a distinction between ([redacted]) and Fort Sheridan. I think we have taken an action on Fort Sheridan that says, presumptively, that we are going to close that sucker.

DR. SMITH: Well, I would be happy to agree with you, and if the other Commissioners are in the same line, that we have done it -- but I didn't have the sense that we had done any of this with any finality.

What we did was say go back, staff, and look at where you can put the flag of the Fourth Army, and go back and look at where you can put USAREC.

GENERAL POE: I thought we said we're going to do it, but it remains for your ingenuity on how you respond to it.

MR. HOFFMANN: What we want to do is endorse their notion of where the thing ought to be parceled out.

GENERAL POE: It was the location site that was in question.

MR. TRAIN: Otherwise, we will make a decision ourselves.

GENERAL POE: This will help them get it paid for if we have in the report not only that it is going to close, but that it is going to go here, here, or here.

DR. SMITH: I am happy if Sheridan is a done deal.

CHAIRMAN EDWARDS: I think it is.

DR. SMITH: Close [redacted]

MR. TRAIN: [redacted] I thought was a done deal the other way. Do we want to raise that one again?

CHAIRMAN EDWARDS: Yes, I thought it was, too.

MR. HOFFMANN: Well, I would yield to my distinguished and very historically based colleague.

GENERAL STARRY: The cannonball planter.

MR. HOFFMANN: I think it is a freebee. I don't think you can do anything with the land. I think it goes back. You can't take any credit for it, and we can't make a six year analysis on it.

DR. SMITH: I would just have to disagree. We haven't done the numbers.

It occurs to me that 3,000 people on a 5,000 acre campus, that it would cost a whole lot more to live than those same 3,000 people in leased office space somewhere, particularly if you can put them on the proving grounds and get the building for nothing, in accordance with the scheme the Army is talking about at the proving grounds.

I just think those numbers will prove themselves out.

But, you know, I am willing to be voted down on that one.

CHAIRMAN EDWARDS: Well, I guess, in fairness, I thought you were.

DR. SMITH: Okay, then. We just have not taken any formal action on any of these, Mr. Chairman.

What I am trying to do is put some issues

to bed so that the staff has something concrete to do and we can get on with writing this report.

I am worried about how, if we show up here on the 13th with all of these decisions still open about where we are going to put things and whether or not it is a done deal, we are just not going to get there from here.

MR. HOFFMANN: Well, I don't think Dix is open. I don't think Sheridan is open.

DR. SMITH: We talked about [redacted]

CHAIRMAN EDWARDS: And that is one of his charges, to go back and look at it, look at what might be plugged into Gillem.

DR. SMITH: To backfill it or to close it and move it somewhere else.

MR. HANSEN: It was to fill it up, primarily with McPherson, is what I understood. I am willing to do, of course, what everyone wishes.

CHAIRMAN EDWARDS: That was my understanding of what we charged them with doing, to try to fill it up.

MR. CABOT: If it allows you to close [redacted]

CHAIRMAN EDWARDS: Yes.

MR. HANSEN: Yes. It was to try to fill it up with [redacted] That's what it was.

MR. HOFFMANN: This one I just don't think is going to happen.

CHAIRMAN EDWARDS: It may not.

GENERAL POE: Was Meade a done item?

CHAIRMAN EDWARDS: We didn't know enough about Meade. You were going to find out more about the non-NSA space.

MR. HANSEN: Meade was not a total closure. NSA stays.

CHAIRMAN EDWARDS: Yes. I said you were going to find out about the non-NSA space.

MR. HANSEN: Yes, I'm sorry -- the usage of it.

MR. HOFFMANN: And the land along Route 36, to the south.

MR. HANSEN: And look at moving the flag to Devens.

DR. SMITH: But there is a sense of the Commission that we ought to close Fort Meade and move the flag to Fort Devens, retaining NSA -- is that fair?

CHAIRMAN EDWARDS: I don't think the Commission sense went quite that far. But we are prepared, I think, to entertain a recommendation based on what they find. That is my understanding of what the Commission is ready to do.

MR. CABOT: Since we have to have it up or down by December 13, whatever we decide to do about Meade, would it be useful to designate one Commissioner to work with the staff on coming up with it up or down, which we would ratify, basically, on the 13th?

1 CHAIRMAN EDWARDS: Do you mean somebody, one of us,
2 that they would pass their information by earlier?
3 MR. CABOT: Yes, because I think we have had the
4 sense that once in a while we wanted them to have a little
5 more rigid standard, perhaps, than they felt they would
6 come up with. We thought they were a little too much
7 under the influence of the service itself.
8 I mean, let's be frank. That's it.
9 CHAIRMAN EDWARDS: Well, I think, as soon as you
10 guys have something to report, give us a ring. I don't think
11 we have to sit and wait until the 13th, if you have information
12 earlier.
13 MR. HANSEN: That is certainly agreeable.
14 Let me just say one thing. As we were thinking
15 over lunch of how we do what and what is most important,
16 the next milestone we had in our interaction with the
17 Commission is a week from today, where we are going to
18 mail out the rest of the chapters that you don't receive,
19 corrected chapters; but, most importantly, the writeups
20 for the bases, we decided that those are ready.
21 Now, that would not include any of these, where
22 we still have analysis to do.
23 We were clearly going to ask the services to help
24 us draft those, so that we get the right information at
25 the drafting stage, and then we would scrub it to make sure

1 it comports with the data. It is a workload issue for us.

