

Chairman

Rumr -

8/8

via Director 5/11/05

Reference -

Roslyn - NY
P 101
O'Neil p 95

in 95 Report.

8/7

Rumr -

Give me your reaction
to this.

Attached is for background:-

Russel

David Cagan / PLO. 6/6/05

BRAC/GC/dch
May 12, 2005

MEMORANDUM FOR THE CHAIRMAN

Via: DIRECTOR OF STAFF

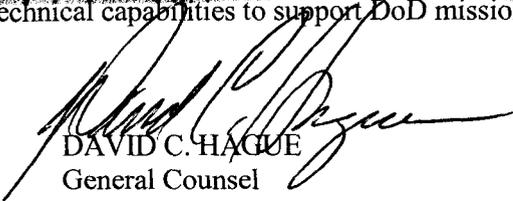
Encl: (A) Chrm '95 BRAC ltr of July 8, 1995 to DepSECDEF
 (B) POTUS ltr of July 13, 1995 to Chrm '95 BRAC
 (C) POTUS remarks at news conference of July 13, 1995
 (D) Chrm '95 BRAC ltr to POTUS of July 14, 1995
 (E) POTUS undated transmittal of '95 BRAC report to Congress

1. In 1995 the BRAC Commission recommended closing maintenance depots at McClellan Air Logistics Center in California and Kelly Air Logistics Center in Texas. As an alternative to closing the facilities President Clinton proposed having private contractors take over maintenance at the sites (privatization-in-place). The President's actions were perceived by some as an affront to the BRAC process. The states and communities that were home to the installations identified as receiving bases for McClellan and Kelly functions, personnel, and equipment were especially upset.

2. The five enclosures provided by Frank Cirillo and Ed Brown, describe the events that transpired:

- In enclosure (A), Chairman Dixon explains that the Commission "supported" privatization-in-place at McClellan AFB (a closure) and Kelly AFB (a realignment) and opines that the recommendations allows privatization-in-place.
- In enclosure (B) the President expresses considerable unhappiness about the Commission report, but stated that he would reluctantly approve it only because of assurances that privatization-in-place would occur at McClellan and Kelly AFBs.
- The President again chastises the Commission in the public pronouncement contained at enclosure (C) for its purported failure to adequately assess the economic impact of all of its decisions.
- Chairman Dixon writes to the President defending the work of the Commission (enclosure (D)).
- The President's approves the Commission report conditioned on DoD having continuing authority to implement privatization plans at McClellan and Kelly AFBs (enclosure (E)).

3. ~~Privatization-in-place is a significant step in the BRAC process and is certain to be a popular option in BRAC 2005. Privatization-in-place is a key element of the BRAC process. Twelve 1995 BRAC recommendations were DoD choices of moving workload from the BRAC site to either another DoD activity or to the private sector. Proponents of privatization-in-place argue that such public-private partnerships can meet or exceed DoD infrastructure goals, reduce costs and service disruptions, create savings, and help retain needed technical capabilities to support DoD missions.~~


 DAVID C. HAGUE
 General Counsel



1700 NORTH MOORE STREET SUITE 1425
ARLINGTON, VA 22209
703-696-0304

ALAN J. DIXON, CHAIRMAN

COMMISSIONERS:
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REBECCA COX
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RADM BENJAMIN F. MONTOLA, USN
MC JOSHUA ROBLES, JR., USA (RET)
WENDI LOUISE STEELE

July 8, 1995

The Honorable John P. White
Deputy Secretary of Defense
Department of Defense
Washington, D.C. 20301

Dear Mr. Secretary:

This is in response to your request for my views on the Defense Base Closure and Realignment Commission's recommendations concerning the disposition of the workloads at McClellan Air Force Base and Kelly Air Force Base.

Let me say that, in general, the Commission was very supportive of the concept of privatization of DoD industrial and commercial activities, as noted in Chapter 3 of the Commission's Report:

"The Commission believes reducing infrastructure by expanding privatization to other DoD industrial and commercial activities will reduce the cost of maintaining and operating a ready military force. ... Privatization of these functions would reduce operating costs, eliminate excess infrastructure, and allow untrained personnel to focus on skills and activities directly related to their military mission

The Commission's recommendations for the closure of McClellan Air Force Base and the realignment of Kelly Air Force Base include the following sentence:

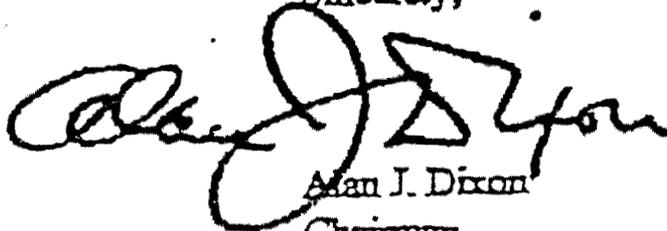
"Consolidate the [remaining] workloads to other DoD depots or to private sector commercial activities as determined by the Defense Depot Maintenance Council

The word "remaining" is used only in the Commission's recommendation for McClellan Air Force Base because the Commission directed the movement of the common-use ground-communication electronics workload currently performed at McClellan Air Force Base to Tobyhanna Army Depot.

It is my view, and the view of the Commission's General Counsel, that the Commission's recommendation in the case of both McClellan Air Force Base and Kelly Air Force Base authorizes the transfer of any workload, other than the common-use ground-communication electronics workload, to any other DoD depot or to any private sector commercial activity, local or otherwise, including privatization in place. This recommendation also permits the Defense Department, in my view and that of the Commission's General Counsel, to carry out any activities associated with privatization, such as allowing necessary DoD personnel to remain in place to support transition activities.

I appreciate the opportunity to share my views with you on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan J. Dixon". The signature is stylized with large, sweeping loops and is positioned above the printed name.

Alan J. Dixon
Chairman

THE WHITE HOUSE

WASHINGTON

July 13, 1995

Dear Mr. Chairman:

In consultation with the Secretary of Defense and the Chairman of the Joint Chiefs of Staff, I have reviewed the recommendations of the Defense Base Closure and Realignment Commission (BRAC) submitted to me on July 1, 1995. Because of the overwhelming national security interest in reducing our base structure in line with the personnel reductions that have already taken place, I have decided, with reluctance and with the clear understanding that the Secretary of Defense can implement a privatization plan for McClellan Air Force Base (AFB), in Sacramento, California, and Kelly AFB, in San Antonio, Texas, that reduces the economic impact on these communities and avoids unacceptable disruption of Air Force readiness, to accept the Commission's recommendations. As stated in his letter of July 13, 1995 (attached), Secretary Perry recommended that I approve this course of action.

I recognize that the Commission had a difficult job to perform. I also recognize that the Commission was subject to intense political pressures from Congress and others who lobbied on behalf of communities that surround defense installations and facilities across the country.

That said, I regret that in your own words, the 1995 BRAC produced "the greatest single deviation from the recommendation of the Secretary of Defense in the history of the base closure process," including the rejection of 23 of the base closures or realignments recommended by Secretary Perry and the addition of 9 others that he had not recommended.

I do not disagree with all of your changes, but I believe that there was too much deviation from the DoD recommendations. Moreover, it appears that military readiness factors were applied inconsistently. For example, in the case of Red River Army Depot, in Texas, you rejected the DoD's recommendation that the installation be closed, citing "too much a risk in readiness" if these activities were relocated to Anniston Army Depot, Alabama. Yet in the cases of the huge air logistics centers (ALCs) at McClellan and Kelly AFBs, you disregarded the Air Force's

conclusion that closure would unacceptably disrupt Air Force readiness due to the turmoil associated with relocating these extensive and complex mission-critical activities.

