

THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

DCN: 12395

EXECUTIVE CORRESPONDENCE TRACKING SYSTEM (ECTS) #

950629-3

FROM: NUNN, SAM	TO: CLINTON
TITLE: SENATOR (GA)	TITLE: PRESIDENT
ORGANIZATION: U.S. CONGRESS	ORGANIZATION: UNITED STATES
INSTALLATION (S) DISCUSSED:	

OFFICE OF THE CHAIRMAN	FYI	ACTION	INIT	COMMISSION MEMBERS	FYI	ACTION	INIT
CHAIRMAN DIXON				COMMISSIONER CORNELLA	✓		
STAFF DIRECTOR	✓			COMMISSIONER COX	✓		
EXECUTIVE DIRECTOR	✓			COMMISSIONER DAVIS	✓		
GENERAL COUNSEL	✓			COMMISSIONER KLING	✓		
MILITARY EXECUTIVE				COMMISSIONER MONTOYA	✓		
				COMMISSIONER ROBLES	✓		
DIR./CONGRESSIONAL LIAISON	✓			COMMISSIONER STEELE	✓		
DIR./COMMUNICATIONS				REVIEW AND ANALYSIS			
				DIRECTOR OF R & A	✓		
EXECUTIVE SECRETARIAT				ARMY TEAM LEADER	✓		
				NAVY TEAM LEADER	✓		
DIRECTOR OF ADMINISTRATION	✓			AIR FORCE TEAM LEADER	✓		
CHIEF FINANCIAL OFFICER				INTERAGENCY TEAM LEADER	✓		
DIRECTOR OF TRAVEL				CROSS SERVICE TEAM LEADER	✓		
DIR./INFORMATION SERVICES							

TYPE OF ACTION REQUIRED

Prepare Reply for Chairman's Signature	Prepare Reply for Commissioner's Signature
Prepare Reply for Staff Director's Signature	Prepare Direct Response
ACTION: Offer Comments and/or Suggestions	FYI

Subject/Remarks:

STATING DBCR RECOMMENDATIONS SHOULD BE APPROVED.

Due Date:	Routing Date: 950629	Date Originated: 950629	Mail Date:
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United States Senate

COMMITTEE ON ARMED SERVICES

WASHINGTON, DC 20510-6050

June 29, 1995

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Please refer to this number
when responding 950624-3

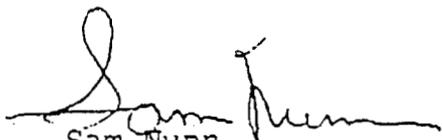
Dear Mr. President:

We have reviewed the recommendations of the 1995 Defense Base Closure and Realignment Commission for the closure and realignment of military installations in the United States. We believe that the Commission's recommendations are in the best interests of our national security and should be approved.

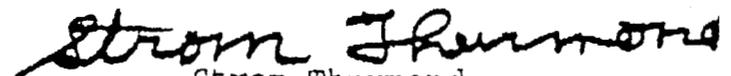
There is no question that the implementation of the 1995 Commission's recommendations will be difficult and painful for many communities. At the same time, it is clear that savings generated by closing bases today is essential to the future readiness and force modernization of the military services. While the 1995 Commission made some changes to the list of closures and realignments proposed by the Secretary of Defense, the anticipated savings from its recommendations are slightly more than the level proposed by the Department of Defense. The Commission's recommendations will reduce excess infrastructure in the Department in a balanced and deliberate manner and, at the same time, preserve critical defense capabilities for the future. A significant source of the planned funds for future modernization comes from the expected savings from base closures. There is agreement by Defense Secretary Perry and all the military services that the defense modernization accounts are underfunded.

Mr. President, as two of the principal authors of the Defense Base Closure and Realignment Act of 1990 which set up the base closure process, and the Senators responsible for guiding the Commission's recommendations through the United States Senate, we believe the base closure process should be judged on the merits. The Commission was created to provide an independent review of the Defense Department's recommendations, and it has done so. We know that you agree with us that base closure decisions must be based on what is best for our national security and look forward to working with you in that respect.

Sincerely,


Sam Nunn

Ranking Minority Member


Strom Thurmond
Chairman

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 13, 1995

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 80 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 am 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 Washington Post

AN INDEPENDENT NEWSPAPER

Off Base

PRESIDENT CLINTON'S outburst against the military base closing commission was unfair and unreasonable. The president's denunciations look very much like an attempt to evade responsibility for the consequences of the push toward a balanced budget—which, in principle, Mr. Clinton himself supports. Having vehemently denounced the commission's recommendations in the morning, in the afternoon he accepted them—reluctantly, according to his spokesman—and sent them off to Congress.

The thrust of Mr. Clinton's objections seems to be that the commission, and its predecessors, are picking unduly on California. In the previous three rounds of base closings, he declared, California suffered slightly more than half of all the job losses nationwide, and now in this fourth round nearly half of the jobs will come once again from California. But the present system of independent commissions is the best mechanism anyone has been able to devise to insulate this difficult process from political pressures. Perhaps one reason for the impact on California now is that the state's electoral importance previously protected a number of marginal installations.

Mr. Clinton furiously charged that the commission paid little attention to economic considerations—i.e., jobs. That's unlikely. Its chairman,

Alan J. Dixon, was a Democratic senator from Illinois for two terms. He's still remembered for the vehement and emotional campaign he waged (unsuccessfully) in 1989 to try to keep Chanute Air Force Base open when it was listed by an earlier commission.

