ERRATA SHEET

March 16, Reuse Hearing

Page 11

Line 6: Replace "Acker" Air Force Base with "Eaker" Air Force Base.

Line 7: Replace "SAT" with "SAC".

Page 12

Lines 4-5: Strike "It is often slow". Insert in next sentence so as to read, "It is bureaucratic and often slow in producing good results."

Line 21: Strike "...I think at that time..." and "attitude" so the sentence reads, "In 1988 and 1991 base closure rounds, the federal government, including this very Commission took a hands off approach, and the results, Mr. Chairman and your colleagues, the results were disastrous."

Page 13

Line 13: Strike the second "new partnerships" so the whole sentence now reads, "I believe that today, instead of standing in the way of progress, that government should form new partnerships with local communities and work together with shared resources and know-how to replace lost military jobs."

Page 16

Lines 4-5: Strike the words "just last week" and "very" so the sentence now reads, "Just last week, the Air Force recently conveyed 600 acres at Norton Air Force Base in San Bernardino, California, at a reduced price.

Line 15: Strike the words "we were" and "once again" so the sentence now reads,"In 1994, Mr. Chairman, our Senate task force was successful in passing legislation in Congress to exempt closed military bases from the Stuart B. McKinney Homeless Assistance Act.

Page 17

Line 1: Strike the first word "classic" so that the sentence now reads, "It would have been counterproductive, and it would have been a classic case of unintended consequences.

Lines 18-21: Strike the words,"the good news" and "federal" so the sentence now reads, "And the good news, Mr. Chairman, for communities that will lose their bases in this round is that the United States government is now ready and willing to help you beat those swords into plowshares."

Page 18

Line 17: Strike "at the same time" so the sentence now reads, "The other committee was simultaneously laying the foundation of bringing in new business to occupy this site."

Page 19

Line 2: Strike the word "secondly" so the sentence now reads, "I encourage local communities to follow England's example."

Page 20

Line 1: Strike the word "particular" so the sentence now reads, "Immediately thereafter, this particular base found that two nearby cities were engaged in a tug of war, a power struggle over which one of the communities was entitled to the federal aid and future revenue from this base.

Line 7: Strike the word "effort" so the sentence now reads, "Today, there is little to show for the efforts at this base except missed opportunities and lost hope."

Page 21

Line 13-14: Strike the words "combat", "engage", and "partnerships" so the sentence now reads, "Every day government officials and community leaders must choose between working together hand-to-hand or engaging in hand-to-hand combat."

Page 22

Line 8: Strike the words "I think" so the sentence now reads, "The interim leasing process exemplifies the dangers of moving too slowly."

Page 23

Line 10: Strike the words "those monies, those dollars" so the sentence reads, "Although Congress has provided the necessary funds in recent years, this year, those funds are at risk."

Page 25

Line 8: Replace "Acker" Air Force Base with "Eaker" Air Force Base.

Line 13: Replace "Acker" Air Force Base with "Eaker" Air Force Base.

Page 26

Line 3: Replace "Acker" Air Force Base with "Eaker" Air Force Base.

Page 28

Line 18: Replace "Acker" Air Force Base with "Eaker" Air Force Base.

Page 35

Lines 5-7: Strike lines 5-7 so the paragraph reads: "No sir, it is a concern. For example, there are severe cuts in some proposals for environmental clean-up."

Line 12: Correction..."enen" should read "even".

Lines 14-15: Strike the first sentence of this paragraph so it now reads, "There may be a proposal to eliminate the EDA, the Economic Development Administration, which is housed in the Department of Commerce."

Page 41

Line 4: Replace "a Naval base" with "an Army depot."

Page 43

Lines 8-9: Delete sentence.."I think.....several ways."

Lines 13-22: Delete lines 13-22. Replace with "I guess the Congressional intent would be that the Commission should not penalize communities that pursue a Plan B, a contingency plan for redeveloping the base if their efforts to save it are unsuccessful."

Page 44

Lines 1-2: Strike.

ORIGINAL

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

REUSE HEARING

9:00 a.m.

106 Dirksen Senate Office Building
Washington, D.C.

Thursday, March 16, 1995

Diversified Reporting Services, Inc.
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COMMISSIONERS PRESENT:

Alan Dixon, Chairman
Alton W. Cornella
Rebecca G. Cox
J.B. Davis
S. Lee Kling
Benjamin Montoya
Wendi Louise Steele
Josue Robles

* * * * *

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1 P R O C E E D I N G S

2 CHAIRMAN DIXON: Good morning, ladies and
3 gentlemen, and welcome to the first of two hearings to be
4 conducted today by the Defense Base Closure and Realignment
5 Commission on the subject of the reuse of closed military
6 installations.

7 We have an outstanding lineup of witnesses both
8 this morning and this afternoon, but before we begin to
9 listen to them, I'd like to introduce some members of the
10 Commission.

11 They are Mr. Al Cornella, a businessman from Rapid
12 City, South Dakota; Rebecca Cox, a vice president of
13 Continental Airlines and a member of the Base Closure
14 Commission in 1993; J.B. Davis, a retired Air Force four-star
15 general; S. Lee Kling, a businessman from St. Louis; Benjamin
16 Montoya, a retired Navy rear admiral; Joe Robles, a retired
17 Army two-star general; and Wendi Steele, a former Bush
18 Administration official and Base Closure Commission staff
19 member.

20 Ladies and gentlemen, let me give you a brief bit
21 of background about why we're having hearings today on post
22 closure activities of the federal government. As most of you

1 know, this is the final round of base closures and
2 realignments under the current law.
3 Up until this year, the three previous base closure
4 rounds have resulted in more than 70 major and almost 200
5 smaller base closings.
6 When I appeared before the Senate Armed Services
7 Committee last October at my confirmation hearing for this
8 position, I told the Members that I believed that in addition
9 to recommending base closures and realignments to the
10 President this year, the Commission should also leave
11 recommendations for Congress and the Executive Branch in two
12 important areas: first, how to handle base closures in the
13 future; and second, how to improve the federal government's
14 performance in post-closure activities.
15 Reuse is a complex area that presents us all with
16 many challenges. Each closed installation is different.
17 Endless variables are present. Unpredictability is the only
18 constant. Let me give you an example.
19 When I was a member of the U.S. Senate in 1988, two
20 bases in my state were closed: Chanute Air Force Base in
21 Rantoul, Illinois, and Fort Sheridan in Lake Forest,
22 Illinois.

1 For those of you unfamiliar with my state, let me
2 simply say that Chanute is entirely surrounded by the most
3 productive corn fields in the world, and Fort Sheridan sat on
4 a piece of property overlooking Lake Michigan surrounded by
5 some of the most exclusive residential property in the United
6 States.
7 When those bases went on the list, it was a
8 foregone conclusion that Rantoul would disappear and the Fort
9 Sheridan property would quickly be redeveloped to the benefit
10 of all.
11 As you probably know, it hasn't worked out that
12 way. An aggressive, creative local group in Rantoul has
13 brought hundreds of jobs to where the base once was.
14 At Fort Sheridan, for a multiplicity of reasons,
15 our reuse plan to date has been somewhat elusive. Those are
16 the kinds of stories we want to examine as we try to seek a
17 clear picture of the appropriate and effective role of the
18 federal government in reuse.
19 The hearings we're holding today are aimed at
20 gathering information on what's been wrong and what's been
21 right with the way the federal government has gone about
22 assisting local governments in the enormous task of replacing

1 military bases in the local economy.

2 As I said, our goal is to bring all the best

3 thinkers on this subject together and to draw upon their

4 experience to produce a set of our own recommendations about

5 post-closure that we can send to the President and Congress

6 on July 1st.

7 This morning we will hear from one of my former

8 colleagues, Senator David Pryor of Arkansas, who has provided

9 remarkable legislative leadership on reuse issues.

10 Then, our second panel will include representatives

11 of various organizations involved with reuse in many

12 different ways. This afternoon we'll hear directly from

13 federal government agencies who will discuss their efforts in

14 the reuse area.

15 Let me also say that this hearing is being held to

16 discuss reuse and past closure actions. We're not here today

17 to hear testimony about the merits or demerits of the '95

18 closure and realignment list, which is pending before us.

19 Before we begin with Senator Pryor's opening

20 statement, let me say that as part of the National Defense

21 Authorization Act for Fiscal '94, the Base Closure and

22 Realignment Act was amended to require that all testimony

1 before the Commission at a public hearing be presented under
2 oath.
3 So I am embarrassed to say to my distinguished
4 friend from Arkansas that I will have to ask him to rise and
5 raise his right hand.
6 (Witness sworn.)
7 CHAIRMAN DIXON: Well, I always wanted to have you
8 in this spot.
9 (Laughter)
10 CHAIRMAN DIXON: I've got a little list of
11 questions right here in my pocket. I want to thank you for
12 coming today, and please sit down. Ladies and gentlemen,
13 Senator Dave Pryor, I think more than any other member of the
14 Congress in either House, has spent a considerable amount of
15 time working on this reuse question.
16 As a matter of fact, I think it was in the '93
17 Authorization Act they had what they called then the prior
18 amendments to that act that helped do a lot of significant
19 things in connection with the transitional problems being
20 experienced in communities.
21 And he had a lot to do, this great senator, with
22 the transition chiefs that are in place in communities around

1 the country dealing with the federal government, interfacing
2 between the communities and the federal government.
3 And I think he's paid a lot of attention to the
4 problems with the McKinney Act, which has been, frankly, a
5 significant problem for many communities around the country.
6 In a lot of ways, I think he's just been the leader
7 in this great effort. I have said many times and said in my
8 confirmation hearings, I've said in my public statements and
9 my speech to the National Conference of Mayors and other
10 places that we, obviously, had to do these closings.
11 It wasn't a pleasure for anybody. It was a painful
12 experience, but it was something that had to be done. But we
13 have not done a very good and effective job at all in the
14 post-closure situation, and I'm delighted to have an old
15 friend and a man I greatly admire -- he's a man that is well
16 admired and respected by all of his friends -- my good
17 friend, the Distinguish Senator from Arkansas, Senator Dave
18 Pryor. Thank you for being here.
19 SENATOR PRYOR: Mr. Chairman, thank you. How
20 honored I am to be here, Mr. Chairman, with you and your
21 fellow commissioners. There is only one shortcoming to this
22 hearing today. I wish we could hold it outside, it is so

1 magnificent out there.