In addition, I believe that the harshness of economic impact, on balance, is greater under your plan than under the DoD recommendations, for savings that were about the same as the Defense plan. Although the law requires consideration of economic impact, it does not appear that this crucial factor was adequately taken into account in some of your decisions. The Commission acknowledged but disregarded the economic impact of closing Kelly AFB, and in a number of public statements you have denied that a disproportionate impact is being inflicted on California.

In the Commission's comments on Kelly AFB, it acknowledged that closing the base would have a severe economic impact and produce a 73% increase in San Antonio Hispanic unemployment. Yet it is not clear that the reassignment of airfield operations at Kelly and certain tenant units to adjoining Lackland AFB would have adequately mitigated this impact had we not also been able to preserve jobs at the ALC through privatization.

Here are the facts on California: when the base closure rounds first began California accounted for 13 percent of the U.S. population, 15 percent of DoD military and civilian personnel and almost 20 percent of defense contract dollars. Yet in the three previous base closing rounds California suffered 52 percent of the direct jobs that were eliminated or relocated. Two of the deviations made by your Commission -- the recommendations to close McClellan and Kelly AFBs -- could, had we not clarified the options available to the Secretary of Defense, have exacerbated this previous cumulative impact and, as noted, unacceptably disrupted Air Force readiness.

The Department of Defense had carefully assessed the economic impact on communities in accordance with the established criteria for determining closure recommendations in developing its recommendations to you. Regrettably, in adding McClellan AFB, Oakland Army Base and the Fleet Industrial Supply Center, Oakland, to the closure list, the Commission's recommendations would again hit California with roughly half of all jobs eliminated or relocated in BRAC 95 -- a percentage that is both disproportionate, far in excess of that recommended by DoD and clearly unsupportable in light of new BRAC closings.

At the same time, the goal of streamlining our defense infrastructure by closing bases we no longer need is important to our national security. My Administration has pursued this goal through our support for the BRAC 1993 Commission recommendations

and our February 28, 1995, recommendations to you for a robust and balanced base closing round. We also have a commitment to treat fairly the dedicated men and women who work at these bases and the communities that have so faithfully supported our Armed Forces at these facilities.

As we reviewed your report, the Secretary of Defense advised me that if he had the clear authority to transfer work at McClellan and Kelly to the private sector -- on site or in the community -- and thereby make productive use of most of the highly skilled work force and specialized equipment in place, the operational risks and costs of the transition at these two bases would be reduced, while mitigating the adverse economic impacts on the surrounding communities.

This privatization approach is fully consistent with my Administration's initiative to reinvent government and with the recent recommendation of the Commission on Roles and Missions of the Armed Forces to establish a time-phased plan to privatize essentially all existing depot-level maintenance, including the five ALCs. This is, moreover, an approach that the Defense Department has in fact begun to implement at other facilities. For example a privatization competition is currently underway for work being performed at Newark AFB, Ohio, which was slated for closure in FY 1997 by the 1993 BRAC. I strongly support the Defense Department's pursuit of this and other suitable opportunities for privatization. Candidates identified by your Commission include the Naval Air Warfare Center in Indianapolis and the Naval Surface Warfare Center in Louisville.

In this regard, I was pleased to learn that in a July 8, 1995, letter to Deputy Secretary of Defense White, you confirmed that the Commission's recommendations permit the Department of Defense to privatize the work loads of the McClellan and Kelly facilities in place or elsewhere in their respective communities. The ability of the Defense Department to do so mitigates the economic impact on those communities and should protect against job loss, while helping the Air Force avoid the disruption in readiness that would result from relocation, as well as preserve the important defense work forces there.

Today I have forwarded the Commission's recommendations to the Congress in accordance with Public Law 101-510, as amended, and recommended that they be approved. In my communication with the Congress, I have made clear that the Commission's agreement that the Secretary enjoys full authority and discretion to transfer workload from these two installations to the private sector, in place, locally or otherwise, is an integral part of the overall BRAC 95 package it will be considering. Moreover, should the Congress approve this package but then subsequently take action

in other legislation to restrict privatization options at McClellan or Kelly, I will regard this as a breach of Public Law 101-510 in the same manner as if the Congress were to attempt to reverse by legislation any other material direction of this or any other BRAC.

Please thank the members of the Commission for their hard work. The BRAC process is the only way that the Congress and the executive branch have found to make closure decisions with reasonable objectivity and with finality.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Clinton", with a horizontal line extending to the right.

The Honorable Alan J. Dixon
Chairman
Defense Base Closure and
Realignment Commission
Suite 1425
1700 North Moore Street
Arlington, Virginia 22209

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 13, 1993

REMARKS BY THE PRESIDENT
FOLLOWING WELFARE REFORM MEETING

The Rose Garden

10:08 A.M. EDT

THE PRESIDENT: Good morning. I want to thank Senator Daschle, Senator Moynihan, Senator Mikulski, Senator Breaux, Senator Markin for coming. Governor Carper, Mayor Archer, a county Executive from Madison, Wisconsin; Rick Phelps and the Majority Leader of the Tennessee House of Representatives; Bill Purcell for joining members of our administration here.

We have just had a good talk about welfare reform and the growing consensus around the approach taken by the bill offered by Senators Daschle and Mikulski and Breaux on welfare reform.

The American people have made it abundantly clear that they want us to fix the welfare system. It doesn't work for the people who are stuck on it, and it doesn't work for the taxpayers.

Welfare reform furthers both of the primary objectives of our administration. If it works, it will further the American Dream of opportunity and it will further the American value of responsibility. Our goal should be to help people be successful and independent workers and to build strong families.

We ought to be able to do this. We've come a long way in this debate. There's a broad consensus, for example, on tougher child support enforcement requirements. And not so very long ago, liberals opposed work requirements; they don't anymore. Not so very long ago, conservatives opposed spending money to provide child care when people move from welfare to work. Most conservatives out in the country don't anymore.

In America, where people live with this issue, there is a great deal of consensus about what we ought to do. And we ought

problems now with this. Unless we can restore the integrity of the U.N. mission, obviously, its days will be numbered.

But let's not forget that it has accomplished a dramatic reduction in the loss of life since 1992 and the conflict has not spread. This is a serious challenge to the U.N. mission. It must either be resolved or there will have to be some changes there.

Q Mr. President, on another welfare issue that's headed for your desk, what are you going to do about this tobacco issue that is headed for your decision?

THE PRESIDENT: Well, I haven't -- let me say this -- I have not received a recommendation from the FDA. I saw the news reports today and they struck me as somewhat premature inasmuch as I have not yet received either a recommendation or, as the news reports indicated, requests for my own guidance on that yet.

But we have had some discussions and I can tell you this: My concern is apparently what the FDA's concern is, and that is the impact of cigarette smoking, particularly on our young people, and the fact that cigarette smoking seems to be going up among our young people and certainly among certain groups of them. And I think we ought to do more about that than is being done and I'm willing to do that. But I want to see exactly what their recommendation is.

Q Mr. President, how do you answer the charge that the White House has injected politics into the base closing process?

THE PRESIDENT: First of all, it is absolutely false. I intend to answer it in the letter that I write today, but since you gave me a chance to do it, I'll answer it.

Let's look at the facts here. Where is the politics? This Base Closing Commission made far more changes in the Pentagon plan than either any of the three previous base closing commissions, far more. They've been under a lot of political pressure. I understand that. I don't disagree with all the changes they made.

They acknowledge -- secondly, under the law they are supposed to take into account economic impact. Based on their report, which I have read -- and I urge all of you to read it if you haven't -- before you make any judgments about where there

was political influence, I urge all of you to read it. They took 23 bases or realignments off that the Pentagon recommended, off the list; and then put nine more on, three of which happen to be in California, with the biggest job loss by far in San Antonio at Kelly Air Force Base; rejecting the Defense Department's recommendation that instead of closing these two big Air Force depots, they take an across-the-board cut in all five of them. That's what they did.