Over the past couple of weeks Mr. Clinton has been engaged in a highly publicized effort to ensure that many of the jobs at McClellan Air Force Base in Sacramento will be privatized. That is rather disingenuous. If the privatization is real, it will merely perpetuate the expensive overcapacity that the base closing is supposed to reduce. If the private-sector jobs rapidly fade away after another election or two, the people who held them will rightly consider the whole effort a sham.

Closing military bases is a terrible responsibility, with a heavy impact on the lives of valued civil servants, other workers and the communities in which they live. People in elected office have reason to try to avoid it. That's why these commissions are used. But that's also why it's wrong for elected officials, and above all the president, to pillory a commission for doing in good faith an unpleasant task that the president and Congress have delegated to it.

Church and School

FACED WITH growing congressional interest in a constitutional amendment on school prayer, President Clinton gave a speech on Wednesday aimed at reassuring religious people and drawing clear lines between what is constitutional in public schools and what is not. The president focused on two recently enacted federal laws curbing the government's power to interfere with religious expression and activities, and provided guidance on a number of specific situations that might come up in school. His statement was based on a paper prepared by religious and civil liberties

before meals in the cafeteria or wear yarmulkes to class. None of these practices is forced upon students by government—as an official school prayer would be—and none is unconstitutional. The president simply stated settled First Amendment law.

There are still gray areas that are in litigation. Does a graduation prayer initiated, led and spoken by a student amount to state action? Should a school chorus be allowed to sing "The Battle Hymn of the Republic"? The president did not address

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Gary Sheftick
Thomas E. Mari
S.H. Kelly
Sgt. Tonia D. Arch
David E. Gillespie
James A. Brown
Audrey L. Brunson
Tonya K. Townsell
Tami Terella
Michelle A. Jeffress
Chester Simpson
Jim McLean
Cpl. Gentry T. Deck

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3-1520
5-0855

Unhappy president forwards base closure recommendations

by Master Sgt. Stephen Barrett
American Forces Information Service

President Bill Clinton has accepted the Base Closure and Realignment Commission hit list that would close or realign over 100 stateside bases. The commission added eight bases not included on DoD's suggested closure list.

The president's July 13 decision puts the bases' fate into the hands of Congress, which has 45 legislative days to ponder the list but must accept or reject it in its entirety. Both houses must reject the list by resolution to kill it — acceptance or failure to reject puts the list into effect.

In a letter to commission chairman Alan J. Dixon, Clinton said the goal of streamlining defense by closing bases is important to national security. By approving the list, he said, base structure would continue to shrink in line with ongoing personnel reductions.

Clinton said he reluctantly accepted the list, believing the commission deviated too much from DoD recommendations. He said the group did not consistently apply military readiness factors, citing the commission's decision to spare Red River (Texas) Army Depot because moving activities to Anniston (Ala.) Army Depot posed "too much a risk in readiness."

Yet in cases of the huge air logistics centers, said Clinton, "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, Clinton said the economic impact is harsher under the commission plan than DoD's, although savings were about the same. "It does not appear that this crucial factor was adequately taken into account in some of your decisions," he said.

The president's remarks centered on the Air Force air logistics centers at McClellan Air Force Base, Calif., and Kelly Air Force Base, Texas. "The commission acknowledged but disregarded the economic impact of closing Kelly," said Clinton.

"And in a number of public statements, you have denied that a disproportionate impact is being inflicted on California."

Because of the thousands of jobs involved in closing the two air logistics centers, DoD official said plans are underway to privatize jobs at McClellan and Kelly over the next five years. A letter from Dixon to Deputy Defense Secretary John White confirmed the commission would allow DoD to privatize workloads.

Clinton said privatization should protect against job loss while helping the Air Force avoid a readiness disruption.

McClellan and Kelly were two of the eight bases added by the commission. The other six are Fort Holabird, Md.; the Chicago O'Hare International Airport Air Reserve Center; and four installations in the San Francisco Bay Area — Oakland Army Base, Navy Fleet Industrial Supply Center in Oakland, Point Molate Naval Refueling Station in Richmond and the Navy Supply Annex in Alameda.

While making selections, the commission also voted to keep over 40 bases open, overruling nearly 25 DoD proposals. Besides Red River Army Depot, other bases remaining open include Fort Hamilton, N.Y.; Dugway Proving Ground, Utah; and the Meridian (Miss.) Naval Air Station.

The recommendation closes 28 Army, 53 Navy and seven Air Force bases. Army closings include Fort McClellan, Ala.; Fort Ritchie, Md.; Letterkenny Army Depot, Chambersburg, Pa.; and Fitzsimons Army Medical Center, Aurora, Colo.

Navy closings include California's Long Beach Naval Shipyard; naval activities in Guam; the Naval Surface Warfare Center in White Oak, Md.; and the South Weymouth (Mass.) Naval Air Station.

Air Force closings include Reese Air Force Base and Bergstrom Air Reserve Base, Texas; and Air National Guard stations at Roslyn, N.Y., and Ontario, Calif.

In February, Secretary of Defense William J. Perry submitted DoD recommendations to close

See BRAC page 10

BRAC

(continued from page 2)

or realign 146 bases. It was DoD's fourth and final list authorized under the 1990 Base Closure and Realignment Act. Perry said then DoD would save an estimated \$18 billion from this round of closures and realignments. The savings, he said, would go to improve readiness and force modernization.

The commission added 35 installations to the DoD list of recommended closures and realignments last spring. Dixon said in May the commission needed to consider the other installations to provide the best closure list to the president.

Commission members visited all affected installations from March until June. They conducted regional meetings with local officials, community leaders and citizens. The commission also took testimony from congressional and DoD officials.