2 But this is a wonderful opportunity to talk about

3 some of these issues that face you as a Commission and us as

4 a Congress, and it is once again a great honor to be here.

5 I would like to applaud you, Mr. Chairman, and your

6 colleagues on the Commission for having the vision and also

7 let me say the courage, the courage to address an issue that

8 previous commissions might have been too timid to confront,

9 and that is the issue of helping local communities rebound

10 from the economic trauma of losing a military base.

11 Also, by focusing on the post-closure matters, some

12 feel that this Commission is straying too far from its

13 mission. I would like to disagree with that notion.

14 I think this Commission can, and I respectfully say

15 I think this Commission should fulfill its base closure

16 responsibilities while at the same time fulfilling a moral

17 responsibility by recommending ways to assist those who will

18 be devastated by your actions and your findings.

19 Distinguished Commissioners, we are about to

20 complete our fourth and, perhaps, our final base closure

21 round. We have learned a lot of lessons from the first three

22 closures.

1 The most obvious lesson to me is that base closures
2 hurt. They are painful. They are painful to the local
3 communities. They are painful all the way around.
4 Mr. Chairman, like yourself, I am personally aware
5 of the pain caused by base closure announcements. For
6 example, the 1991 Commission closed Acker Air Force Base, a
7 B-52 SAT base located in the northeast section of our state
8 in Mississippi County. They also took away the majority of
9 the work at Fort Chaffee near Fort Smith, Arkansas.
10 Now this Commission must determine whether to close
11 Fort Chaffee permanently, as the Army has recently
12 recommended, and whether or not to close the Red River Army
13 Depot located in the town of Texarkana on the Arkansas,
14 Texarkana border.
15 For many cities where military bases are located,
16 the military has become the largest employer, and the loss of
17 a base can cause an economic tailspin. Such would be the
18 case, for example, at Red River, which amounts to 10 percent
19 of the local economy of Texarkana, U.S.A.
20 The dislocation of people, of businesses, the
21 overnight decline of a tax base is staggering and devastating
22 to a community and to its way of life.

1 The first three base closure rounds also have
2 taught us something else, that the task of replacing lost
3 military jobs through the civilian redevelopment of closing
4 bases is extremely difficult. It is costly. It is often
5 slow. It is bureaucratic in producing good results.
6 However, finding a new use for an old base is a
7 worthwhile endeavor, and like it or not, it is an effort that
8 involves the federal government.
9 Since we began closing obsolete military
10 installations in 1988, we have struggled, mightily struggled
11 over the appropriate role of the federal government in the
12 closure, the cleanup and the redevelopment of these bases.
13 Even this very Commission has gone through a
14 philosophical searching to determine what is the role of the
15 federal government once a base is closed. Should there a
16 role, and should there be a partnership created, or should we
17 close the base and leave town as soon as possible?
18 I must admit that our original approach to post-
19 closure matters failed miserably. In 1988 and 1991 base
20 closure rounds, the federal government, including this very
21 Commission I think at that time took a hands-off attitude
22 approach, and the results, Mr. Chairman and your colleagues,

1 the results were disastrous.

2 Job creation was virtually nonexistent. Closure
3 costs skyrocketed. Communities threw up their hands in
4 frustration over the government's refusal to provide help
5 when help was needed. There was no sensitivity, no response
6 from the federal government.

7 When this process began in the late 1980s, the
8 federal government was the primary -- not partner -- the
9 primary obstacle to a quick recovery due to that hands-off
10 approach.

11 I believe that today, instead of standing in the
12 way of progress, that government should form new
13 partnerships, new partnerships with local communities and
14 work together with shared resources and know-how to replace
15 lost military jobs.

16 Mr. Chairman and colleagues of yours, I would like
17 to say that I am always amazed and I find it incredible to
18 note the awesome power that can exist when the American
19 people decide to work together to accomplish a project.

20 In many cases, we have found in base closures
21 throughout the country that the American people in those
22 communities have decided to put political partisanship and

1 personal jealousies aside in order to accomplish a mission.
2 When that attitude exists, things get done. And
3 that partnership that we must now build should not turn a
4 cold shoulder to the people who have helped us win the Cold
5 War.
6 Base closure communities deserve much more than a
7 simple thank you. Fortunately, on July 2, 1993, President
8 Clinton announced that the federal government was reversing
9 its policy to begin pursuing partnerships with local
10 communities.
11 The President's five-point plan for helping
12 communities including giving them greater access to base
13 property, Fast Track of environmental cleanup, transition
14 coordinators at every base to help cut through the red tape,
15 larger federal grants for economic development and bolder job
16 retraining and transition services for those who lose their
17 jobs.
18 After this five-point program plan was announced
19 and after it was offered, it became very clear that several
20 changes in the law would be necessary to fulfill the
21 President's vision.
22 As a result, the Senate Democratic Task Force on

1 Defense Reinvestment, which I chaired, developed necessary
2 legislation during the summer of 1993. We had a tremendous
3 amount of help from colleagues on the liberal and
4 conservative side of the isle.
5 Republican and Democrats, we worked together. The
6 resulting legislation commonly referred to, and it is a
7 little presumptuous, Mr. Chairman, to call it the Pryor
8 Amendment, but I will call it that anyway, was accepted as an
9 amendment to HR 2401, the Fiscal Year 1994 Department of
10 Defense Authorization Act.
11 This amendment ratified the President's five-point
12 plan by making major changes to the base closure laws that
13 would provide communities with desperately needed assistance.
14 The summary of this legislation will be submitted for the
15 record with my prepared remarks.
16 The primary contribution, I think, of this
17 amendment, called the Pryor Amendment, is its recognition
18 that the land and property on closing bases can be a catalyst
19 for future development and economic growth.
20 Our legislation gives to the Secretary of Defense
21 the authority to transfer or lease base properties to
22 communities below fair market value and, in some cases, to

1 actually give the land and the property to the communities.
2 Communities nationwide are currently using this
3 legislation to enhance their chances for economic revival.
4 Just last week, just last week the U.S. Air Force recently
5 conveyed 600 acres at Norton Air Force Base in San
6 Bernardino, California, at a very reduced price.
7 This land transfer is going to create immediately
8 1,000 new jobs due to the expansions in local manufacturers.
9 I'm also aware that the Government of Taiwan is seriously
10 interested in opening a foreign trade center at this site,
11 creating almost 4,000 new American jobs.
12 I'm pleased that communities like Norton are taking
13 advantage of the government's renewed willingness to help
14 beat swords into plowshares. In 1994, Mr. Chairman, our
15 Senate task force, we were successful once again in passing
16 legislation in Congress to exempt closed military bases from
17 the Stuart B. McKinney Homeless Assistance Act.
18 The task force had been notified that some homeless
19 assistance groups were trying to acquire base property
20 through the McKinney Act even though the local communities
21 had already agreed to using the property for another purpose.
22 This would truly have been a disruption. It would have been

1 counterproductive, and it would have been a classic, classic
2 case of unintended consequences.
3 Due primarily to the leadership of Senator Nunn of
4 Georgia, Senator Fienstein of California we formed a
5 consensus for passing legislation to exempt closed bases from
6 the McKinney Act. We established a new process for
7 addressing local homeless needs in a way that is supportive
8 of local redevelopment efforts.
9 Mr. Chairman, I'm proud to say that this
10 legislation was supported by base closure community groups,
11 by homeless assistance groups, by Democrats and Republicans
12 alike. It was signed into law by the President late last
13 year.
14 Each of these initiatives -- the President's five-
15 point plan for increased federal funds and assistance, the
16 Pryor Amendment, the McKinney Act exemption represent a
17 decisive shift in the government's response to base closings.
18 And the good news, the good news, Mr. Chairman, for
19 communities that will lose their bases in this round is that
20 the United States federal government is now ready and willing
21 to help you beat those swords into plowshares.
22 We are much better prepared now to meet those

1 challenges than we were in 1988, when the base closure
2 process began. I applaud the Administration for its vision
3 in this regard.
4 At the request of this Commission, I have devised a
5 very few brief recommendations for those communities that
6 lose a base in this particular round of base closure. My
7 advice, Mr. Chairman, is free as always.
8 First, begin planning early for the future.
9 Communities that have found the most success are those
10 communities that embarked on an early, aggressive effort to
11 find civilian uses for their base.
12 For example, in Alexandria, Louisiana, there is
13 England Air Force Base. England Air Force Base was
14 recommended for closure in 1991. The community at that time
15 formed two committees.
16 One committee led the fight to keep the base open
17 to no avail. The other committee was at the same time
18 simultaneously laying the foundation of bringing in new
19 business to occupy this site.
20 Today, England base has created 1,000 new jobs on
21 the base due mostly, by the way, to an Arkansas company, J.B.
22 Hunt Trucking Company's decision to train truck drivers on

1 the old runways.