Apparently, in all of their deliberations the only place where they took economic impact into account was at the Red Rivo Depot on the border of Texas and my home state. It is clear that -- I think they have a case there. It would have almost doubled unemployment in that community.

But let's look at the facts on this politics. This is about economics. In the report itself they acknowledge that at Kelly Air Force Base 60 percent of the employees are Hispanic; 45 percent of the Hispanics employed in the entire area work there; that it will have a devastating impact, and they were willing to shut down about 16,000 jobs, when there was another alternative that saved at least as much money, according to the Pentagon, or nearly as much, according to them.

Secondly, in California here are the facts. I have not seen these anywhere. I have not seen these anywhere. The law requires economic impact to be taken into effect -- into account. Here are the facts.

When this Base Closing Commission process started, California had 13 percent of the population, 15 percent of the people in military, 20 percent of the defense budget. In the first three base closings they sustained 52 percent of the direct job losses. We're not talking about indirect jobs, we're not talking about speculation -- 52 percent.

In this recommendation the Pentagon hit them pretty hard, recommended closing Long Beach, a big facility. This Base Closing Commission, not satisfied with that, made a decision that they had to add back a lot of other jobs. So they decided to take almost all the jobs they took out, out of one place, San Antonio, Texas, and by closing three California bases -- taking the California job loss in this round to almost 50 percent.

Now, you tell me that my concern over that economic situation when their unemployment rate is 8.5 percent, they have borne over 50 percent of the burden of the job loss, is political. My concern in San Antonio, Texas, where one decision

could virtually wipe out the Hispanic middle class is political, when there was another alternative that the Pentagon said was better for national security -- I am tired of these arguments about politics.

My political concern is the political economy of America and what happens to the people in these communities and are they being treated fairly.

Now, I do not disagree with every recommendation the Base Closing Commission made, but this is an outrage. And there has been a calculated, deliberate attempt to turn this into a political thing and to obscure the real economic impact of their recommendations in San Antonio and California, which were made solely so they could put back a lot of other things.

Now, let's not --

Q Why do you think they did that?

Q Have you accepted their recommendations?

Q What is the reason that they did that?

THE PRESIDENT: I don't know. I'm not imputing motives to them. I'm just saying it's very interesting to me that there has been almost no analysis of anything. This whole thing immediately became, well, this is a big political story about California. This is an economic story and it's a national security story. And there has been no analysis of what got put back and why, and what got taken off and why.

And I have been doing my best to deal with what is in the national interest. There are two considerations here. We have to reduce our base capacity. That's the most important thing. We have twice as much base capacity as we need, more or less, for the size of the military force we have. That is a national security interest. And that is my first and most important duty.

But, secondly, under the law, economic impact was supposed to be taken into account, and as nearly as I can determine, it wasn't anywhere -- never in these determinations, with the possible exception of the Red River Depot, based on my reading of the report.

Now, the question is, is there a way to accept these recommendations, because even though I think they're far --

they're not as good as what the Pentagon recommended and they do a lot more economic harm for very little extra security gains -- is there a way to accept them and minimize the economic loss in the areas where I think it is plainly excessive. And that is what we have been working on. That is what I've been working hard on. But I just want you to know that I deeply resent the suggestion that this is somehow a political deal.

I have not seen anything written anywhere that the state of California lost 52 percent of the jobs in the first three base closings and that this commission took them back up to nearly 50 percent in this one, even though they only have 15 percent of the soldiers and their unemployment rate is 50 percent above the national average. I haven't seen anywhere what this was likely to do to the Hispanic middle class and to the people of San Antonio, Texas, unless we can save a lot of those jobs there so that a lot of other things could be put back in 10 or 11 places around the country.

And I think that you folks need to look at the real impact of this. I'm trying to do my job to reduce the capacity of the bases in the country consistent with the national interest and still be faithful to the statute requiring us to deal with the economic impact on these communities.

END

10:23 A.M. EDT



THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION
 1700 NORTH MOORE STREET SUITE 1425
 ARLINGTON, VA 22209
 703-696-0504

ALAN J. DIXON, CHAIRMAN

COMMISSIONERS:

AL CORNELLA
 REBECCA COX
 GEN J. B. DAVIS, USAF (RET)
 S. LEE KLING
 ADM BENJAMIN F. MONTOYA, USN (RET)
 MG JOSUE ROBLES, JR., USA (RET)
 WENDI LOUISE STEELE

July 14, 1995

The President
 The White House
 Washington, D.C. 20500

Please refer to this number
 when responding 9501#3-421

Dear Mr. President:

Thank you for your letter indicating that you have decided to accept the recommendations of the 1995 Defense Base Closure and Realignment Commission and forward them to the Congress. I believe that these recommendations are in the best interests of our national security, and I hope they will be supported by the Congress.

The Commission's recommendations were arrived at fairly and openly, and will result in the prudent reduction of the Defense Department's excess infrastructure. The resulting savings will provide our military with financial resources needed to maintain readiness and support future modernization, and will assure the most efficient possible use of taxpayer dollars.

Like previous Commissions, the 1995 Commission made changes to the list of closures and realignments forwarded to us by the Secretary of Defense in those cases where we found that the Secretary deviated substantially from the force structure plan or the selection criteria. Of the 146 recommendations on Secretary Perry's original list, the Commission approved 123, or 84 percent. This is very similar to previous commissions. The 1993 Commission accepted 84 percent of the Defense Department's recommendations, and the 1991 Commission accepted 83 percent. Of the 23 DOD recommendations which the Commission rejected, 4 were rejected at the specific request of the Defense Department.

The Commission also closed or realigned 9, or 28 percent, of the 32 additional bases added by the Commission for consideration. Again, this is

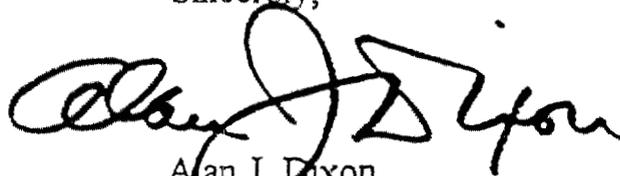
consistent with past practice. Of the 72 bases added for consideration by the 1993 Commission, that Commission closed or realigned 18, or 25 percent.

Mr. President, I want to assure you that the Commission was very cognizant of the economic impact and cumulative economic impact of all of the recommendations that we acted on. Our primary focus, however, was on military value. Of the 8 selection criteria used by the Department of Defense for the 1991, 1993 and 1995 base closure rounds, the first four deal with considerations of military value. Under the Defense Department's own guidance, these four military value criteria were given priority consideration. The economic impact criterion was important, but was not given the same priority by either the Defense Department or the Commission in deciding which bases to close or realign.

The decision to close any military installation is a very painful one. Every installation recommended for closure by this Commission has a proud history of service to our nation. At the same time, as you indicated in your remarks to the media yesterday, the Defense Department has many more bases than it needs to support our forces. I am convinced that closing bases today is the key to the future readiness and modernization of our military forces.

I appreciate the opportunity you have given me to serve the country again as Chairman of the 1995 Defense Base Closure and Realignment Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan J. Dixon". The signature is fluid and cursive, with a large loop at the end.

Alan J. Dixon
Chairman

TO THE CONGRESS OF THE UNITED STATES:

I transmit herewith the report containing the recommendations of the Defense Base Closure and Realignment Commission pursuant to section 2903 of Public Law 101-510, 104 Stat. 1810, as amended.

I hereby certify that I approve all the recommendations contained in the Commission's report.

In a July 8, 1995 letter to Deputy Secretary of Defense White (attached), Chairman Dixon confirmed that the Commission's recommendations permit the Department of Defense to privatize the workloads of the McClellan and Kelly facilities in place or elsewhere in their respective communities. The ability of the Defense Department to do this mitigates the economic impact on those communities, while helping the Air Force avoid the disruption in readiness that would result from relocation, as well as preserve the important defense workforces there.