1995 BRAC List

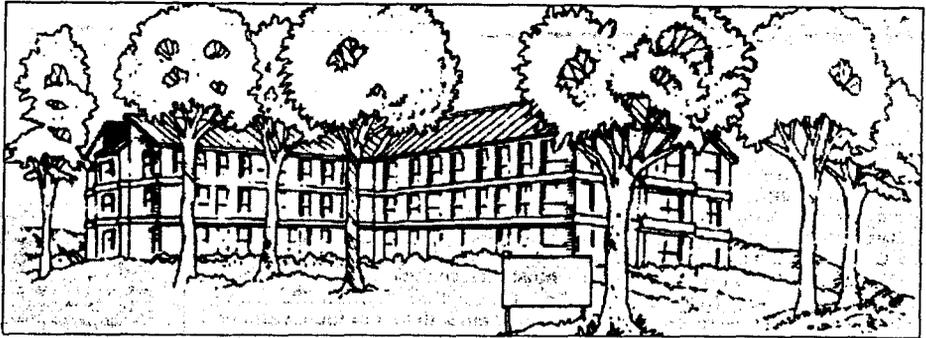
Base Closures

Army

Fort McClellan, Ala.
Fort Chaffee, Ark.
U.S. Disciplinary Barracks Branch, Lumpoc, Calif.
East Fort Baker, Calif.
Oakland Army Base, Calif.
Rio Vista Army Reserve Center, Calif.
Stratford Army Engine Plant, Conn.
Fitzsimons Army Medical Center, Aurora, Colo.
Big Coppett Key, Fla.
Savanna (Ill.) Army Depot Activity
Fort Holabird, Md.
Fort Ritchie, Md.
Hingham Cohasset (Mass.) Army Reserve Center
Sudbury (Mass.) Training Annex
Fort Missoula, Mont.
Bayonne (N.J.) Military Ocean Terminal
Camp Kilmer, N.J.
Camp Pedricktown, N.J.
Belmore Logistics Activity, Long Island, N.Y.
Fort Totten, N.Y.
Seneca Army Depot, Romulus, N.Y.
Recreation Center #2, Fayetteville, N.C.
Fort Indiantown Gap, Pa.
Letterkenny Army Depot, Chambersburg, Pa.
Fort Buchanan, Puerto Rico
Fort Pickett, Va.
Camp Bonneville, Wash.
Valley Grove (W.Va.) Area Maintenance Support Activity

Navy

Naval Reserve Center, Huntsville, Ala.
Naval Air Facility, Adak, Alaska
Fleet and Industrial Supply Center, Oakland, Calif.
Point Molate Naval Refueling Station, Richmond, Calif.
Navy Supply Annex, Alameda, Calif.
Naval Shipyard, Long Beach, Calif.
Naval Reserve Center, Stockton, Calif.
Naval Reserve Center, Santa Ana-Irvine, Calif.
Naval Reserve Center, Pomona, Calif.
Naval Activities, Guam
Naval Ship Repair Facility, Guam
Naval Officer Housing, Guam
Naval Air Warfare Center, Aircraft Division, Indianapolis
Naval Air Reserve Center, Olathe, Kan.
Naval Surface Warfare Center, Crane Division Detachment, Louisville, Ky.
Naval Biodynamics Laboratory, New Orleans
Naval Reserve Readiness Command (Region 10), New Orleans
Naval Medical Research Institute, Bethesda, Md.
Naval Surface Warfare Center, Carderock Division Detachment, Annapolis, Md.
Naval Surface Warfare Center, Dahlgren Division Detachment, White Oak, Md.
Naval Air Station, South Weymouth, Mass.
Naval Reserve Center, Cadillac, Mich.
Naval Reserve Center, Staten Island, N.Y.
Naval Aviation Engineering Support Unit, Philadelphia
Naval Air Technical Services Facility, Philadelphia
Naval Air Warfare Center, Aircraft Division, Open Water Test Facility, Oreland, Pa.
Naval Command, Control and Ocean Surveillance Center, RDT&E Division Detachment, Warminster, Pa.



Naval Air Warfare Center, Aircraft Division, Warminster, Pa.

Naval Reserve Readiness Command (Region 7), Charleston, S.C.

Fleet and Industrial Supply Center, Charleston, S.C.

Naval Reserve Center, Laredo, Texas

Naval Command, Control and Ocean Surveillance

Center, In-Service Engineering East Coast Detachment, Norfolk, Va.

Naval Reserve Center, Sheboygan, Wis.

Air Force

Ontario (Calif.) International Airport Air Guard Station
McClellan Air Force Base, Calif.
Chicago O'Hare International Airport Air Reserve Station
Roslyn Air Guard Station, N.Y.
Bergstrom Air Reserve Base, Texas
Reese Air Force Base, Texas
Air Logistics Center, Kelly Air Force Base, Texas

Defense Agencies

Defense Distribution Depot Memphis, Tenn.
Defense Distribution Depot Ogden, Utah

Realignments

Army

Fort Greely, Alaska
Fort Hunter Liggett, Calif.
Sierra Army Depot, Herlong, Calif.
Fort Meade, Md.
Detroit Arsenal
Fort Dix, N.J.
Charles E. Kelly Support Center, Pa.
Red River Army Depot, Texarkana, Texas
Fort Lee, Va.

Navy

Naval Air Station, Key West, Fla.
Public Works Center, Guam
Naval Undersea Warfare Center, Keyport, Wash.