2 I encourage local communities, secondly, to follow

3 England's example. If any other communities with bases on

4 the 1995 list of closing, if you begin planning early, you

5 will be ahead of the game.

6 Congress has given the Department of Defense the

7 authority to provide grants for these purposes. Last year,

8 the Congress passed legislation prohibiting this Commission

9 from penalizing those communities that choose to begin

10 planning for redevelopment even as they are fighting to keep

11 their bases open.

12 I also encourage local communities to speak with

13 one voice. I'm going to repeat that sentence. I also

14 encourage communities to speak with one voice. Each of the

15 federal programs that I've outlined are designed to help

16 communities help themselves, but it is difficult and probably

17 impossible to help communities that are not unified.

18 An example, George Air Force Base, Southern

19 California. It was closed in 1988. Immediately thereafter,

20 this particular base found that two nearby cities were

21 engaged in a tug-of-war, a power struggle over which of the

22 communities was entitled to the federal aid and future

1 revenue from this particular base.

2 A legal battle ensued. The matter was fought in
3 the courts for almost five years. I ask the question to our
4 distinguished members of the Commission, guess who won? I'll
5 tell you who won. The lawyers won. Businesses interested in
6 locating to this base, they went elsewhere. Today, there is
7 little effort to show for the efforts at this base except
8 missed opportunities and lost hope. This did not have to
9 occur. The government can do little to help communities
10 unless they speak with one voice.

11 I've also been asked to make recommendations to
12 this Commission, and I do so respectfully, on ways to improve
13 the government's response to base closing.

14 First, the federal government should continue
15 vigorously pursuing partnerships -- I cannot stress that
16 enough -- partnerships between the federal government with
17 local communities, and it can be done.

18 Every government employee of all of the seven or
19 eight federal agencies involved in this tremendous task of
20 transition must be fully committed to forming successful
21 partnership.

22 All I can say is there is one break in the chain,

1 one break, one individual, one agency, one transition
2 coordinator who fails to have that will and that commitment
3 to make things happen positively, that effort is going to
4 fail.
5 I'm convinced that the top levels of government
6 today are committed. I know that the President is committed.
7 I know that this Commission is committed, but today we must
8 ensure that all down the line this cooperative spirit must be
9 alive at the working level.
10 We have made many improvements. Local communities
11 are still frustrated by the services they receive. Every day
12 government officials and community leaders must choose
13 between working together in hand-to-hand combat or engage in
14 hand-to-hand partnerships. I believe this Commission should
15 explore and can explore ways to improve that spirit, and I'd
16 like to suggest a few.
17 First, find ways to remove the mentality that
18 government knows best. In most cases, government attorneys,
19 government bureaucrats, government workers are making key
20 decisions on private sector deployment issues with little or
21 no consultation with local citizens, those people who are
22 experts on their own communities. We must remember that

1 communities and those leaders there are in the best position
2 to inform us of responsible ways for government to
3 contribute.
4 Second, the Commission, Mr. Chairman, must explore
5 ways to make the government more nimble, more capable of
6 making decisions quicker and delivering services more
7 rapidly.
8 The interim leasing process I think exemplifies the
9 dangers of moving too slowly. Currently, the military
10 services are taking about six months to complete a lease
11 agreement. This is entirely too long. Without a lease,
12 businesses interested in locating on a base, they go
13 elsewhere. We should explore ways to speed up the leasing
14 process and the delivery of other important services.
15 One suggestion for making government more nimble is
16 to empower those individuals who are working out there in the
17 field with the communities on the base. Give them the
18 flexibility. Give them greater authority to make decisions
19 quickly and on the spot.
20 This Commission, I think, could explore this and
21 other ways for speeding up decisions and the ultimate results
22 that we must have.

1 I'd like to say, finally, we must not undo the
2 tremendous progress that we have worked so hard together to
3 achieve. Specifically, I respectfully urge this Commission
4 to caution the Congress, to caution the Congress about what
5 cutting funds for base closure assistance programs,
6 especially environmental cleanup, planning grants and EDA
7 grants for infrastructure improvements will do.
8 It would be disastrous. Although Congress has
9 provided the necessary funds in recent years, this year those
10 monies, those dollars, those funds are at risk. If Congress
11 cuts base closure assistance funds, communities could
12 experience a paralysis.
13 Economic development would stop. It would suffer,
14 and the cost of closing bases would skyrocket. Such funding
15 cuts would be counterproductive, and I hope this Commission
16 will see the merits of fully funding these base closure
17 assistance programs.
18 Again, Mr. Chairman, I applaud you. I applaud this
19 Commission, and I am honored once again to be in your
20 presence to make these statements. Thank you.
21 CHAIRMAN DIXON: Thank you very much, Senator
22 Pryor. We appreciate your observations and your leadership

1 in this field. You've been very helpful in the last several
2 years, and I don't know of anyone that has done more to help
3 the communities in connection with these problems.
4 On page 7 of your prepared text, you say, "We must
5 remember that communities are in the best position to inform
6 us of responsible ways for government to contribute," and I
7 applaud that.
8 My own personal experience has been that as much as
9 circumstances have improved, the communities still feel
10 pretty well out of the process and feel that they're
11 dependent on the federal government for the solution of their
12 problems when these closures take place.
13 I wonder if you have suggestions about what this
14 Commission could do. We have a staff that are working even
15 now on recommendations to the Congress about improvements in
16 the future. What can we do to give the communities more of a
17 sense of participation at all levels in everything that
18 transpires subsequent to a closing, in your view?
19 SENATOR PRYOR: Well, Mr. Chairman, I think -- and
20 once again, I respectfully make this suggestion. I'm sure
21 you all could make a lot of suggestions on how we can do
22 better in the Senate and how I could be a better senator.

1 But being you asked me the question, I think it is
2 so important for, Mr. Chairman, and I know your time is
3 limited for the Commission's time, for you to go individually
4 to these communities and listen, listen to them. Let them do
5 the speaking. Let them do the talking. Let us do the
6 listening.
7 This is how, by the way, I became involved in this
8 whole reinvestment process. I went to Acker Air Force Base
9 that was about to be closed some years ago. I held a town
10 meeting. I listened to the local people.
11 I came back. I said to Senator Mitchell one day, I
12 said, "My gosh, Senator Mitchell," I said, "These towns out
13 there like Acker in Arkansas and your base in Maine, they're
14 closing them down. Those people have no life support system.
15 There is no umbilical cord. We're just walking out on them
16 and leaving them with a total mess that they cannot have any
17 control over."
18 I didn't think Senator Mitchell even was listening
19 to me, and the next morning at 8 o'clock he called me up and
20 said, "I want you to be chairman of a task force that's going
21 to look into this."
22 So that is how I became involved. I think for you,

1 Mr. Chairman, and members of this Commission to go out to
2 these communities and listen to them.
3 Even yesterday, some three years after the Acker
4 Air Force Base has been closed, Senator Bumpers and myself,
5 Congresswoman Blanche Lincoln-Lambert, we met in my office
6 with the local mayors of Northeast Arkansas, with the Air
7 Force.
8 And we started off our meeting by saying, "Look,
9 this partnership that we thought was being created is not
10 working as it should. Now, what's wrong with it? Who is at
11 fault? Is it us in the local community? Is it us in the
12 Congress, or is it you in the Air Force? What's going on?"
13 I think it takes a constant vigilance, but the most
14 thing is to listen and to listen with sensitivity, because
15 these people out here in the local communities are the ones
16 that have to live with this problem.
17 This Commission has an awesome power. I mean, it's
18 an awesome power. You have the power that a bomber pilot has
19 flying a plane over and dropping a bomb and turning back home
20 and coming to the home base. You don't have to experience
21 the devastation every day. I don't have to experience the
22 devastation every day.

1 And I would just urge you one-on-one to go out
2 there and listen for yourselves and to help cement this
3 partnership that we must build.
4 CHAIRMAN DIXON: Thank you, Senator. Incidentally,
5 this transition coordinator idea at every base to help cut
6 through the red tape, I think that's been awfully important
7 to the local communities.
8 I know in my own personal experience with some of
9 the communities in Illinois that have good transition people
10 that it's been very helpful to them. And I would suggest
11 that anything further we can do to give the communities a
12 sense of having someone that can speak on their behalf in
13 Washington and reach the appropriate people is very, very
14 important.
15 And the idea of giving them the opportunity to use
16 their base properly I think is very important, and I think
17 there is still a sense of frustration that there is too much
18 involvement at the federal level in that process,
19 incidentally.
20 What we can do to correct that I'm not sure yet,
21 but we'd welcome any thoughts you or your colleagues have
22 about that as well.