As I transmit this report to Congress, I want to emphasize that the Commission's agreement that the Secretary enjoys full authority and discretion to transfer workload from these two installations to the private sector, in place, locally or otherwise, is an integral part of the report. Should Congress approve this package but then subsequently take action in other legislation to restrict privatization options at McClellan or

Kelly, I would regard that action as a breach of P.L. 101-510 in the same manner as if Congress were to attempt to reverse by legislation any other material direction of this or any other BRAC.

THE WHITE HOUSE,

Attachment



**W
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**INSTALLATION FAMILIARIZATION BRIEFING
FOR THE
JOINT MANUFACTURING & TECHNOLOGY CENTER
AT WATERVLIET**

- **BRIEFER: COLONEL DONALD C. OLSON**
- **POSITION: COMMANDER, WATERVLIET ARSENAL**
- **PHONE: DSN 374-4294, COMM 518-266-4294**

PROVIDING WEAPONS TO WARFIGHTERS

MASTER PLAN IMPLEMENTATION STRATEGY

- ID Opportunities for EUL
- Use Brooks AFB/San Antonio EFI Model
- Convey site to Arsenal Partnership
- Army leaseback mission essential facilities
- Obtain Refootprint Funding
- Create secure area within new tech park
- Army focus on core responsibilities and capacities
- Expand synergistic private uses

**Synergistic
Commercial
Growth Supports
DOD Programs**

**Leverage
State, Federal,
& Private
Investment**

**Refootprint
Manufacturing
Area \$21M**

**EFI Designation
& Support**

**Refootprint
Benet Labs
\$45M**

Solid Vision for Overall Site Development

Joint Manufacturing and Technology Center at Watervliet – Weapons to Warfighters

MASTER PLAN OUTCOMES

- **Maximizes Joint Armaments Capabilities**
 - Defense Manufacturing & Technology Center
 - High Technology (Partnered) Park
- **Minimizes Burdens On DOD**
 - Enhanced Technology Development And Application
 - Reduced Base Operating Cost
 - Reduced Ownership Distraction
 - Districted Site With Distributed Costs
- **Establishes Efficiently Sized Core Organic Capability**
- **Focus On Public-private Partnership & Economic Development**
- **Model For Industrial Support To Transformation**

**Creates High
Tech Business
Park**

**Maintains
Military
Unique
Capability**

**Cannon Cost
Reduced Up
To 60%**

**Reduce
BASOPS
Cost By
85%**

***Manufacturing & Technology Center at Watervliet Provides
Critical Warfighting Capability – Current & Future***

Joint Manufacturing and Technology Center at Watervliet – Weapons to Warfighters

7

August 8, 2005

Hon. Anthony Principi
Chairman
Base Realignment and Closure Commission
2521 South Clark Street
Suite 600
Arlington, Virginia 22202

Dear Chairman Principi:

The Arsenal Business and Technology Partnership has worked for the past four years with the Commanding General of the Army Materiel Command as well as the Commander of the US Army Tank and Automotive Command to develop a new Site Master Plan for the Watervliet Arsenal. That plan was the basis for Defense Secretary Rumsfeld's recommendations to the Commission for realignment of Watervliet Arsenal.

The keys to implementing the Master Plan include consolidation of the Army's mission-essential facilities into a compact, secure area and the conveyance of the Arsenal's real estate and facilities to a Local Redevelopment Authority with guaranteed leaseback terms and conditions acceptable to senior Army management: e.g., the Secretary of the Army. This consolidation will reduce costs to the Government while maintaining the critical core capabilities of the Arsenal and Benet Laboratory.

The Arsenal Business and Technology Partnership, as the Local Re-Use Authority, wishes to assure the Commission and the Department of Defense that it is committed to providing those Research, Development and Production facilities which the Army determines it requires for as long as it requires. We commit to do so under the terms of a negotiated, low-cost leaseback that enables the Army to continue to meet it's requirements at Watervliet Arsenal.

Respectfully,



Harry Robinson
Chairman

ARSENAL BUSINESS &
TECHNOLOGY PARTNERSHIP

INDUSTRIAL JOINT CROSS SERVICE GROUP

July 28, 2005

MEMORANDUM FOR R. GARY DINSICK, ARMY
TEAM LEADER

Subject: WATERVLIET ARSENAL , OSD BRAC Clearinghouse
Tasker C0688

The following is in response to your e-mail inquiry of July 25, 2005, where you asked the following:

1. *Confirm that no personnel are impacted by this recommendation.*
Response: There are no personnel impacted by this recommendation.
2. *How was the determination made that the DoD no longer requires the capability for Other Field Artillery Components?*
Response: Other Field Artillery Components was workload that the Army agreed could be performed at the depots.
3. *What specific capabilities does this recommendation disestablish?*
Response: Capabilities for HMMV Armor Survivability Kits, miscellaneous metal work, motor vehicle tow bars, Tomahawk Missile Containers, Bomb racks, and mobile tool carts.
4. *What percentage of the footprint at Watervliet does this recommendation impact? What specific buildings will no longer be required? For what are these buildings currently utilized? Who is using them?*
Response: The recommendation results in a 43 percent footprint reduction. This percent of reduction resulted from certified data provided to the IJCSG by the Army. The numbers were generated by their footprint reduction plan.
5. *The justification mentions the potential for partnering. If the intent is to divest the Army of excess property, why does this need to be accomplished through BRAC?*
Response: The IJCSG did consider partnering with the local development authority (LDA). Consideration was given to complete transfer of Watervliet to the LDA, not just the excess portion, with Army leasing back what they need. However, during the deliberative review process, it was decided that this specific option could not be included since we could not compel the local authority to lease back. The IJCSG has no objection

if subsequently the commission received a commitment from the authority for lease back at a desirable rate.

The Army decided that before they divest themselves of excess property, they needed answers to the following questions. What capabilities are resident at Watervliet and Rock Island? What can we relocate? Do we have excess capability? Is there duplication of capabilities at the two sites? Do we have like capabilities anywhere else within the industrial base? How much space does the Army need to retain for its Life Cycle Center of Excellence for Gun-Tube Manufacturing? The BRAC process allowed the Army to look at Armaments manufacturing in totality, remove non-core related workload, re-size its manufacturing base downward by 43%, create synergy from R&D through manufacturing, and focus on the creation of a gun-tube center of excellence.

6. *Provide the current 2005 percentage of facility utilization.*

Response: Based on FY 2003 certified data, Watervliet has a 57% utilization rate

Should additional information be required, feel free to contact me at 703-560-4317 or e-mail jberry@gallows.vacoxmail.com



Jay Berry
Executive Secretary

Memorandum for BRAC Legal Staff

Date: 6 August 2005

From Mr. George Delgado and Ms. Elizabeth Bieri



SUBJECT: Request for Legal Opinions

Having received information from communities regarding the BRAC recommendations, we respectfully request a written legal opinion on the following matters:

1. Kansas Army Ammunition Plant (KSAAP), Enclosure 1. Can the BRAC Commission even do what the community asks in the Commission Recommendation section? If not, why not?
2. Lone Star Army Ammunition Plant (LSAAP), Enclosure 2. Can the BRAC Commission even do what the community asks in their Community Recommendations section? If not, why not?
3. Watervliet Arsenal, Enclosure 3.
 - a. The justification does not specifically mention the word "conveyance" but does mention the words "partnering" and "leaseback". The community has requested adding the word "conveyance" to the recommendation. Do we need to specifically add the word "conveyance" to the justification, or is this implied within the wording as written by the DoD?
 - b. The community also raises the issue of turning over the entire installation to the LRA for a potential leaseback arrangement with the Government.
 - (1) Would such an effort constitute a closure?
 - (2) Can the Commission vote to enact such a change?
4. Deseret Chemical Depot, Enclosure 4. The Commission recently received this communication from the Utah delegation. Is what they ask for in the Proposed Report Language Recommendation within the purview of the BRAC Commission? If not, why not?
5. Deseret, Newport and Umatilla Chemical Depots, Enclosure 5. Within the recommendations as proposed, each installation would complete the demilitarization of chemical weapons within the BRAC implementation timeframe. Enclosure 5 provides changes to those completion dates. Must the Commission exclude these recommendations from BRAC because the time period exceeds the BRAC timeframe? Or can the Commission vote to accept closure with conditional language to close the installations in accordance with BRAC procedures upon completion of the chemical demilitarization mission (outside the 6-year implementation timeframe)?