Air Force

Onizuka Air Station, Calif.
Eglin Air Force Base, Fla.
Homestead Air Reserve Station, Florida City, Fla.
Malmstrom Air Force Base, Mont.
Grand Forks Air Force Base, N.D.
Kelly Air Force Base, Texas
Hill Air Force Base, Utah

Defense Agencies

Defense Distribution Depot Columbus, Ohio

Disestablishments and Relocations

Army

Concepts Analysis Agency, Bethesda, Md.
Publications Distribution Center, Baltimore
Aviation and Troop Command, St. Louis
Information Systems Software Command, Fairfax, Va.

Navy

Naval Command, Control and Ocean Surveillance Center, In-Service Engineering West Coast Division, San Diego
Naval Health Research Center, San Diego
Naval Personnel Research and Development Center, San Diego
Supervisor of Shipbuilding, Conversion and Repair, Long Beach, Calif.
Naval Undersea Warfare Center-Newport Division, New London (Conn.) Detachment
Naval Research Laboratory, Underwater Sound Reference Detachment, Orlando, Fla.
Fleet and Industrial Supply Center, Guam
Naval Information Systems Management Center, Arlington, Va.

Naval Management Systems Support Office, Chesapeake, Va.

Air Force

Real-Time Digitally Controlled Analyzer Processor Activity, Buffalo, New York

Defense Agencies

Defense Contract Management District South, Marietta, Ga.
Investigations Control and Automation Directorate, Fort Holabird, Md.
Defense Contract Management Command International, Dayton, Ohio
Defense Distribution Depot, Letterkenny, Pa.
Defense Industrial Supply Center, Philadelphia

Bases Remaining Open

Army

Space and Strategic Defense Command (leased buildings), Huntsville, Ala.
Price Support Center, Granite City, Ill.
Selfridge Army Garrison, Detroit
Caven Point Reserve Center, N.J.
Fort Hamilton, N.Y.
Tobyhanna (Pa.) Army Depot
Dugway Proving Ground, Utah

Navy

Engineering Field Activity West, San Bruno, Calif.
Naval Air Warfare Center, Weapons Division, Point Mugu, Calif.
Fleet Industrial Supply Center, Oakland, Calif.
Naval Warfare Assessment Division, Corona, Calif.
Supervisor of Shipbuilding and Repair, San Francisco
Atlanta Naval Air Station
Portsmouth Naval Shipyard, Kittery, Maine
Naval Air Station, Meridian, Miss.
Naval Technical Training Center, Meridian, Miss.
Naval Air Warfare Center, Aircraft Division, Lakehurst, N.J.
Naval Air Station, Corpus Christi, Texas

Air Force

Moffett Federal Airfield Air Guard Station, Calif.
North Highlands Air Guard Station, Calif.
Robins Air Force Base, Ga.
Minneapolis-St. Paul International Airport Air Reserve Station
Columbus Air Force Base, Miss.
Minot Air Force Base, N.D.
Kirtland Air Force Base, N.M.
Niagara Falls International Airport Air Reserve Station, N.Y.
Rome (N.Y.) Laboratory
Youngstown-Warren Air Reserve Station, Ohio
Springfield-Beckley (Ohio) Municipal Airport, Air Guard Station
Tinker Air Force Base, Okla.
Vance Air Force Base, Okla.
Greater Pittsburgh International Airport Air Reserve Station
Brooks Air Force Base, Texas
Air Force Electronic Warfare Evaluation Simulator Activity, Fort Worth, Texas
Carswell Air Reserve Station, Texas
Laughlin Air Force Base, Texas

Defense Activities

Wamer Robins (Ga.) Defense Distribution Depot
Oklahoma City Defense Distribution Depot
Tobyhanna (Pa.) Defense Distribution Depot
San Antonio Defense Distribution Depot
Red River Defense Distribution Depot, Texarkana, Texas

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...spent the day mulling whether to delay their schedule to keep from getting too far ahead of the Senate. But after Mr. Dole assured them that the Senate Finance Committee will move swiftly on Medicare, House leaders decided to keep their plan to unveil "Medicare Plus" to members Thursday and to the public Friday.

Medicare Plus would allow seniors to keep Medicare as is or choose from options including managed care, medical savings accounts and private fee-for-service care.

Mr. Hastert said Republicans "are planning to expose parts of the package next week." As deputy whip, he will be feeling out member concerns about the plan.

The drafters have decided to charge wealthy seniors higher premiums but have not determined the income threshold at which premiums would rise.

"That's dangerous ground when you start to take something away from those folks," Mr. Hastert said, adding that he is working with Rep. Porter J. Goss, Florida Republican, to get feedback from seniors in Florida, which has a large number of Medicare recipients.



Rep. Dennis Hastert

"Means testing will be part of it, but I think we are going to run that by some outside groups," he said.

Mr. Hastert said that when he went to the floor to vote just before noon yesterday, one member pulled him aside and urged him to include a provision to deal with fraud and abuse. Another wanted a malpractice provision.

He chuckled and said the next several weeks will be like that.

The House passed legal reform during the first 100 days of the session. That measure included a \$250,000 cap for punitive damages in medical malpractice cases. Aides said that bill may be reintroduced as part of reconciliation without becoming part of the Medicare proposal.

House vote seals fates of 79 bases slated for closure

Effort to reject list fails, 343-75

ASSOCIATED PRESS

The House yesterday rejected a bid to throw out a base-closure list, effectively making the list law and setting in motion the closing of 79 military bases nationwide.