1 SENATOR PRYOR: Well, I think these transitional
2 coordinators are very key people, and many times these
3 coordinators are going to be the people that determine,
4 really, ultimately whether there is going to be success or
5 failure in this transition period.
6 You mentioned a base in Illinois. It may have been
7 Chanute, I'm not sure. But I have several stories here, and
8 I remember so well at one of our first task force missions we
9 had the mayor of Rantoul, Illinois, Katy Podagrosi, I believe
10 is the name. She is a Republican.
11 But she came before our task force, and
12 Mr. Chairman, she testified with absolute passion about what
13 was to be accomplished, what could be accomplished, about the
14 frustration that she and her colleagues felt in that
15 community and trying to work through the red tape.
16 Yesterday, as Senator Bumpers and I were meeting
17 with the Air Force about, sort of, the breakdown of the
18 partnership on Acker Air Force Base, this mayor was
19 announcing, I believe, that 2,000 new jobs, new jobs, private
20 sector jobs were going to be created at Chanute, this base
21 that had been closed down and where they thought all was
22 lost.

1 So it was due, I think, and she attributes this to
2 the transition coordinator who had been on the site and who
3 said, "We're going to find out how we can do things, and
4 we're not going to tell you why we can't do things. We're
5 going to go forward, and we're going to make this a
6 positive" --
7 CHAIRMAN DIXON: Well, it's been my own
8 observation, Senator, that to the extent that the federal
9 government keeps out of it and lets the local community do
10 it, you improve the chances for a good result in the
11 community.
12 SENATOR PRYOR: That's right.
13 CHAIRMAN DIXON: And I would hope that message is
14 taken to heart by people in the federal government that --
15 meddling so much after they've done the damage.
16 SENATOR PRYOR: That's right.
17 CHAIRMAN DIXON: We'd be better off to leave it to
18 the community, give them every opportunity to do it and
19 cooperate with them in helping to support their efforts.
20 SENATOR PRYOR: You know, Chairman Dixon, a local
21 community is sitting out there, and they're going about their
22 daily business. They're operating a grocery store or a shoe

1 store, and they are part of the chamber of commerce and
2 trying to keep jobs.
3 They want to raise their children and want to
4 invest in their schools, and ultimately that is their goal in
5 life, and all of a sudden they announce this base closure.
6 The employment goes down. The tax base is depleted. The
7 school is suffering. The town is demoralized. Property
8 values sink. Life savings are gone almost overnight.
9 But it is so, I think, critical to realize that in
10 this whole process that these communities are overwhelmed by
11 the fact that there are seven or eight federal agencies that
12 are going to be trying to involve themselves in this
13 transition.
14 It's overwhelming to a community. Senator Boxer
15 last year passed legislation I think is so positive in the
16 Department of Commerce, not Department of Defense, but
17 Department of Commerce. Senator Boxer's legislation called
18 for the creation of a 1-800 number to help coordinate this
19 effort.
20 And I applaud Senator Boxer for that very good help
21 with the local communities. It was a very good, constructive
22 approach, and we think that we're on the right track. We

1 still have an awful lot of work to do.

2 CHAIRMAN DIXON: Now, Senator, I know you have

3 other obligations. Do you have a moment for some questions

4 from some of my colleagues?

5 SENATOR PRYOR: I do. I hope I can answer them.

6 CHAIRMAN DIXON: Thank you, Senator. Commissioner

7 Cornella.

8 COMMISSIONER CORNELLA: I have no questions,

9 Mr. Chairman.

10 CHAIRMAN DIXON: Commissioner Cox.

11 COMMISSIONER COX: If I might just ask a question,

12 given your leadership in this area, one of the things that I

13 think was so important about the prior amendment was that it

14 did allow the Department of Defense to transfer property to

15 communities for economic development purposes, which is so

16 important to the communities.

17 In going through, and we'll hear testimony from

18 several local governments and other people today, one of the

19 themes seems to be that there may be a continuing problem

20 with the priorities of other federal agencies getting in the

21 way of the reuse plan and the economic development of the

22 community, whether it's the Department of the Interior or the

1 FAA or whatever.

2 And I know that your amendment also tried to force

3 them to at least not drag on forever doing that. Should we

4 recommend a further change in the law that limits federal

5 agencies from meddling, if that's the right word?

6 SENATOR PRYOR: Commissioner Cox, I don't know that

7 right now we have to change the law. I think that we have to

8 address ourselves to the attitude, and this is where I think

9 with not only the influence but the force of this tremendous

10 Commission that you can have such a vital role in helping to

11 change that attitude.

12 And I think it's like getting all of the agencies

13 together in one room, getting the military, whether it's Air

14 Force, Navy, Army, whatever, in that room, get their elected

15 representatives in that room and say, "Look, let's all do

16 this thing together."

17 Once again, the awesome power of the American

18 people, when they decide to do something and put bickering

19 aside, is just going to be, I think, the hope for this

20 transition period.

21 We knew when we started all of this that this

22 country was going to lose 1,000 jobs every day, 7 days a

1 week, 365,000 for 365 days a year, we're going to lose 1,000
2 jobs a day. Now, the American creativity and the ingenuity
3 and the cooperative spirit has got to prevail.
4 Franklin Roosevelt, for example, in 1943, two years
5 before the war ended, he developed a board. He instituted a
6 board. I forgot what it was, was War Mobilization Board or
7 something, or redevelopment.
8 And this particular board started meeting in secret
9 almost weekly to determine how we were going to beat swords
10 into plowshares, how our economy was going to be transitioned
11 back toward the private sector.
12 And after the war, we were ready. We developed the
13 GI Bill of Rights. We developed the Small Business
14 Administration, and many very positive things sort of
15 triggered in at the end of the war, even though we lost
16 thousands and thousands of defense jobs.
17 I don't think we need new legislation. I think we
18 can do it if we all, basically, commit ourselves to an
19 attitude change. And I like the idea that you have of SWAT
20 teams going out to these communities.
21 These communities feel so cut off, as Chairman
22 Dixon has stated. They feel so lonely out there, and they

1 feel like they truly have just, sort of, lost touch with the
2 federal government, and we've got to weld that community
3 spirit back together and say, "We're not going to lose you.
4 We're going to be your partner."
5 COMMISSIONER COX: Thank you.
6 CHAIRMAN DIXON: Do you have any further,
7 Commissioner Cox?
8 COMMISSIONER COX: No. Thank you, Mr. Chairman.
9 CHAIRMAN DIXON: Commissioner Davis?
10 COMMISSIONER DAVIS: Sir, as usual, Commissioner
11 Cox stole my question, and Senator Pryor's eloquent answer
12 prevents any follow-on. So I have no further questions.
13 CHAIRMAN DIXON: Thank you very much.
14 SENATOR PRYOR: I'm sorry my so-called eloquent
15 answers are a little too lengthy, Mr. Commissioner, and I
16 will try to make them shorter.
17 CHAIRMAN DIXON: Thank you, Senator. Commissioner
18 Kling.
19 COMMISSIONER KLING: You mentioned the concern, I
20 believe you said, about the funding for the base closure. I
21 can well understand that if there are no funds we're going to
22 have a very difficult time turning these over.

1 Is that a real concern at this time, or were you
2 just bringing it up to --
3 SENATOR PRYOR: No, sir. It is a concern. For
4 example, there are severe cuts in some proposals for the
5 Environmental Protection Agency. Commissioner Cox's question
6 was a good one because sometimes some of these agencies, as
7 she maintains, may get in the way of other agencies.
8 The environmental cleanup on these bases is
9 probably, I guess, in terms of priority, one of the first
10 things that has to happen before an industry or a possible
11 new business looks at this particular piece of ground and the
12 facilities before they will enen consider coming back to it
13 and locating an industry there that will create jobs.
14 We've also found that some people -- now, I'm going
15 to be honest with you. I'm not certain of this. There may
16 be a proposal to eliminate the EDA, the Economic Development
17 Administration, which is housed in the Department of
18 Commerce.
19 The EDA, in my opinion, gives us a wonderful
20 opportunity to cooperate with local communities that do not
21 have the funds and to create jobs, and some people want to
22 eliminate EDA.

1 When we started all of this, there was a small
2 office in the Department of Defense. I believe it was called
3 OEA. It was the Office of Economic Adjustment. And when it
4 looked at the entirety of all the base closings in America,
5 there was this little minuscule office tucked over there, I
6 think, in a windowless office.
7 There were 12 people, 12 people, and they were in
8 charge of base closings, economic transition and what have
9 you. Now, we have not created a massive bureaucracy since
10 then.
11 What we've done, we've taken just a little bit from
12 the seven agencies that are involved, and we've, sort of, put
13 them all together in an effort to coordinate efforts. I just
14 hope these fundings -- I hope people will realize what it's
15 going to do to the transition of beating swords into
16 plowshares if we don't have these funds.
17 COMMISSIONER KLING: Thank you very much, sir.
18 CHAIRMAN DIXON: Commissioner Montoya.
19 COMMISSIONER MONTOYA: Senator, permit me to
20 editorialize for just a moment. I'm one of those that has
21 spent 31 years as a bureaucrat and all of it in uniform. And
22 I wish the answer were as easy as it's attitude and not more

1 laws that we need.

2 I've read through the Mayors Task Force

3 recommendations, and it's an outstanding list of things we

4 ought to do. I think it is really well thought out, but as I

5 read that I thought of my own career and thinking how many

6 times I had to do what I was required to do, not what I would

7 like to have done because it made sense.

8 And over time -- I've left government some four

9 years ago -- I think that the Department of Defense and other

10 agencies have become more risk averse because, as we uncover

11 scandals, either real or imagined, I think that probably more

12 oversight is impugned on people.