2 We have to start them down that path in order

3 to be able to mail next week. Then, next week they start

4 drilling whatever is the concept of operation.

5 So, giving them any time to do it means that

6 it will be the weekend before we get anything back before

7 that Tuesday meeting.

8 So I am sure that we will be working that whole

9 weekend, getting ready again for those meetings.

10 If anyone is in town and wants to come in and look

11 at information, that, clearly, is available. But I don't

12 think there is time to send any.

13 CHAIRMAN EDWARDS: Well, I will be here the

14 sixth and seventh, or at least parts of those days. I

15 will be glad to spend some time on it.

16 GENERAL POE: I will be in here some time,

17 probably the fifth or sixth. I will give a call and

18 see, you know, if a couple of hours is free. That's

19 about the best I can do. But I can call ahead of time

20 to see how you stand.

21 CHAIRMAN EDWARDS: Well, now, I don't know

22 any more.

23 DR. SMITH: Well, we had the issue of [redacted]

24 and what to do with [redacted] Secretary Claytor discussed

25 putting a fence around the admin facility and selling

1 off the rest of the real estate, or relocating it to [redacted]
2 It appeared to me that there were several options there,
3 between those two installations.
4 MR. HANSEN: Sir, I am sorry to interrupt, but I
5 don't recall the fence around the admin facility.
6 DR. SMITH: Yes, we discussed that.
7 CHAIRMAN EDWARDS: I thought the main thing that
8 was proposed there was that we would consider actually
9 selling the building.
10 DR. SMITH: The whole thing. Right.
11 CHAIRMAN EDWARDS: Rather than putting a fence
12 around anything.
13 MR. TRAIN: I think he mentioned the historic
14 sites, or something like that, which perhaps would have to
15 be maintained and reserved.
16 MR. HANSEN: Yes. That is one of the problems,
17 actually. That is also a problem with Fort Sheridan.
18 It reduces the value of the land because you can't tear it
19 down to build high rises or something. Historic preservation
20 requires you to keep the buildings.
21 [redacted] is a pretty compact little fort.
22 I don't see any fencing off in that area at all.
23 DR. SMITH: It might expedite matters if we could
24 go into Executive Session and try to discuss where we think
25 we are with these issues, Mr. Chairman.

CHAIRMAN EDWARDS: Okay.

What else do we have to do before we do that? Let's not haul everybody out and then haul them back. Is there anything else that has to be talked about?

MR. HOFFMANN: Well, perhaps you could go through the rest of your list so that we would see where we are on closure of these things, and then we can discuss that status in an Executive Session.

DR. SMITH: Devens, the realignment of Devens; moving the First Army Headquarters from Meade; moving the ISC from Belvoir; moving the intelligence group to Huachuca.

CHAIRMAN EDWARDS: All are being worked, right?

DR. SMITH: Fort Dix -- close and absorb elsewhere.

CHAIRMAN EDWARDS: It's being done.

DR. SMITH: ([redacted])

MR. HANSEN: More analysis.

CHAIRMAN EDWARDS: That is on your list.

MR. HANSEN: More analysis on that.

DR. SMITH: Letterman-Presidio is closed.

CHAIRMAN EDWARDS: Done.

DR. SMITH: I still have ([redacted]) on my list.

[General laughter]

CHAIRMAN EDWARDS: Now I talked the other day and I fell on my sword and gave up on that.

MR. HOFFMANN: We gave up on [redacted] yesterday. We acceded to the sigh of the Chairman.

CHAIRMAN EDWARDS: I admitted to bleeding.

GENERAL POE: We acceded to the Congress, what the Congress had written about it. It's a loser.

CHAIRMAN EDWARDS: You have to give up some time, you know. You and I just lost on that, Jim.

DR. SMITH: Then we have the lab issue. I agree that I think we ought to pick out three or four labs and say that these we are going to close and see what the reaction is.

CHAIRMAN EDWARDS: Okay. You've got two Army ones.

MR. HANSEN: We need two Navy.

CHAIRMAN EDWARDS: And you are going to check with Claytor.

GENERAL POE: Mr. Chairman, one thing while we are all still here. I probably do some people a disservice, but there are often a lot of strange people wandering around here now. You know, they come in and out. They sit in the hall. They take notes.

I wish the service members who have come over from the Pentagon and people of that nature would be reminded again and again to be careful.

Now I was approached by a very senior officer

this morning on this change of command, who was concerned about Mather Air Force Base-- this is not an Air Force officer -- because it supports one of his activities. Of course, we neither confirm or deny. But we are getting a lot of strange folks floating in and out and all we need is for a list to appear that we deny, and then it turns out to be the right list.

MR. HANSEN: Sir, I am sure they are not strangers to the staff.

GENERAL POE: I know they are not. But the thing is beginning to look sort of casual to me, with their floating in and out. I am sure that it is probably not. But, you know, ten times burned, twice careful. I have been burned more than once.

CHAIRMAN EDWARDS: Is there anything else before we go into Executive Session?

[No response]

CHAIRMAN EDWARDS: So be it.

[Whereupon, at 3:00 p.m., the Commission recessed, to proceed in Executive Session.]