DRAFT BRAC COMMISSION FINDINGS LANGUAGE RE:***Kansas Army Ammunition Plant – Parsons, Kansas*****SECRETARY OF DEFENSE
RECOMMENDATION**

Close Kansas Army ammunition plant. Relocate Sensor Fuzed Weapon / Cluster Bomb function and Missile warhead production to McAlester Army Ammunition Plant, Oklahoma; 155mm ICM Artillery and 60 mm, 81mm and 120mm Mortar functions to Milan, Tennessee; 105mm HE, and Missile Warhead functions to Iowa AAP, Iowa; and Detonators/relays/delays to Crane Army Ammunition Activity, Indiana.

**SECRETARY OF DEFENSE
JUSTIFICATION**

xxxxxxx

COMMUNITY CONCERNS

The Kansas Army Ammunition Plant is located in Labette County, Kansas in the town of Parsons, which is in the southeast corner of the State. The community did not oppose the closure of the Army Ammunition plant, but expressed significant concerns about their ability to redevelop the facilities and property of the site due to the loss of 267 jobs that will exacerbate the economic hardship that the region and Labette County already face. The community has proposed that the Government conduct an early transfer and clean-up of the Ammunition Plant to be completed within 3 years. During this transition phase, the community proposes a \$1 dollar per annum lease to the County which will be designated as the Local Re-use Authority (LRA). At the conclusion of the clean-up and transition phase, the community proposes that the Government transfer all equipment, facilities and property to the County at no cost, for re-development and economic impact mitigation.

The community argues that due to the lack of industrial operations in the region, it will be imperative for the community to expeditiously gain access and ownership of the former Kansas Army Ammunition plant to create any hope of viable re-use efforts. Further, the community states that execution of this proposal will not affect US Army production requirements inasmuch as the Department has determined that the facility is excess capacity and other Army installations already possess the capability to manufacture the weapons that the Parsons facility has provided the Department of Defense. Finally, the community presented the case that a lease-use agreement with the LRA during the accelerated clean-up and property / equipment transfer proceeding, culminating in a no-cost conveyance, will save the Government funds by eliminating the operational costs for the facility which the Government would normally absorb during the intervening period prior to transfer of the property.

COMMISSION RECOMMENDATION

The Commission finds the Secretary of Defense did not deviate substantially from the force structure plan and the final criteria. The Commission however, has determined that the prospects are extremely low that the Kansas Army Ammunition property and facilities could be sold for any significant sum of monies to any public or private interest. Therefore, the Commission provides that the Army shall conduct an expedited clean-up and a no-cost transfer of the property, and facilities at Kansas Army Ammunition Plant to local government and, that during the intervening period prior to the transfer, that the Army may execute a low-cost lease with the Local Re-Use Authority.

ENCLOSURE

(2)



903-223-9841

**RED RIVER
REDEVELOPMENT AUTHORITY**
107 CHAPEL LANE
NEW BOSTON TEXAS 75570



903-223-8742 FAX

July 29, 2005

The Honorable Anthony Principi
Chairman
2005 Base Realignment and Closure Commission
2521 South Clark Street, Suite 600
Arlington, Virginia 22202

COPY

Re: Lone Star Army Ammunition Plant
Bowie County Texas

Dear Chairman Principi:

We would like to take this opportunity to thank you for your efforts towards working with Bowie County and local officials, regarding the BRAC recommendations on Red River Army Depot (RRAD) and Lone Star Army Ammunition Plant (LSAAP).

Attached is a letter requesting our support and endorsement of a Day and Zimmerman Incorporated (DZI) proposal to "privatize in place" the LSAAP operations currently under scrutiny by the Commission. This privatization proposal includes the early transfer of property to the Red River Redevelopment Authority (RRRA) which has the expertise to expedite this process. A subsequent lease arrangement between DZI and the RRRA will allow vital defense ammunition work to continue in place at a greatly reduced cost to the DOD than the original recommendation.

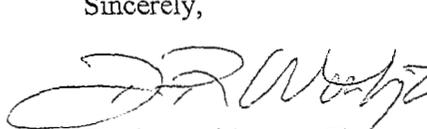
The RRRA endorses the concept of "privatization in place" offered by DZI and will accept the early transfer of the LSAAP property after due diligence and negotiation of agreeable terms under BRAC law.

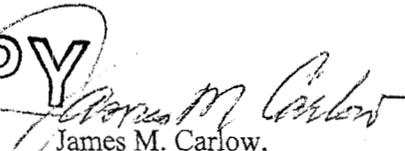
We all realize that considerable work lies ahead in working through the various obstacles to making privatization a reality. The community and the RRRA are prepared to do that work and are experienced enough to make it happen in an expedited manner.

Therefore, Bowie County and the RRRA fully endorse the proposal offered by DZI, especially if it achieves the best military transformation option for the Commission, and the Department of Defense, and serves the best interests of Bowie County.

We appreciate your support and cooperation and look forward to hearing from you.

Sincerely,


Denis Washington, Chairman
Red River Redevelopment Authority


James M. Carlow,
Bowie County Judge

Cc: Gary Disnick
Jerry Smith, DZI



Munitions and Defense

July 28, 2005

Honorable James M. Carlow
Bowie County Judge
P. O. Box 248
New Boston, TX 75570

Dear Judge Carlow:

RE: LSAAP Privatization in Place

As you know, Day & Zimmermann made a presentation to the BRAC staff outlining a scenario whereby the current manufacturing activity at LSAAP would continue in place under a privatized in place arrangement.

D&Z is prepared to enter into a lease agreement with the Redevelopment Authority once the property is transferred to them from the Army. We would like for such action to take place as quickly as possible although we recognize that the BRAC transfer process must be adhered to and all parties have a certain amount of due diligence to conduct.

We believe this proposal results in a win for all parties. The Army will maintain the ability to take advantage of proprietary processes owned by D&Z. The community avoids the loss of over 400 D&Z jobs and D&Z retains a fully capable plant in its corporate family.

I have obtained the endorsement of a number of our Labor Unions as indicated on the enclosure.

Any support you can lend in obtaining the endorsement of the Redevelopment Authority and making the privatization in place proposal a reality would be most appreciated. D&Z is a part of this community and would like to remain so.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jerry E. Smith', written over the word 'COPY' which is printed in large, outlined letters.