On a 343-75 vote, the House rejected a proposal by Rep. Frank Tejeda, Texas Democrat, to overturn the recommendations of the Defense Base Closure and Realignment Commission. Because both the House and Senate would have to vote against the list to stop it, yesterday's action means the list becomes law, commission spokesman Wade Nelson said.

"This is the end of the line," Mr. Nelson said.

With yesterday's action, the military has two years from July 13 — the date President Clinton approved the list — to begin closing bases and six years to complete the closures.

Members from districts hit hard by the closure recommendations accused the commission of succumbing to political pressure in compiling its list. But districts helped or not affected by the recommendations outnumber those hit by closures, so Mr. Tejeda's proposal had little chance of passage.

"I have no illusions about the final outcome of this matter," Mr. Tejeda said.

Kelly Air Force Base, a major aircraft repair base adjacent to Mr. Tejeda's district, is among the facilities slated for closure. "I do not believe that closure of Kelly Air Force Base is in the best interest of our national security," he said.

Rep. Henry B. Gonzalez, Texas Democrat, whose district includes Kelly in San Antonio, called the closure process a "sham."

Others criticizing the closure list represent districts around McClellan Air Force Base in California, another maintenance site.

"I know that what I am engaging in here today is probably under the rubric of a primal scream," said Rep. Vic Fazio, California Democrat.

The list's defenders said the Pentagon must trim overhead to pay for weapons modernization and readiness in the next century.

"Reluctantly, I realize with the growing pressures on defense resources we simply cannot afford to keep all the installations and facilities open that I believe our mili-

"We simply cannot afford to keep all the installations . . . that I believe our military may need again."

— Rep. Floyd D. Spence

tary may need again," said Rep. Floyd D. Spence, South Carolina Republican and chairman of the House National Security Committee.

Mr. Clinton approved the list after angrily criticizing the commission's recommendations to close Kelly and McClellan over the Pentagon's objections. At Mr. Clinton's direction, the Air Force has put together a privatization plan designed to enable Sacramento, Calif., and San Antonio to preserve most of the jobs the bases provide.

Republicans accused Mr. Clinton of a blatant political move to secure votes in Texas and California, two states considered critical to his re-election chances.

"What really outrages me . . . is to see this president play partisan politics with the lives of people in the military," said Rep. Curt Weldon, Pennsylvania Republican.

In all, the commission recommended closing 79 bases and realigning 26 others, for anticipated savings of \$19.3 billion over 20 years. The commission said its closure plan will save \$323 million more than Mr. Clinton's proposal.

California stands to lose 19,372 military and civilian jobs, the commission said, plus 22,898 "indirect" jobs at dry cleaners, fast-food restaurants and other businesses that depend on bases for customers. Texas will lose 13,381 civilian and military jobs from the closures, plus 19,476 indirect jobs.

Nationwide, this fourth round of closures will result in a net loss of 43,742 military and civilian jobs and 49,823 indirect jobs, a total of 93,565, the commission estimated. The nationwide impact appears mild compared with the Texas and California losses because some base closures will move jobs from one state to another. Oklahoma, Utah and Georgia, for example, stand to gain jobs.

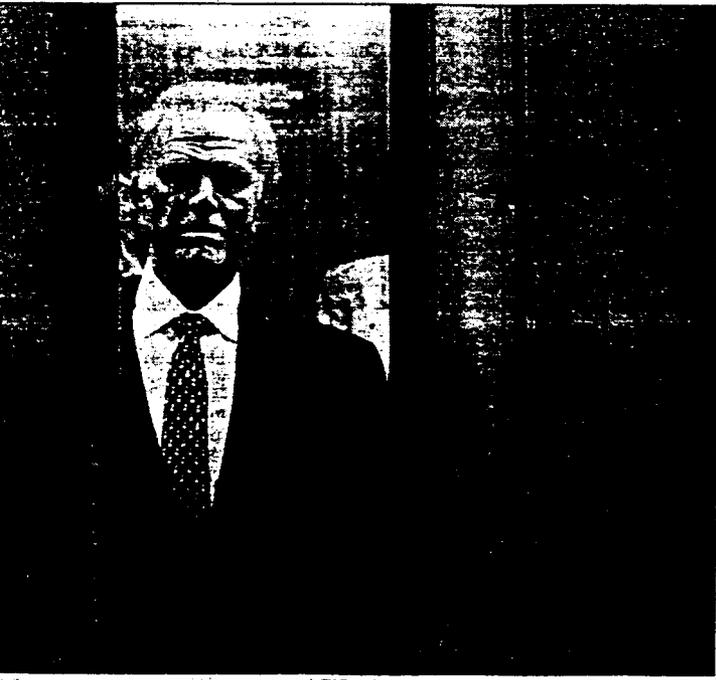


Photo by Kenneth Lambert/The Washington Times
Bob Packwood as the curtain fell yesterday on his committee chairmanship.

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"I believe that he has done the right thing in choosing to spare the Senate further agony over his fate," said Sen. Robert C. Byrd, West Virginia Democrat, who two years ago advised Mr. Packwood to "have the grace to go."

grin and a gesture to his election hopes, he added: "I don't think I'm going to be here long enough to get on the Finance Committee."

Much lies ahead of Mr. Roth, a five-term senator and former chairman of the Governmental Af-

'Paws off pensions,' GOP warns Clinton

Kelly '95

eliminations would be evenly phased over a four year period. The Commission also did not agree with a number of one-time costs that the Air Force considered to be directly related to closure.

The level of Hispanic employment at Kelly AFB was recognized by the Commission. The Commission took steps to minimize the negative economic impact on the community by cantoning a significant portion of the Kelly AFB activities. The Commission recommends that the DoD make maximum use of the priority placement system and take steps to retain the Kelly employees within DoD.