13 More rules and regulations are put in place, and I

14 have a feeling that if we spend a productive afternoon asking

15 questions would you do X if there were not a rule or a law in

16 place to prevent you from doing that, would you do it, my

17 suspicion is that we may find that there may be more need for

18 regulatory or legal relief so that these agencies can, in

19 fact, do what makes sense and do what's right, as opposed to

20 what is going on now.

21 Having said that, I hope you probably would support

22 us if we did have recommendations for further legislation to

1 free the bureaucrats to do the right thing.

2 SENATOR PRYOR: Right. I think that I stated in my

3 opening statement that I believe that the people out there in

4 the field need more authority.

5 Now, if that is going to require -- once again

6 responding to the line of questioning of Commissioner Cox --

7 if this is going to necessitate legislation, and it might,

8 then I would certainly support that opportunity, and I would

9 certainly support that legislation. And I would also work

10 very closely with you and this Commission, as we have enjoyed

11 that great relationship in the past.

12 COMMISSIONER MONTOYA: Thank you, sir.

13 SENATOR PRYOR: Thank you, Commissioner.

14 CHAIRMAN DIXON: Commissioner Robles.

15 COMMISSIONER ROBLES: Senator, my question is a

16 follow-up. Both of the Commissioners have expressed sort of

17 a pragmatic view of the bureaucracy that we've all lived with

18 for many years.

19 I suspect that no community understands the

20 dizzying array of rules and regulations that they must

21 undertake until they get put on a list of some kind.

22 Then, all of a sudden people come out of the

1 woodwork with all sorts of laws and compliance requirements
2 and little known structures that they've never had to deal
3 with before.
4 And although partnership and cooperation is really
5 the best way to do this, pragmatically speaking, that doesn't
6 always happen, because you get into egos and turf and
7 prerogatives and all the things that happen among the federal
8 agencies in a department.
9 So would it not make sense, as a pragmatic matter,
10 to have someone or some group of people at a high level
11 empowered to coordinate this effort so you don't drown the
12 communities with red tape and with requirements and really
13 streamline the process?
14 Because I see that there will always be conflicting
15 requirements and many requirements upon the communities, but
16 what I don't see is someone high enough with enough power to
17 really be the coordinator quarterback so we can cut through a
18 lot of that business and really get on with the business of
19 doing what's right.
20 SENATOR PRYOR: Well, Commissioner, you raise a
21 very good point. I think right now, with the pulpit of the
22 Presidency, and this President is committed to this

1 transition period of turning swords into plowshares, beating
2 swords into plowshares. This President is committed.
3 I think that right now we are beginning to see some
4 of the results of our efforts and good results. We still
5 have the problem of bureaucracy. We still have the problem
6 of indecision, of long delays.
7 That is definitely a problem. It is a problem that
8 we must confront. Now, there is a book written that I guess
9 is on or headed toward the best seller list, "The Death of
10 Common Sense."
11 Our colleague, our former colleague, now the
12 Governor of Florida, Lawton Chiles, bought 200 of them with
13 his own money, according to press reports, and gave them to
14 all of his friends.
15 I'm not going to do that this morning, but I do
16 recommend that book, because we've got to just have some
17 common sense in this, but from time to time we may have to do
18 some legislative change.
19 Right now I think I would be cautious about setting
20 up, sort of, a czar that would be in charge of this
21 particular transition period. We're beginning now for the
22 first time to see some good results.

1 Sacramento, for example, the base there, they've
2 just announced that they're going to have 3,000 civilians
3 working in private industry there. They only had 2,300 when
4 it was, I think, a naval base. So they're the net gainer
5 here.
6 But we're now beginning to see some of the fruits
7 of our efforts, and I'd like to respectfully suggest that we
8 try and continue this to see if these partnerships will
9 actually work. I think they will if we make sure the
10 commitment is there throughout the system.
11 COMMISSIONER ROBLES: Thank you, Senator.
12 SENATOR PRYOR: Thank you, Commissioner.
13 CHAIRMAN DIXON: Commissioner Steele.
14 COMMISSIONER STEELE: Thanks, Mr. Chairman.
15 Senator, I want to compliment you on your efforts and
16 successes in this area. I think it's very helpful. I have
17 three brief questions in legislative areas.
18 One, I'm not sure if you're familiar with this, but
19 I just wanted to ask your opinion and if your colleagues have
20 expressed concern. This follows up on Commissioners Cox and
21 Montoya's question.
22 Under the Federal Property Act, I gather there have

1 been situations in Florida and California and other states
2 where the Interior Department has claimed, you know, their
3 right to the land, but then, in essence, either has already
4 swapped the land for other land in the state or is hoping to
5 swap the land for other area.
6 Have your colleagues expressed any frustration or
7 gratitude that this can happen?
8 SENATOR PRYOR: Commissioner Steele, I'm
9 unqualified to answer that question. I'm glad you raised it,
10 because I really haven't thought about that aspect of some of
11 this. I can see how it would easily happen in some of these
12 areas, especially with large acreage. But I do appreciate
13 you bringing it to my attention, and I will consult with my
14 colleagues about it to see what action we might or might not
15 take, but I do thank you.
16 COMMISSIONER STEELE: Okay. The second one, if I'm
17 not mistaken, the BRAC statute disallows us from considering
18 reuse plans. My opinion, personal opinion, though I'm not a
19 legal scholar, would be that the intent of that is so we
20 wouldn't penalize any community for being very proactive and
21 effective and forthcoming in considering effective reuse
22 plans for a facility.

1 My question is regarding, I know, Indiana and New
2 York and other installations in other states the community
3 has put forth reuse plans which effectively use part of a
4 base and might in turn -- our decisions might impact that
5 reuse plan.
6 I'm wondering if you have an opinion of the intent
7 of the law regarding our consideration of reuse.
8 SENATOR PRYOR: I think the intent of the law might
9 be interpreted several ways. I remember a discussion about
10 that part in the debate on the base closure debate on the
11 floor of the Senate.
12 I guess that congressional intent would be that the
13 base closing would have to be tilted toward the private
14 sector and would have to be a situation that would merit
15 tilting, I guess, in favor of private development rather than
16 continuing military.
17 Now, we know that in this whole process that this
18 particular mission of the Base Closure Commission has once
19 again been not challenged necessarily but questioned as to
20 how far the mission extends, how far it goes. And I think
21 that we can work our way through this, and I don't know that
22 this has been a real significant problem in very many bases,

1 but I'm sure that the Commission might have examples that
2 they could give.
3 COMMISSIONER STEELE: Thank you. Lastly -- and
4 feel free to punt on this question, if you would like -- but
5 there has been an awful lot of testimony and I think very
6 positive testimony before the Commission about a need or
7 perceived need to extend our BRAC statute past this year for
8 at some future point.
9 My question is if you have a feeling for what the
10 mood of the Senate might be regarding taking up this issue,
11 and the second part would be taking up this issue prior to
12 our decisions for this round and whether we see us expiring
13 or not.
14 SENATOR PRYOR: Well, Commissioner, I want to admit
15 something. They say confession is good for the soul. I want
16 to confess to you in open public today that I voted against
17 the legislation to create this very commission that you sit
18 on.
19 (Laughter)
20 SENATOR PRYOR: I guess I've got to admit that,
21 because you're going to find out about it one day or other.
22 But looking back, I think I made a mistake. I think the

1 Commission is serving a worthwhile function.

2 Congressman Montgomery -- we were visiting -- we
3 came to the House of Representatives together, I might say
4 and as much younger Congressman Montgomery and Pryor, and we
5 were talking about how efficient and how well the Base
6 Closing Commission has been.

7 It has truly been sort of a remarkable creature,
8 and we've had good commissioners. We've had people who have
9 left private life, some have left their retirement to come
10 back in, provide some exemplary service for our government
11 that, frankly, the political institution found itself unable
12 to do.

13 So we had to, sort of, delegate some of this
14 responsibility. I remember in 1970 or '71 I was a member of
15 the House, and I voted to take a post office out of -- to
16 take the Postal Service out of politics.

17 I don't know whether that was a real good decision,
18 because we had to appoint rural mail carriers and
19 postmasters, and the pressure became so intense on us that we
20 said we can't legitimately do this anymore. So we gave it to
21 a postal corporation, and some say that that was a bad
22 decision.