JERRY E. SMITH
Vice President & General Manager

JES/gd



PRIVATIZATION ENDORSEMENT

Lone Star Army Ammunition Plant has been recommended for closure under BRAC 2005. Due to the uncertainty involved with the process and after much study, Day & Zimmermann proposes to enter into an agreement with the Local Redevelopment Authority to privatize Lone Star AAP. The following Lone Star AAP Unions endorse the privatization of Lone Star AAP:

Union	Name	Signature
Boiler Operators, Local 1	Jackie Robison, Job Steward	<i>Jackie Robison</i>
Carpenters	James Simmons, Job Steward	<i>James Simmons</i>
Chemical Workers, Local 526-C	Jimmy Lewis, President	<i>Jimmy Lewis</i>
Electrical Workers, Local 301	Sarah Cutsinger, Chief Steward	<i>Sarah Cutsinger</i>
Fire Fighters, Local I-5	Gene Hutchison, President	<i>Gene Hutchison</i>
Guard, Local 50	Jack Walker, Business Agent	<i>Jack Walker</i>
Machinists, Local 1243	Larry Williams, President	<i>Larry Williams</i>
Millwrights	James Quinn, Chief Steward	<i>James Quinn</i>
Office Workers, Local 303	Don Collom, President	<i>Don Collom</i>
Painters, Local 424	James Johnson, President	<i>James Johnson</i>
Pipefitters, Local 100	Burgess Karr, Chief Steward	<i>Burgess Karr</i>
Teamsters, Local 878	Arrie Dawson, Steward	<i>Arrie Dawson</i>

*Suggested LSAAAP BRAC Language...***Lone Star Army Ammunition Plant, Texarkana, Texas***Category: Industrial Joint Cross-Service Group**Mission: Munitions and Armaments**One-time Cost: \$28.98 million**Savings: 20 yr NPV: \$164.2 million**Annual: \$17.3 million (after implementation)**Return on Investment: 2012 (1 year)****Requested Final Action: Close (with Privatization-in-place)****Secretary of Defense Recommendation*

Close Lone Star Army Ammunition Plant (AAP), TX. Relocate the Storage and Demilitarization functions to McAlester AAP, IL. Relocate the 105MM and 155MM ICM Artillery, MLRS Artillery, Hand Grenades, 60MM and 81MM Mortars functions to Milan AAP, TN. Relocate Mines and Detonators/Relays/Delays functions to Iowa AAP, IA. Relocate Demolition Charges functions to Crane Army Ammunition Activity (AAA), IN.

Secretary of Defense Justification

Capacity and capability for Artillery, Mortars, Missiles, Pyro/Demo, and Storage exists at numerous munitions sites. There are 8 sites producing Artillery, 5 producing Mortars, 9 producing Pyro-Demo, 15 performing storage, and 13 performing Demilitarization. To reduce redundancy and remove excess from the Industrial Base, the closure allows DoD to create centers of excellence, avoid single point failure, and generate efficiencies. Goal is to establish multi-functional sites performing Demilitarization, Production, Maintenance, and Storage. Lone Star primarily performs only one of the 4 functions.

Community Concerns

The Texarkana community believes that the military value calculation performed by OSD for integrated capabilities does not accurately reflect the integrated value of the installation. Lone Star AAP was given credit for performing primarily one of the four functions used to make up a center of excellence. In reality, Lone Star AAP is a multifunctional site, which performs the full scope of the functions listed; demilitarization, production, maintenance, and storage. The community is also concerned with the capacity analysis which did not take into consideration the size and complexity of munitions or the fact that current capacity and max capacity were reported as equal. Also, the community is concerned that portions of the data call information provided to the OSD are inaccurate since the total manpower for Lone Star AAP was understated by 242 people, which prevented Lone Star AAP from acquiring a site visit. Finally, the community is concerned that all one-time costs were not considered when calculating savings and implementation of the recommendations. The Texarkana community has proposed a privatization-in-place as an alternative reuse of the installation if the recommendation to close is approved. The community is concerned that a final recommendation not interfere with its proposal.

Community Findings

The community found that OSD excluded \$14.16 million in costs for duplicative and closure related moving costs for system capabilities such as 105MM and 155MM ICM Artillery, MLRS Artillery, Hand Grenades, Detonators/Relays/Delays, and Demolition Charges that will jeopardize warfighter support during the estimated moving time to the receiving sites. For example, concerning Detonators, the state of the art initiating explosive processing and transfer system capability located at Lone Star AAP is not present at the gaining installation; however, these costs were not included to upgrade that facility to the same efficiency and safety standards which exist at Lone Star AAP. Cost of preparing and processing special delay mixes used in unique items appear to also be excluded. Other functions which seem to be excluded include; Supplementary Charge, Percussion Primers and Non-Lethal Munitions (MCCM). The community found that OSD failed to consider the value of proprietary data of the incumbent contractor gained from 54 years of operating the Lone Star AAP. The community believes that these exclusions will raise the one-time closure cost to \$43.14 million, which does not include the value of proprietary data of the incumbent contractor. The community found that OSD under-evaluated the military value and capacity analysis for the integrated capabilities that currently exist at the Lone Star AAP. The OSD used inappropriate attributes to form recommendations and those recommendations were inconsistently reported when compared to neighboring installations. Also, OSD did not account for the size and complexity of the munitions when calculating capacity; Detonators were given the same weight as MLRS rockets. Lone Star AAP is not currently producing at maximum capacity although OSD's capacity analysis indicated current capacity and maximum capacity were equal. This misrepresents the current utilization of Lone Star AAP. However, with the proposed alternative of privatization-in-place, the DoD will realize a one-time cost savings of \$40.6 million and the same net recurring savings as closure of \$17.3 million annually. These findings lead the community to conclude the most cost-effective method to implement OSD recommendations for the Lone Star AAP is privatization. The community strongly urges the Department of Defense to allow privatization of these assets.

Community Recommendations

The community finds the Secretary of Defense deviated substantially from final criteria 1, 4 and 5. Therefore, the community recommends the following: close the Lone Star Army Ammunition Plant, Texarkana, Texas. Transfer workload, equipment, facilities and personal property to the Local Re-Use Authority or other jurisdiction as appropriate. The community proposes that the Government conduct an early transfer and clean-up of the Ammunition Plant to be completed within 3 years. During this transition phase, the community proposes a \$1 (one dollar) per annum lease to the Local Re-Use Authority. The Re-Use Authority will sublease sufficient facilities and personal property to the operating contractor to perform their current workload. At the conclusion of the clean-up and transition phase, the community proposes that the Government transfer all equipment, facilities and property to the Local Re-Use Authority at no cost, for re-development and economic impact mitigation. To the extent that the privatization-in-place is implemented,

sufficient DA civilian and military personnel should remain in place to effect transition of both workload and property as described and carry out any transition activities necessary. The community finds this recommendation is consistent with the force-structure plan and final criteria.

DRAFT BRAC COMMISSION FINDINGS LANGUAGE RE:***Watervliet Arsenal – Watervliet, New York*****SECRETARY OF DEFENSE
RECOMMENDATION**

Realign Watervliet Arsenal, NY, by disestablishing all capabilities for Other Field Artillery Components.

**SECRETARY OF DEFENSE
JUSTIFICATION**

The Department no longer requires the capability for Other Field Artillery Components at Watervliet Arsenal. The Department will require and will retain at Watervliet the capability to support core cannon tube, rotary forge, and swage. Disestablishing the Other Field Artillery Components capability will allow the Department to reduce its overall footprint at Watervliet. It will also allow the Department to explore partnering with the local community, perhaps through a leaseback arrangement. This type of partnering could allow the government to reduce its footprint while maintaining that portion of Watervliet needed to fulfill core capabilities.

COMMUNITY CONCERNS

Watervliet Arsenal is located in Albany Capitol District of New York State. Albany, New York is the location of a significant non-technology development effort spearheaded by the State of New York in partnership with academia and the private sector. At the same time, the workforce at the Arsenal has experienced a steady and significant decline over the last ten years, representing economic hardship in the city of Watervliet. The community did not oppose the realignment of Watervliet Arsenal, but during its testimony at the Buffalo Regional hearing, the community spokesman expressed a desire for a clarification of the Secretary's recommendation on the issue of leaseback arrangements. The Secretary's recommendation addresses the option of a partnering with the local community and exploring leaseback options, but does not address the issue of property management or conveyance.