The Commission staff presented data indicating large annual savings could be realized by consolidating engine maintenance activities at Tinker Air Force Base, Oklahoma. Both Kelly and Tinker are operating at less than 50% of their engine maintenance capacity. These savings would be in addition to those shown in the Commission's COBRA summaries. The Commission urges the Air Force to consolidate engine maintenance activity at Tinker to reduce excess capacity. The Commission firmly believes that consolidation of engine activities will result in lower costs and increased efficiencies.

Each of the Air Logistics Centers operated by the Air Force are excellent organizations. The San Antonio community is clearly supportive of the military and the ALC. The decision to close the San Antonio ALC is a difficult one; but given the significant amount of excess depot capacity and limited Defense resources, closure is a necessity. The Commission's decision permits closure of the San Antonio ALC and related activities without disruption of the other military missions on the base. The San Antonio ALC closure will permit improved utilization of the remaining ALCs and substantially reduce DoD operating costs.

Commission Recommendation

The Commission finds the Secretary of Defense deviated substantially from the force-structure plan and final criteria 1, 4, and 5. Therefore, the Commission recommends the following: realign Kelly Air Force Base including the Air Logistics Center. Disestablish the Defense Distribution Depot, San Antonio. Consolidate the workloads to other DoD depots or to private sector commercial activities as determined by the Defense Depot Maintenance Council. Move the required equipment and any required personnel to the receiving locations. The airfield and all associated support

activities and facilities will be attached to Lackland AFB, Texas as will the following units: the Air Intelligence Agency including the Cryptologic Depot; the 433rd Airlift Wing (AFRES); the 149th Fighter Wing (ANG), and; the 1827th Engineering Installation Squadron (EIS). The Commission finds this recommendation is consistent with the force-structure plan and final criteria.

Reese Air Force Base, Texas

Category: Undergraduate Flying Training

Mission: Undergraduate Pilot Training

One-Time Cost: \$46.4 million

Savings: 1996-2001: \$95.7 million

Annual: \$32.4 million

Return on Investment: 1999 (2 Years)

FINAL ACTION: Close

Secretary of Defense Recommendation

Close Reese AFB. The 64th Flying Training Wing will inactivate and its assigned aircraft will be redistributed or retired. All activities and facilities at the base including family housing and the hospital will close.

Secretary of Defense Justification

The Air Force has more Undergraduate Flying Training (UFT) bases than necessary to support Air Force pilot training requirements consistent with the Department of Defense (DoD) Force Structure Plan. When all eight criteria are applied to the bases in the UFT category, Reese AFB ranks low relative to the other bases in the category. Reese AFB ranked lower when compared to other UFT bases when evaluated on such factors as weather (e.g., crosswinds, density altitude) and airspace availability (e.g., amount of airspace available for training, distance to training areas). Reese AFB was also recommended for closure in each alternative recommended by the DoD Joint Cross-Service Group for Undergraduate Pilot Training.

Community Concerns

The community argues the Air Force has always rated Reese very high in the past. As proof of this, they point to the selection of Reese as the first specialized undergraduate pilot training site with the introduction of the T-1 training aircraft, and initiation of the consolidation of undergraduate pilot training (UPT) with the Navy in a joint primary training program. The community questions whether Reese is being downgraded because it

The reduced mission needs for McClellan AFB was also a consideration in the determination to close McClellan AFB. In addition, the Commission found the McClellan AFB closure costs to be less than the costs estimated by DoD and the annual savings significantly greater than DoD's estimate. The differences in cost and savings estimates are based on differing closure assumptions of the Air Force and Commission. The Commission assumed that a depot closure and consolidation of work would permit a personnel reduction of 15% of selected ALC personnel and a 50% reduction of management overhead personnel. The Air Force did not reflect any direct labor personnel savings due to a closure and reflected a 20% reduction in overhead personnel. The Commission assumed that closure would occur over a five year period, and the Air Force assumed six years. Another significant factor explaining the difference between savings estimates is that Air Force assumed all personnel savings would occur in the last year of implementation; the Commission assumed that personnel eliminations would be evenly phased over the last four years. The Commission also did not agree with a number of one-time costs that the Air Force considered to be directly related to closure.

The Commission found that McClellan AFB has extensive environmental contamination, but that pursuant to DoD guidance, environmental restoration costs should not be considered in cost of closure. DoD has a legal obligation for environmental restoration regardless of whether a base is closed or remains open. Similarly, the availability of environmental funding is a concern to all bases, whether closing or remaining open, and therefore is not a closure decision factor. The Commission notes the Air Force could lease structures and property while cleanup continues, thereby allowing reuse to begin. The DoD, pursuant to Public Law 102-484 indemnifies future owners and users of DoD property from liability resulting from hazardous substances remaining on the property as a result of DoD activities. Indemnification should help to allay the community's concern about liability.

The Commission found that the DoD should be allowed to retain the Nuclear Radiation Center for dual-use and/or research, or close it as appropriate. The Commission believes closure of McClellan presents an opportunity for cross-servicing and thus, directs the Defense Depot Maintenance Council to determine and direct the appropriate

distribution of the work to other DoD depots or to the private sector. The Commission directs that all McClellan common-use ground communication/electronics maintenance work, as categorized by the DoD Joint Cross Service Group for Depot Maintenance, be transferred to the Tobyhanna Army Depot, Pennsylvania. The common-use ground communication/electronics workload categories include: radar, radio communications, wire communications, electronic warfare, navigation aids, electro-optic and night vision, satellite control/space sensors, and cryptographic/communications security.