1 But each case is different. I think the BRAC
2 Commission was a good example of us utilizing, sort of,
3 private citizens to come forward and, sort of, be a partner
4 with the political institutions that found itself or
5 ourselves unable to do what we had to do.
6 And I want to thank all of you for doing it, and I
7 certainly want to thank all of you for serving on this
8 distinguished Commission.
9 COMMISSIONER STEELE: Thank you.
10 CHAIRMAN DIXON: Senator, thank you for your
11 cooperation. We're not going to keep you much longer. One
12 thing I'd like to observe, Senator, is we have in our
13 booklets here a National Action Plan on Military Base
14 Closings adopted by the United States Conference of Mayors at
15 their conference recently.
16 And it has 20 recommendations in it presenting the
17 view of our National Conference of Mayors around the country
18 about things they think would be helpful to them as local
19 communities.
20 I think it would be very helpful, and I don't ask
21 you to place your imprimatur on everything in here, but if
22 you, as the person who has been the leading exponent of

1 better treatment of the communities in this process might
2 make a short speech and put this statement in the
3 congressional record to give it the kind of currency in the
4 Congress that would give every member of the Senate and House
5 an opportunity to take a look at this, as the Chairman of
6 this Commission, I'd be personally appreciative if you'd do
7 that.
8 SENATOR PRYOR: Mr. Chairman, I would be very glad
9 to.
10 CHAIRMAN DIXON: And I'd appreciate that.
11 SENATOR PRYOR: I'll tell you what, my speech will
12 be very short, and I will put that in the record.
13 CHAIRMAN DIXON: Well, I'm sure the Senate will
14 appreciate that, Senator.
15 SENATOR PRYOR: I know they will. I will put that
16 in the record, and I will state with great pride that the
17 Chairman, our colleague, former colleague, Senator Dixon, has
18 encouraged me to do this.
19 CHAIRMAN DIXON: And I might just make, without
20 asking you questions, a couple of points. For instance, in
21 their Recommendation 2, they still talk about some problems
22 about compliance with the McKinney Act, the need to get HUD

1 approval and so forth, which still keeps the federal
2 government pretty much involved in the process.
3 And I think that has validity. They say here,
4 their last one is why shouldn't the federal government
5 provide title insurance for this property when they pass it
6 along to them so they have clear title when they go about
7 trying to obtain some useful employment of that property by
8 commercial interests or other things? And that makes good
9 sense to me.
10 They talk in here about the -- you know, why not
11 have automatic consideration of these areas as enterprise
12 zones? They have a lot of good solid ideas.
13 The point I want to make is it has not been my
14 sense, and Senator, I think you know this because you're an
15 old friend and I've seen you many times both as a senator and
16 in my next life, but since leaving the Senate, I represented
17 some of these communities in connection with their problems,
18 had a very lovely relationship with a fine village in my
19 state that has had problems right along.
20 My sense of it is they don't come to you saying,
21 "Hey, we want a whole lot of money." I think if we could lay
22 that at rest. I think that's the most abused idea in our

1 society; you got to have money to cure everything. And my
2 sense of it is most of the time that isn't what they're
3 asking for. They're just asking for a chance to do it
4 themselves.
5 And if you look at this, I'll admit they have some
6 references to some financial help, but mostly, mostly these
7 mayors in their communities are talking about, "Hey, let us
8 do this. Let us have our chance to do this on our own."
9 And it makes sense to me. We have a very fine
10 lady, Sylvia Davis-Thompson used to be with me in the United
11 States Senate and before that with the President pro tempore
12 of the Illinois State Senate for years. She's been around
13 government a while, and she's with our staff now working on
14 this process.
15 And I want the mayors to know that this is one of
16 the documents we're carefully evaluating in coming back to
17 you, Senator, and to your colleagues in the Congress with
18 recommendations.
19 Is there any Commissioner has any other questions
20 of this Distinguished Senator from Arkansas before we excuse
21 him?
22 (No response.)

1 CHAIRMAN DIXON: Thank you very much, old friend.

2 SENATOR PRYOR: Mr. Chairman and Commissioners,

3 thank you very much. God bless.

4 CHAIRMAN DIXON: We'll take a very short, about

5 maximum of ten-minute intermission. The Chair is pretty

6 religious about that. I'm going to drop this gavel again at

7 ten after 10:00, and then we'll start with our next panel.

8 (A brief recess was taken.)

9 CHAIRMAN DIXON: Ladies and gentlemen, our second

10 panel this morning features representatives of both public

11 and private sector organizations who have been involved with

12 base reuse in a variety of different ways.

13 We have Mayor Joseph A. Griffo of Rome, New York;

14 Councilman John Maxwell of Myrtle Beach, South Carolina, and

15 they represent the National League of Cities; and then

16 Commissioner Doug Bovin of Delta County, Michigan,

17 representing the National Association of Counties; and City

18 Manager Walter V. Graham, of Vallejo, California,

19 representing the International City County Management

20 Association.

21 And we're delighted to have you gentlemen, and

22 again I must say that under existing law I'm obligated to ask

1 you to rise and raise your right hands and be sworn.

2 (Witnesses sworn.)

3 CHAIRMAN DIXON: Thank you very much for being

4 here. And I guess in the order in which I introduced you,

5 Mayor Griffo, would you proceed first, please?

6 MAYOR GRIFFO: Mr. Chairman, members of the

7 Commission, good morning. I am Mayor Joseph Griffo of Rome,

8 New York. I am very pleased to be here today representing

9 the United States Conference of Mayors.

10 We want to thank the Commission for this

11 opportunity to offer some thoughts concerning the process of

12 planning the reuse of military facilities. As you know,

13 mayors across this country have a keen interest in this

14 subject.

15 We are on the front lines rebuilding economies that

16 have been weakened as a result of the closure of military

17 facilities in our community.

18 As mayor of Rome, I have a particular interest in

19 this issue. My community was affected by the closure process

20 two years ago and is now working to finalize a reuse plan

21 that has as its centerpiece Rome Lab.

22 The thrust of our plan, which gained widespread

1 support in the entire central New York region, is to use the
2 lab, the Air Force's stand-alone research center, as an
3 anchor for the creation of a high technology research park
4 that would foster the growth of new industries within the
5 base.
6 In pulling together our plan, which I'm proud to
7 say has become something of a model for the remainder of the
8 nation, we encountered some of the same procedural obstacles
9 that were experienced by mayors and municipal officials in
10 other areas of this country.
11 Meeting the challenge of the defense conversion is
12 a high priority for our nation. While we recognize the need
13 to downsize the nation's base structure, it is important to
14 provide cities with the tools we need to overcome the
15 negative impacts of the downsizing process.
16 In 1993, President Clinton announced a five-point
17 plan to help ease the impact of military base closings.
18 Immediately following the President's announcement, the
19 United States Conference of Mayors began to assist
20 communities to respond to the challenges of military base
21 closings.
22 These steps included the appointment of the Mayors

1 Task Force on Military Base Closings and Economic
2 Adjustments, which is co-chaired by Mayor Susan Golding of
3 San Diego and Mayor Ed Rendell of Philadelphia.
4 We held two national meetings to solicit ideas to
5 improve the BRAC process and to ease the difficult transition
6 following a base closure. Mr. Chairman, I know that you
7 attended both of our task force meetings and are therefore
8 familiar with our actions.
9 We appreciate your active interest in our efforts,
10 and as Mayor Rendell has said, we know that the process is
11 being led by someone extraordinarily knowledgeable and
12 extraordinarily fair. I may also add, Mr. Chairman, that
13 that book looked very good in your hands just a very short
14 time ago. Copies of our recommendations were released on
15 February 27th, just one day before this year's BRAC list was
16 formally announced.
17 To be sure, I believe, and other members of the
18 Mayors Conference believe that defense conversion can happen.
19 In Rome, our plan could lead to the creation of up to 8,000
20 jobs in the next two decades, and given the proper chance to
21 succeed, we will lead the way for Central New York State to
22 recover from an economic downturn that has left our part of

1 the country stagnant for far too long.

2 However, without the reforms the U.S. Conference of

3 Mayors has proposed, we are concerned that successful

4 conversion will never truly be achieved. Your active support

5 of these reforms is required to ensure that defense

6 conversion is no longer merely jargon but a real possibility.

7 The full list of our recommendations is entitled,

8 "A National Action Plan on Military Base Closings," and it

9 has been presented to all of you in printed form for the

10 record. Let me now briefly highlight just some of these

11 recommendations.

12 One, speed and improved funding for effected

13 communities. We would like to see the federal government

14 react to military base closings as they would to any natural

15 disaster, providing immediate assistance to impacted

16 communities. Losing a base is every bit as traumatic

17 economically as a flood or hurricane, and we believe

18 immediate assistance is needed.

19 Two, eliminate HUD approval of the local homeless

20 reuse plans. The federal government acknowledges that local

21 governments are in the best position to determine local

22 homeless need. Why, then, does the federal government still

1 insist on approving local efforts? Why build in this
2 unnecessary bureaucracy? Taking federal approval out of the
3 local jurisdiction is a consistent theme that we are making
4 throughout all of our recommendations. We want to reduce or
5 eliminate or unnecessary bureaucratic paperwork for decisions
6 to be made locally.
7 Three, streamline the process for transferring
8 title and control of military base property to local
9 governments. Again, it simply takes too long, and there is
10 just too much red tape involved in this process. One of the
11 things the Conference of Mayors has called for is the
12 creation of an ombudsman at the NEC at the White House who
13 could be a point person for local governments in dealing with
14 the multitude of federal agencies.
15 Four, all military bases should qualify as
16 enterprise zones. We can make these bases economically
17 attractive for reuse if the federal government would just get
18 out of the way and let us do it without the bureaucratic
19 nightmare which we currently face.
20 Giving the designation of closed military bases an
21 enterprise zone allows them to take advantage of various
22 economic incentives, thereby giving communities a leg up in

1 redevelopment efforts. Doing so automatically would also
2 reduce the red tape.
3 Five, clarify ownership rights to air emission
4 credits. This is especially a problem for mayors in
5 California, as Mayor Golding has pointed out. You can do
6 everything else right only to find that you cannot build a
7 light manufacturing plant on the base because you have no air
8 emission credits. Air emission credits must be transferred
9 as an asset to the local community.
10 Six, enact legislation to permit dual use of bases.
11 Whenever possible, we would like to see the dual use of
12 bases. Rather than wait for complete base closing when much
13 of the base is idle, local businesses should be allowed to
14 use those parts of a base that are already idle.
15 Moreover, in assessing the military value of
16 operations at realigned bases, the Department of Defense and
17 the Base Realignment and Closure Commission should consider
18 the role of extant reuse plans in contributing to or
19 detracting from such value.
20 From a reuse advocacy perspective, DoD BRAC, when
21 appropriate, should consider the impact of their recommended
22 actions on active reuse efforts, particularly when such