The community proposes that the entire Watervliet Arsenal site be conveyed to a Local Re-Use Authority, identified as "The Arsenal Partnership", which will in turn lease-back to the Department of the Army, those facilities it requires for continuation of core functions referred to in the Secretary's recommendation. The community states that the addition of the term "conveyance" to the recommendation is a clarification, rather than modification of the Secretary's recommendation because the Secretary's recommendations already denote an option for leaseback arrangements. The community states further that conveyance/leaseback provides a greater opportunity for the establishment of a high technology business park supporting the Arsenal core functions as well as the military technology research & development functions of Benet Laboratory which, under the terms of the Secretary's recommendations, will remain operational at the Watervliet Arsenal site. It is the community's position that, while unstated, the option of a conveyance/leaseback was the intent of the Department that will enable the Government to reduce its footprint consistent with the Secretary's recommendation and do so at less costs as the result of avoidance of operations & maintenance costs.

COMMUNITY CONCERNS (CONT.)

The Secretary's recommendation does address its objective to seek a reduction in footprint and alludes to the option of a leaseback arrangement, but it is ambiguous regarding which entity would manage a leaseback and whether this option would be within the context of a conveyance of any facilities or properties on the Arsenal Site.

The Commission staff received communications from the Department of the Army and the Army Materiel Command, the higher headquarters for Watervliet Arsenal, that the Department and the Command endorses the option of conveyance to the Local Reuse Authority and leaseback of required facilities by the Department, but only consistent with a low-cost leaseback for as long as the Department requires the facilities, not to exceed \$1 per year for use of the leased facilities.

COMMISSION RECOMMENDATION

The Commission finds the Secretary of Defense did not deviate substantially from the force structure plan and the final criteria. The Commission approves the Secretary's recommendation with the inclusion of a conveyance to the Local Re-use Authority and low cost leaseback, as desired by the Department of the Army.

Tiffany Kerry 000-22A

DCN 5862
Executive Correspondence

5862

Bill Castle, MALA for
Senator Hatch
202-224-0815
direct line

Congress of the United States

Washington, DC 20515

July 26, 2005

ENCLOSURE (4)

total: 375
pages

The Honorable Anthony J. Principi
Chairman - Defense Base Closure and Realignment Commission
2521 South Clark Street, Suite 600
Arlington, VA 22202

Re: Deseret Chemical Depot, Utah

Dear Mr. Chairman:

We are writing to request Commission approval of two proposed modifications to the 2005 Defense Base Closure and Realignment (BRAC) recommendation issued by the Department of Defense (DoD) on May 13, 2005 relating to the Deseret Chemical Depot, Utah. That recommendation called for the closure of the depot and the dismantling of its incineration facility upon completion of its current chemical munitions disposal mission. Our two proposed recommendations are as follows:

1. The report cited an incorrect date regarding the completion of the depot's current mission which should be corrected.
2. The depot should be utilized for conventional munitions disposal activities after its chemical mission is completed.

First, the DoD recommendation stated that Deseret's mission would be completed by the 2nd quarter of 2008. This assumption is simply not accurate. On July 18, 2005, some of our staff members were able to confirm through Mr. Dale Ormond, Deputy Assistant Secretary of the Army for the Elimination of Chemical Weapons, that the mission completion date for the Deseret Chemical Depot would be, at the earliest, sometime in the year 2012, and possibly beyond. These delays are due to further modifications to the industrial incineration plant, as well as process changes, associated with the switch-over to its final workload of mustard gas.

Therefore, we would appreciate the Commission correcting the COBRA information with regard to the mission completion date for Deseret Chemical Depot.

Second, we strongly support the concept of using the Deseret incinerator for conventional munitions disposal activities at the culmination of its chemical mission. The Deseret facility represents over \$1 billion in prior U.S. taxpayer investment, when considering the total costs of its engineering, design, construction, equipment, licensing, and demonstration. This large investment should not be abandoned. It would be a more responsible use of taxpayer funds, as well as more environmentally-friendly, to consider converting the chemical destruction plant to a conventional munitions disposal operation rather than completely dismantling and tearing-down this facility.

DCN 5860
Executive CorrespondenceThe Honorable Anthony J. Principi
PAGE 2:
July 26, 2005

The Department of the Army, at the request of Congress, contracted with the MITRE Corporation in 1991, to complete a feasibility study on possible alternative uses of its chemical demilitarization incinerators. (See Enclosure 1 – CD-ROM). While that report is nearly 14 years old, the engineering studies it is based upon are still valid in support of the technical viability of converting such facilities to a conventional mission. Further, while this study called into question the economics of such a conversion, we believe that the report's economic arguments should be re-evaluated and balanced in light of the ever-growing stockpile of obsolete conventional munitions, and greatly increased environmental restrictions against most forms of existing conventional disposal methods during the intervening years since that report was completed.

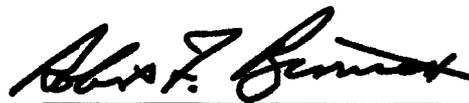
The Tooele Army Depot (TEAD) located adjacent to the Deseret facility, currently has a conventional munitions storage and disposal mission. TEAD is prepared to support the Deseret facility by assuming a significant amount of this growing conventional workload from the Department of the Army, as well as other services. Under the DoD recommendation, TEAD is already slated to receive additional conventional munitions work from the proposed closure of the Army's Hawthorne, Nevada facility.

Although a conversion of the Deseret incinerator to conventional disposal would ultimately require: (1) a change in federal law; (2) support from the Governor of Utah through a modification in the current Memorandum of Agreement with the Army, and; (3) funding provided by the Congress, the period which remains in Deseret's chemical mission of at least seven more years will allow the Congress and the Department of Defense ample time to investigate and study such a conversion in greater detail.

Therefore, we propose that the Commission include language similar to the draft (See Enclosure 2) provided with this letter, granting the Congress and the Department of Defense flexibility in pursuing these ideas more fully and not precluding them all-together under the original DoD recommendation which will have the force and effect of law unless altered by the Commission's final report.

Thank you for taking our views into consideration.

Sincerely,

Rob Bishop
Member of CongressChris Cannon
Member of CongressOrrin G. Hatch
United States SenatorRobert F. Bennett
United States Senator

DCN 5860
Executive Correspondence

Enclosure 2:

DESERET CHEMICAL DEPOT, UTAH.

PROPOSED REPORT LANGUAGE

The original Department of Defense (DoD) recommendation is to close Deseret Chemical Depot at the conclusion of its current chemical munitions disposal mission, which is slated to be completed in calendar year 2012. The recommendation also notes that, under existing federal law (50 USC 1521, as amended by Public Law 106-65, Sec. 141(b)(1)(A)), the incinerator at Deseret Chemical Depot must be torn-down at the conclusion of the chemical mission.

Deseret Chemical Depot's incinerator is the largest full-scale plant constructed by the Department of the Army under its Chemical Demilitarization Program, and Deseret will ultimately be responsible for having successfully de-milled nearly 60% of the United State's stockpile of obsolete chemical munitions. The total cost of designing, building, permitting, and equipping the Deseret facility represents nearly \$1 billion in prior taxpayer investment.

Each of the Army incinerators, including Deseret, are operating pursuant to agreements between the Department of the Army and the Governors of the respective states where the facilities are located. In echoing current federal law, those agreements invariably call for the dismantling of the incinerators once their chemical missions are completed.

The Commission notes that, at the direction of the Congress, the Department of the Army contracted with the MITRE Corporation in 1991 to complete a study on alternative uses for these incinerator facilities. This study validated the technical feasibility of converting the existing incinerators for various other uses, including conventional munitions disposal. While this study is over 14 years old, there is nothing to indicate that the engineering studies undertaken on alternative uses, including conventional de-milling activities, are no longer valid. The Commission further takes note that there is a growing backlog of obsolete conventional munitions and energetics within the Army and other services requiring disposal. Increasingly strict environmental regulations governing open-air destruction of these materials are contributing to the growing backlog of conventional materials, and may require more environmentally-sensitive methods of disposal such as incineration and scrubbed emissions; capabilities which the existing Deseret facility already provides.