Each of the Air Logistics Centers operated by the Air Force are excellent organizations. The Sacramento community is clearly supportive of the military and McClellan Air Force Base. The decision to close the McClellan Air Force Base is a difficult one; but given the significant amount of excess depot capacity and limited Defense resources, closure is a necessity. The McClellan AFB closure will permit improved utilization of the remaining ALCs and substantially reduce DoD operating costs.

Commission Recommendation

The Commission finds the Secretary of Defense deviated substantially from the force-structure plan and final criteria 1, 4, and 5. Therefore, the Commission recommends the following: close McClellan Air Force Base including the Air Logistics Center. Disestablish the Defense Distribution Depot, Sacramento. Move the common-use ground-communication electronics to Tobyhanna Army Depot, Pennsylvania. Retain the Radiation Center and make it available for dual-use and/or research, or close as appropriate. Consolidate the remaining workloads to other DoD depots or to private sector commercial activities as determined by the Defense Depot Maintenance Council. Move the required equipment and any required personnel to the receiving locations. All other activities and facilities at the base will close. The Commission finds this recommendation is consistent with the force-structure plan and final criteria.

Moffett Federal Airfield Air Guard Station, California

Category: Air National Guard

Mission: Combat Rescue

One-time Cost: None

Savings: 19962001: None

Annual: None



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

RADM BENJAMIN F. MONTOYA, USN (RET)

MG JOSUE 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 uniformed personnel to focus on skills and activities directly related to their military missions."

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

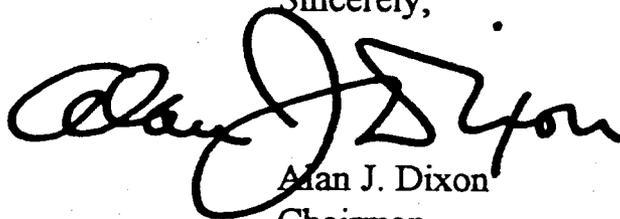
"Consolidate the [remaining] workloads to other DoD depots or to private sector commercial activities as determined by the Defense Depot Maintenance Council."

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 fluid and cursive, with the first name "Alan" written in a larger, more prominent script than the last name "Dixon".

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

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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 black ink, appearing to read "Bill Clinton", with a long horizontal flourish 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 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
RADM BENJAMIN F. MONTROYA, 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 950113-421

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 stylized 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



THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

July 13, 1995

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

Dear Mr. President:

My staff and I have reviewed the recommendations of the Defense Base Closure and Realignment Commission thoroughly and dispassionately to assess their impact on the military posture of the United States Armed Forces, on the costs of maintaining a strong national defense, and on the communities that have supported our Armed Forces.

I am pleased that the Commission followed the recommendations of the Department on the closing or realignment of 127 bases. But I am concerned that it made more changes in the Department's recommendations than did any other Commission. Some of its recommendations deviate substantially from those of the Department. The Commission rejected 23 of our recommendations to close or realign bases, and decided to close 9 bases which we wanted to retain.

In sum, the Commission's recommendations would bring about as much in 20-year savings as the Department's; however, the costs of carrying out the Commission's recommendations, both in military readiness and dollars, would be substantially higher over the next five-year period -- a period during which we know that budget funds will be tight.

I am particularly concerned with the Commission's recommendations to close the Kelly Air Logistics Center and the McClellan Air Logistics Center and associated activities. As you know, the Air Force proposed to consolidate and down-size all five of its logistics centers, and anticipated substantial productivity gains as a result. The Commission's recommendations would cost more in the near-term and would undermine the Air Force's ability to fund its operational and modernization requirements during that period. Those recommendations could also unacceptably disrupt Air Force readiness through the turmoil caused by the proposed relocation of such extensive and highly complex, mission-critical work and highly skilled personnel.

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I am also concerned about the effects of the Commission's decisions on Sacramento, California, and San Antonio, Texas. Among the selection criteria which the BRAC law requires us to apply is "the economic impact on communities," including "cumulative economic impact on communities" from prior BRAC rounds. The Commission's revisions appear not to have taken this important factor adequately into account, with California being especially hard hit -- about one-half of the job losses of the previous BRAC closings were borne by California. The Department weighed this factor, among others, in preparing its 1995 BRAC recommendations. Even so, we did recommend the closing of the Long Beach Naval Shipyard, which entailed the loss of 13,000 direct and indirect jobs. If the Commission's recommendations are followed, California will lose 38,000 jobs, directly and indirectly, about half of the total job losses of the 1995 BRAC.

In spite of the problems posed by the Commission's recommendations, I believe that it is critically important to proceed with base closings under BRAC. BRAC 95, under either the Department's or the Commission's recommendations, will allow savings approaching \$20 billion during the next 20 years. These savings are critical to our plans to maintain the operational readiness and modernization of our military forces. Therefore, the Department sought to find a way to accept the Commission's recommendations while at the same time mitigating their effects on readiness and on the communities involved.

In mitigating the deleterious effect of the Commission's recommendations on Kelly and McClellan, it was particularly important that the Department have adequate flexibility and authority to manage and privatize functions at Kelly and McClellan consistent with the Department's operational and readiness needs. We need to be able to privatize the work of these depots in place or locally, so that the Department can work with the communities and industry to privatize, minimize workload disruption, preserve the skilled labor force, and achieve the necessary cost savings at less expense.