1 efforts include a military activity related component which
2 has been supported by the OEA or some other federal entity.
3 Addressing these two issues both on a policy and,
4 perhaps, a regulatory level may help to ensure a more
5 enlightened approach to base reuse by both civilian and
6 military leadership. As such, it could greatly improve the
7 nation's military transition efforts.
8 Seven, to preserve financial and technical support
9 for communities. If we rank these recommendations,
10 Mr. Chairman, this most probably would be our number one
11 recommendation.
12 The mayors call for the continued support of the
13 Economic Development Administration at the U.S. Department of
14 Commerce, the only federal agency that has the money to help
15 implement reuse plans, and also for the Office of Economic
16 Adjustment at the U.S. Department of Defense.
17 These agencies are doing a fine job, and yet we
18 hear people talking about cutting defense conversion monies
19 to put more monies into readiness. We hope that they are not
20 talking about diminishing the minimal funds that these
21 agencies now have to help our communities.
22 Eight, address the cleanup of bases. We know there

1 is not enough money for the cleanup of these bases, but we
2 ask that the federal government either allocate more money
3 for cleanup or change the regulations for military bases.
4 This is particularly true in areas where costly demolition
5 can add significantly to the overall redevelopment effort.
6 Nine, give serious consideration to local job
7 creation. Jobs are created locally by a base closing. We
8 understand that, and whenever possible priorities should be
9 given to local residents for these jobs and contracts that
10 are awarded for environmental cleanup, base security, utility
11 improvements and a demolition of buildings. We could be
12 retraining defense workers to do some of these jobs.
13 And ten, a priority that should be given to the
14 public benefit transfer. Again, these properties were given
15 to the federal government. Many mayors believe they should
16 be given back, not sold back to the highest bidder. Whenever
17 possible, base properties should be considered for economic
18 development conveyance.
19 Mr. Chairman, again, the nations mayors sincerely
20 appreciate not only your participation but understanding of
21 our plight and for giving us the opportunity to share our
22 concerns with this Commission. I look forward to seeing you

1 again, and I thank each and every one of the members of the
2 Commission, particularly you, Mr. Chairman, for this time.
3 CHAIRMAN DIXON: Well, we thank you, Mr. Mayor, and
4 I want to observe that you've done this in the greatest
5 American spirit, in my view. You're not just beefing.
6 You're making some suggestions about things that would be
7 valuable to you and your colleagues in your local
8 communities.
9 And I want you to know that those of us on this
10 Commission take your recommendations very seriously, and we
11 have staff people that are doing nothing in this process but
12 working on the recommendations we're going to give to the
13 Congress emanating from your organization and similarly
14 situated organizations about how we ought to deal with the
15 local problems.
16 Because we all feel very strongly about the fact
17 you just don't go out there and close bases and then walk
18 away from it. We have a responsibility to work with you and
19 local communities to see to it that this system works well,
20 and we're going to do all we can to effectuate your
21 recommendations within the limitations of what we can support
22 here at the Commission level.

1 MAYOR GRIFFO: Thank you, Mr. Chairman.

2 CHAIRMAN DIXON: I want to thank you, Mr. Mayor.
3 And Mr. Maxwell, we're delighted to have you, and of course
4 the reputation of Myrtle Beach as a great place to play golf
5 is held in the highest esteem by General Davis and others
6 here. So you may proceed, sir.

7 (Laughter)

8 COUNCIL MEMBER MAXWELL: Mr. Chairman, my name is
9 John Maxwell. I'm from Myrtle Beach, South Carolina. I'm
10 pleased to be here today in order to have the opportunity to
11 come back and meet with you all.

12 The National League of Cities represents 16,000
13 cities and towns across this country. Many of these cities,
14 like Myrtle Beach, are going through the throes of "what now"
15 as we close our bases or try to recover from base closures.

16 First of all, I'll deviate from the text a little
17 bit. I do want to thank this Commission. Two years ago I
18 sat here. At that time we were one of the "what now" cities.

19 At that time you and you listened adamantly to what
20 we had to say. Senator Pryor came through with legislation,
21 and I applaud both you and the Senator for the changes that
22 have been made to greatly expedite some of the closing

1 processes we have gone through.

2 Myrtle Beach, like I said, is one of those cities

3 that said, "What now?" We were very fortunate in the fact

4 that our Myrtle Beach, as Commissioner Davis can attest to,

5 is a very wonderful, beautiful piece of property that lies

6 about a half a mile off the Atlantic Ocean.

7 We looked at Myrtle Beach, recovery there at Myrtle

8 Beach, as something that could very rapidly take place in our

9 community and add it to the community. First of all, OEA,

10 the Department of Defense, EDA and those authorities came

11 through very rapidly to help us and walk us through the

12 redevelopment process.

13 We are at this time recovering from that. At this

14 point in time, about 75 percent of all the land that

15 consisted of Myrtle Beach Air Force Base is back either in

16 private or public hands. But that does not go to say there

17 haven't been problems. Some of the problems, one of the

18 major problems we see is a jurisdictional problem that exists

19 in Myrtle Beach. My written testimony refers to that, and

20 I'll talk about that a little bit later.

21 It is the policy of the National League of Cities,

22 as Senator Pryor said, to encourage our cities to very

1 rapidly look at base closures. We acknowledge the fact that
2 you people are making that hard decision to close a base.
3 We are recommending to our cities that they quit
4 the fight to save the base, get on about the business of what
5 happens after the base closes. That's the recommendation of
6 the National League of Cities at this point, and we think
7 it's much more beneficial to the community to very rapidly
8 start planning for use after closure.
9 We do maintain communication with OEA. Last
10 Sunday, Paul Dempsey of OEA spoke to the National League of
11 Cities for three hours about walking the new base closure
12 people on the list through what will happen in their
13 communities. So we applaud the work that those agencies have
14 done for the communities.
15 Let me identify quickly, if I may, some of the
16 impediments that slowed the process in Myrtle Beach down or
17 at this point impeding further progress. Today, the
18 services, as Mr. Dempsey told us Sunday, are beginning to
19 realize there is no monetary gain to the services from base
20 closure.
21 Mr. Dempsey alluded to this Sunday, that to quickly
22 return these lands to the private sector is probably in the

1 best interests of the community and the federal government at
2 this point in time.
3 If I may direct the attention to the fact that the
4 United States Air Force pays the city of Myrtle Beach $2
5 million a year to maintain that base. Quickly removing that
6 $2 million payroll and putting that back in the private
7 sector would be much more beneficial to the service than it
8 would be -- let us get on about the process.
9 Federal regulation and federal indecision, we talk
10 about new legislation designed to move this process on very
11 rapidly. We still see a tremendous backlog of bureaucracy
12 out there. There is a 63-foot high stack of paperwork in the
13 Myrtle Beach site coordinator's office today. Those indicate
14 rapid changes that have occurred and a lot of indecision on
15 the part of services as they deal with base closures. We ask
16 you to please help expedite that paperwork.
17 There are several areas we would like the
18 Commission to study. First of all, as I mentioned before,
19 the local jurisdictional thing. Mr. Dempsey spoke Sunday
20 about allowing the jurisdictional -- the law now requires a
21 local jurisdictional agency entity to be part of the base
22 redevelopment plan.

1 We believe, in the city of Myrtle Beach, and we
2 believe it's happening again in Charleston, that the local
3 jurisdictional agency, by our state laws, should be the
4 primary agency for base closure contact with OEA and
5 Department of Defense. That lack of concern on our part
6 early on caused a lot of dissention in the community.
7 Another thing that Senator Pryor talked about and
8 we talked about with Commission Cox, we ask you to hold at
9 bay other federal organizations outside of the military who
10 are requesting areas on the base.
11 That is not to say that these agencies shouldn't
12 work hand-in-hand with the community when invited in, but in
13 the instance of the Myrtle Beach Air Force Base, the FAA
14 funded a study that was completely contradictory to the
15 policies of the City of Myrtle Beach. We ask you to hold
16 those agencies at bay and only let them enter the closure
17 process when they're invited by the communities.
18 Permit flexibility. Permit flexibility. I think
19 Senator Pryor talked about this. What's good for Fort Ord,
20 California is not necessarily good for Myrtle Beach, South
21 Carolina.
22 That is not to say there shouldn't be a set of

1 regulations or guidelines, but you must allow the local site
2 coordinator to be able to change and have some flexibility to
3 implementing some things that need to be done in individual
4 communities.
5 Reduce the delay and confusion by requiring a site
6 manager to be an active site manager rather than a paper
7 conduit. As I mentioned, a 60-foot tower of paper that we've
8 amassed in Myrtle Beach would go a long way if that fellow
9 had more time to actually manage the site. As I mentioned,
10 the Air Force is paying $2 million for work that, in fact,
11 maybe he should be doing on the base.
12 Federal guidelines should be condensed and
13 consistent. I believe the Pryor Amendment went a long way to
14 making these things happen. Another thing that we've talked
15 about today was utilizing reserve components and other
16 military people and getting more manpower into the field.
17 I have made a recommendation two years ago to the
18 Bank and Financing Commission utilizing people who are in the
19 military, reserve officers, reservists who are, by
20 profession, real estate appraisers, real estate agents who
21 will be more adaptable to individual situations to come on
22 active duty and help these services wade through the

1 paperwork of making appraisals for property.