Finally, the Commission notes that there is significant support within the State of Utah and the Utah Congressional Delegation for converting the Deseret Chemical Depot incinerator to conventional munitions disposal; a current mission at adjacent Tooele Army Depot. Under the most optimistic of scenarios, it will take the Army until the year 2012 for the existing Deseret Chemical mission to be completed. Given all of these facts, it would seem reasonable to provide the Congress flexibility over the next seven years to

DCN 5860
Executive Correspondence

-2-

re-examine use of the Deseret incinerator facility to provide a means of disposing of conventional munitions and energetics once its chemical mission is completed.

RECOMMENDATION: The Commission directs that the DoD recommendation regarding the Deseret Chemical Depot, Utah, be modified as follows:

The Deseret Chemical Munitions Disposal Facility shall be allowed to remain open beyond the year 2012 and not dismantled, contingent upon the following conditions being met by no later than December 31, 2011:

- (1) The Congress repeals or modifies existing federal law requiring dismantling of the Deseret Chemical Depot incinerator facility, to allow for modification and use of the facility for conventional munitions and energetics disposal activities only, and;
- (2) The Governor of the State of Utah consents through a new Memorandum of Agreement with the U.S. Army and/or the Secretary of Defense, to follow-on uses of the Deseret facility for conventional munitions and energetics disposal.

Should these two requirements not be met by the deadline, the Commission directs that the original DoD recommendation requiring the closure, dismantling, and excess property transfer to Tooele Army Depot, of Deseret Chemical Depot facilities, be carried out as contained in the original 2005 DoD recommendation.

"No one can take this process for granted," she said.

The BRAC Commission has asked good questions about the consolidation and Denver has excellent resources to expand the DFAS facility, said DeGette.

Senators propose new mission for Cannon

The Associated Press State & Local Wire
(Cannon Air Force Base, NM)

August 5, 2005

This eastern New Mexico air base would be home to the Defense Department's fledging Airborne Laser program under a plan proposed by New Mexico's two senators.

Sens. Pete Domenici, R-N.M., and Jeff Bingaman, D-N.M., sent a letter to Defense Secretary Donald Rumsfeld on Thursday, urging him to consider the option.

Cannon Air Force Base, near Clovis, is one of 33 major bases around the country targeted for closure as part of the Base Realignment and Closure process. The Pentagon has estimated it would save \$2.7 billion over 20 years by closing Cannon, costing the base's 2,385 military employees and 384 civilian jobs and about 2,000 more indirect jobs.

The economic impact of the base has been estimated at \$200 million a year - about a third of the Clovis economy in a community of about 36,000.

In their letter to Rumsfeld, the senators said the citizens of Clovis are hardworking people who have supported the Air Force for years.

"The base should not be closed," they wrote. "It seems to us that if the (laser) program needs a base, Cannon Air Force Base should be considered."

As part of the senators' plan, the laser program would include eight Boeing 747 aircraft and a chemical plant that needs to be located far from populated areas.

"A strategic asset like the Airborne Laser program is best suited in a rural area with plenty of airspace and sufficient infrastructure to support a significant amount of personnel and equipment," Domenici said Thursday. "It appears to me that Cannon Air Force Base would be a perfect fit."

Domenici cited the base's unrestricted flying conditions and strong support from the community.

Bingaman said by failing to take the laser program and Cannon into consideration, the Defense Department limits its options for the future deployment of national security assets.

"Cannon Air Force Base has all the amenities needed for this effort, including expansive airspace, modern and un-encroached facilities and ramp space," Bingaman said.

The senators said the management office for the laser program is currently located at Kirtland Air Force Base in Albuquerque and that housing operations at Cannon would give it access to the Air Force scientific community.

Utahns propose extending life of Deseret Chemical Depot

The Associated Press State & Local Wire (Salt Lake City, UT)

August 4, 2005

Utah's Republicans in Congress want to prolong the life of the Deseret Chemical Depot by having it dispose of conventional weapons after it finishes its mission of destroying chemical weapons.

"You could transform what's already there," Rep. Rob Bishop said Wednesday in an interview with the Washington bureau of The Salt Lake Tribune. "Rather than just tearing down the facility that you spent a billion dollars to put up, making it useful would keep jobs there and keep it (running)."

The Pentagon has recommended to the Base Realignment and Closure Commission that the incinerator near Tooele be torn down after it finishes destroying chemical weapons.

But in a letter last week to Anthony Principi, chairman of the Base Realignment and Closure Commission, the Utah Republicans requested that commissioners leave open the option that Deseret's mission could be changed to dispose of aging shells, rockets and missile parts.

"This large investment should not be abandoned," they wrote. "It would be a more responsible use of taxpayer funds, as well as more environmentally friendly, to consider converting the chemical destruction plant to a conventional munitions disposal operation rather than completely dismantling and tearing down this facility."

The Utah members said a senior Pentagon official confirmed to them that work at the incinerator is far behind schedule and the earliest the chemical demolition could be completed is 2012. That is three years later than the Pentagon told Congress earlier this year.

To make the change, Congress would have to change the existing law, which calls for the incinerator to be decommissioned and torn down. It would also require renegotiating the existing agreement between the governor and the Army.

An Army Materiel Command report said there are about 397,000 tons of conventional munitions awaiting disposal. Existing defense facilities can dispose of a maximum of about 156,000 tons of weapons annually.

Bishop said the munitions are currently burned or detonated in the open, "which has its own environmental problems."

The Pentagon already recommended in its May report the closure of Hawthorne Army Depot in Nevada - where the munitions are currently disposed of - and relocating the storage and demilitarization functions to Tooele Army

Depot. The proposal has been met with strong resistance from the Hawthorne community.

The delegation's letter is attached to a 370-page engineering study commissioned by the Pentagon in 1991, which said it is technically possible, but could be costly to convert the incinerator.

Pentagon plan for Detroit Arsenal could provide more jobs

The Associated Press State & Local Wire
(Detroit, MI)
Ken Thomas
August 4, 2005

A Pentagon plan to streamline the nation's military bases could bring about 1,100 jobs to the Detroit Arsenal in Warren, several hundred more than originally anticipated, the federal base closing commission said Thursday.

The commission received written confirmation from the Army that the job gains at the Detroit Arsenal would exceed the original estimate of about 650 jobs under the Pentagon plan, said Robert McCreary, a commission spokesman.

The Pentagon plan released in May did not take into account about 450 administrative and staff positions that would be shifted from the Rock Island Arsenal in Illinois to the Michigan installation.

McCreary said Rock Island didn't include some information in a questionnaire that would have provided a better calculation of workers. He said the "more accurate numbers" reflect a potential shift of 1,100 jobs to Michigan.

The Defense Department proposal would make the Detroit Arsenal the military's pre-eminent center for automotive and ground vehicle research and development. Local supporters hailed the latest development.

"This is a big boost for Michigan if this happens," said Peggy Mazzara, president of the Macomb Chamber, which has lobbied on behalf of the arsenal.

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Data Review Certification

The completion of operations and closure dates for the US Army Chemical Materials Agency chemical demilitarization sites are as follows:

	<u>Completion Operations</u>	<u>Closure</u>
Deseret Chemical Depot	4QFY09 – 4 QFY14	4QFY14 – 4QFY19
Umatilla Chemical Depot	2QFY12 – 4QFY17	1QFY16 – 3QFY21
Newport Chemical Depot	3QFY07 – 1QFY12	2QFY10 – 3QFY15

These dates are certified as accurate and complete to the best of the certifier's knowledge and belief.



Michael A. Parker
CMA Senior Mission Commander

31 May 2005
Date

* NO FUNDING FOR INSTALLATION CLOSURE