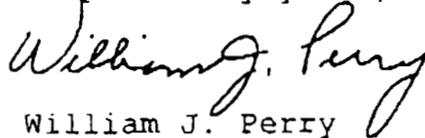
I am satisfied that these challenges can be met. As confirmed by Chairman Dixon's letter of July 8, 1995 to Deputy Secretary White, the Commission intended to provide the Department with the flexibility to privatize in place or in the communities involved. This is fully consistent with your initiative to reinvent government, and with the recent recommendations of the Commission on Roles and Missions of the Armed Forces for privatization in general. This is, moreover, an approach that the Department has in fact begun to implement at other facilities (e.g., Newark Air Force Base, Ohio), and which this Commission has allowed at such additional facilities as the

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Naval Air Warfare Center, Indiana, the Naval Surface Warfare Center, Kentucky, and the Letterkenny Army Depot, Pennsylvania.

On the understandings reflected above, I recommend that you transmit the Commission's recommendations to the Congress together with your certification of approval. I am satisfied that the recommendations as a whole will permit us to meet our operational and readiness needs while achieving projected cumulative savings in excess of \$40 billion from this and prior BRAC rounds. This is an achievement in which the BRAC Commissions, the Congress and the Executive Branch all share.

Respectfully yours,



William J. Perry

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

July 13, 1995

STATEMENT BY THE PRESS SECRETARY

President Clinton approved today the recommendations of the 1995 Defense Base Closure and Realignment Commission (BRAC) and forwarded the Commission's report to Congress. In approving the BRAC recommendations, as he did in 1993, the President noted that the recommendations meet important national security and budgetary goals. Although the Commission's recommendations deviated substantially from the Defense Department's original plan, they are expected to achieve the objective of saving an estimated \$20 billion over the next 20 years. These savings are essential to maintain the operational readiness and modernization of our military forces.

President Clinton stressed the Administration's continuing commitment to treating fairly the dedicated men and women who work at these bases and the communities that have supported them. Using the same program that has helped the host communities since 1993, the Administration will press for the successful re-use of the bases' valuable assets by the communities. The Administration will assist with (1) transferring property so as to create the greatest number of jobs; (2) dispatching task forces to help communities in transition and redevelopment; (3) assigning of local transition coordinators (4) awarding economic development planning grants and (5) achieving fast-track environmental clean-up.

In some cases, the economic impact on states from base closure and realignments will be reduced through relocating operational units to other bases within that state.

- At Long Beach Naval Shipyard, many units and personnel will be relocated to the Naval Weapons Station, Seal Beach, and other naval facilities in the San Diego area.
- A number of functions performed by military units at McClellan Air Force Base in California will be moved to Beale and Travis Air Force Bases, thereby keeping the units in the Sacramento area.

- At Kelly Air Force Base in San Antonio, several base units -- as well as airfield operations -- will be transferred to the neighboring Lackland Air Force Base.

In his transmittal letter to Congress (attached), the President placed special emphasis on a July 8, 1995 letter from BRAC Chairman Alan Dixon to Deputy Secretary of Defense John P. White (attached). In that letter, Chairman Dixon made clear that the Commission's recommendations provide the Secretary of Defense authority to "privatize in place" the remaining operations of air logistics centers (ALCs) slated for closure at McClellan and Kelly Air Force Bases. The President stressed that Chairman Dixon's letter is an integral part of the BRAC recommendations. In addition, the President wrote that should Congress approve the Commission's recommendations but then attempt to restrict privatization options at either McClellan or Kelly, he would regard this as a breach of the 1990 base closure law.

The privatization plan the Administration will implement at McClellan and Kelly is fully consistent with the Administration's broader program to make government more efficient and the military more cost-effective. The plan is also consistent with the recent recommendation of the Commission on Roles and Missions of the Armed Forces to privatize virtually all existing depot-level maintenance, including all five Air Force ALCs. The Defense Department has already begun to use this approach at other facilities, including Newark AFB, Ohio. The BRAC Commission has recommended that similar privatization plans be implemented at the Naval Air Warfare Center in Indianapolis, Indiana and the Naval Surface Warfare Center in Louisville, Kentucky.

In a separate letter to Commission Chairman Dixon (attached), the President expressed his concerns about the Commission's many deviations from the Department of Defense recommendations and its disregard for the cumulative economic impact of BRAC rounds on California and Texas. The President emphasized the critical importance of the Administration's action to clarify the privatization authority of the Secretary of Defense at McClellan and Kelly. Without this, the BRAC recommendation to close these two ALCs would have greatly worsened this impact. In addition, it could have disrupted Air Force readiness to an unacceptable degree through the turmoil caused by relocating such extensive and complex mission-critical activities.

To further reduce the economic impact at McClellan and Kelly and the surrounding communities, the President directed the Secretary of Defense to space out the privatization over a five-year period. As a result, approximately 8,700 jobs at McClellan and 16,000 jobs at Kelly will be retained at the end of this

period. Thereafter, DoD plans to continue the contractor work for at least five years; during that time DoD personnel assisting in the transition will depart.

Eight years after the transition begins at McClellan, the Defense Department anticipates that the workforce remaining there and at other AFBs in the Sacramento area will be more than half the number that the Air Force had planned to maintain at McClellan under its original downsizing plan. At Kelly, the remaining workforce after eight years of this initiative is anticipated to be roughly two-thirds of the original Air Force plan. Throughout this period, Federal agencies will assist local authorities to develop plans to generate jobs through economic reuse. If private-sector job creation proceeds at a rate comparable to that at the now-closed Sacramento Army Depot, there may well be no net loss of jobs.

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