2 Also, using manpower such as engineering

3 construction battalions and those things to demolish sites on

4 the base that are no longer needed by the civilian community

5 prior to closure even would be in benefit of most

6 communities.

7 We don't have the funds, for instance, to tear down

8 ten dormitory buildings on that base, but certainly in a

9 reserve component there should be a unit that would be able

10 to come in either on summer training or something like that

11 and help demolish those sites.

12 Encourage state governments to play a more active

13 role. As I mentioned, in the case of Myrtle Beach, the state

14 governments should be the entity that helps the Department of

15 Defense identify the jurisdictional entity that they should

16 deal with. Also, the state's economic development group

17 should be on hand almost immediately offering assistance.

18 Accelerate the role of regulation agencies, and

19 quickly transfer things to the local community. What

20 happens, as you all know, EPA has by mandate created each

21 state agency to have another health agency or environmental

22 agency in each state.

1 As we walk things through the closure process in
2 Myrtle Beach we, number one, have to have clearance from EPA,
3 and then it's again duplicated by DHAC.
4 Quickly, I think an agency should be established
5 through the functional agency to identify lands that are
6 contaminated, and that agency should be responsible for
7 clearing those lands. We're in a state of redundancy here as
8 EPA and DHAC work through this process.
9 CHAIRMAN DIXON: May I interrupt you a moment,
10 Mr. Maxwell?
11 COUNCIL MEMBER MAXWELL: Sure.
12 CHAIRMAN DIXON: I have some senators and
13 congressmen from a couple of state delegations who want to
14 see me for a moment in the back room. May I be excused, and
15 Rebecca Cox will chair in my absence. I'll be back shortly.
16 I do want you to know I've read your written
17 remarks, Mr. Maxwell, and they're very excellent and will be
18 meaningful to us, and if all of you will excuse me, I'll be
19 back in about ten minutes. Commissioner Cox, would you
20 chair, please?
21 COMMISSIONER COX: Thank you, sir. Mr. Maxwell.
22 COUNCIL MEMBER MAXWELL: Another thing that I see,

1 the General Service Administration is just now in the process
2 of appraising property in Myrtle Beach Air Force Base. We
3 see the GSA playing a major part, as I mentioned before, of
4 appraising and identifying assets that are of value either to
5 the service or the community up front.
6 We feel this could have been done even prior to
7 base closure. They play a fiduciary role for the federal
8 government. They should come on board very early to help us
9 assess and help appraise property of value both to the
10 community and the services.
11 The amendments to the McKinney Act, through the
12 Pryor amendments, were of great benefit in helping us to
13 identify homeless providers in the community and should go a
14 long way to helping us muddle through the mess of
15 homelessness that is created in the country today.
16 But again, let the local community help identify
17 what has been taken out of our hands and given back to us is
18 placing people in homes when we need to play a part in
19 identifying who those folks are that need the homeless
20 provisions in our communities.
21 We accept this drawdown of bases. We realize it
22 has to take place. We see an opportunity here for the cities

1 to gain and recover from base closure and return good
2 economic benefit back to the community and to the government.
3 But we do need regulations streamlined. We do need
4 regulations expedited. As I mentioned, the Pryor bill, I
5 believe the legislation is in hand to make the things happen.
6 There may be more regulation to see that those things are
7 accomplished.
8 Again, I appreciate the opportunity to come before
9 you again. I applaud you again for the changes you have made
10 since I was here the last time, but again, I think there is
11 more that has to be done, and I encourage you to listen.
12 Thank you.
13 COMMISSIONER COX: Thank you, Mr. Maxwell.
14 Commissioner Bovin.
15 COMMISSIONER BOVIN: Thank you, Commissioner Cox,
16 members of the Commission. My name is Doug Bovin. I am a
17 county commissioner. I'm Chairman of the County Board of
18 Commissioners in Delta County, Michigan, which is on the
19 upper peninsula of Michigan. I am also testifying today on
20 behalf of the National Association of Counties for which I am
21 the first vice president.
22 In addition, I am testifying as a commissioner from

1 an area that has a military base closure. That's K.I. Sawyer
2 Air Force on the upper peninsula of Michigan. That is the
3 third SAC base that has been closed in Northern Michigan
4 within a 150 mile area. I am also a member of the Reuse
5 Commission for that facility.
6 K.I. Sawyer was in the 1993 round of closures and
7 is scheduled to close in September of this year. Some of my
8 comments will be redundant. We have not collaborated on
9 this. However, I think it reenforces the importance as we
10 see it.
11 I am pleased that the federal response to the
12 communities facing the closure and realignment of military
13 bases has improved over conditions when NACO testified before
14 this Commission regarding the 1993 closures. We thank you
15 for your involvement in that process.
16 The greatest change that was enacted in the 1994
17 Base Closure Community Assistance Act is the recognition of
18 economic development as a public benefit transfer. As a
19 result of this change, communities can acquire land and
20 buildings for economic development at less than the fair
21 market value and even at no cost.
22 There are success stories where communities have

1 rebounded from base closures and realignments. Some
2 communities even expect to have more job opportunities after
3 closing, albeit 10 to 20 years down the line. The Chanute
4 Air Force Base in Illinois is an example of a success story.
5 However, the community involved in the reuse of the Pueblo
6 deposit activity has experienced great difficulties.
7 Our experience with K.I. Sawyer Air Force Base
8 falls somewhere in-between those two. The governor of the
9 State of Michigan appointed a conversion authority, and a
10 committee is reviewing our reuse plan.
11 The five units of government -- the state, three
12 townships and Marquette County -- are working cooperatively
13 on this project. They all jointly own parts of the property
14 involved.
15 The Office of Economic Adjustment has assisted us
16 with the planning, and we are seeking grants to implement our
17 plan at this time. We are negotiating with the Air Force to
18 replace the central heating plant with climate controls for
19 individual buildings that better conform with civilian uses
20 of that facility.
21 We are also working with the U.S. Department of
22 Transportation on highway improvements to the area. Our

1 major problem involves leasing. We hope that our problem is
2 not as bad as the challenges at Pueblo. I believe there are
3 lessons to be learned from these different experiences on the
4 base closures.
5 Number one, continuation of assistance to the
6 Office of Economic Adjustment and the Economic Development
7 Administration is critical.
8 The assistance to the Office of Economic Adjustment
9 has been invaluable to our efforts to plan reuse activities
10 at our closing Air Force base. Assistance by the EDA also is
11 critical to undertake economic investment in the impacted
12 communities.
13 The National Association of Counties has long-
14 standing policy and support of reauthorizing EDA. We are
15 concerned that the President's budget for Fiscal Year 1996
16 proposes a reduction in the EDA account for defense
17 conversion from $120 million in Fiscal Year 1995 to $80
18 million.
19 We are also concerned that the Senate's Defense
20 Supplemental Appropriations package rescinds $40 million in
21 equal parts from EDA's Title IX and the Defense Conversion
22 accounts for Fiscal Year 1995.

1 If the conversion strategy for our distressed rural
2 area is to be successful, and that will not be easy, both of
3 these accounts need to be preserved if not enhanced.
4 NACO urges this Commission to support
5 reauthorization of EDA and a funding level which will provide
6 the critical assistance that communities on the 1995 closure
7 list will need for infrastructure and other activities that
8 are necessary in order to convert these facilities into
9 civilian assets for economic development.
10 Secondly, the federal government must address
11 environmental contamination at closing military bases. The
12 quality and pace of environmental cleanups often drives
13 redevelopment planning and the extent of economic dislocation
14 caused by the closing of a military base in a community.
15 Changes already made in the law have addressed some
16 barriers to these activities caused by environmental
17 contamination. These changes include clarification that the
18 federal government should indemnify communities for
19 contamination caused by the Department of Defense. Another
20 constructive change allows parcelization of bases so that
21 redevelopment can begin on clean sites while remediation
22 efforts continue on the dirty parcels.

1 Despite these changes, the federal government must
2 commit the financial resources that are essential for
3 cleaning up the closing of military bases. The cost of
4 environmental cleanup at K.I. Sawyer alone is projected to be
5 $48 million.
6 The Air Force did begin cleanup operations about a
7 year and a half ago and expects to complete remediation in
8 1999. Even though the majority of the property is clean,
9 many potential users of this property are still in fear
10 because of liability over the environmental contamination.
11 As many as 48 of the 59 major bases proposed for closure or
12 realignment this year have significant environmental
13 contamination.
14 Fourteen of the bases are on the list -- or on that
15 list, I'm sorry, are on the Superfund's National Priorities
16 List of the most seriously contaminated sites in the country,
17 and another 34 have ongoing cleanups which could take
18 anywhere from 5 to 20 years.
19 If you add in the 65 other bases which are heavily
20 polluted and are being closed or realigned from the previous
21 BRAC rounds, you can get an idea of the stagger and scope of
22 environmental contamination. This dramatically complicates

1 economic redevelopment at our closed facilities.

2 In light of these sobering realities, county

3 officials are concerned that Congress is considering recision

4 of some Fiscal Year 1995 funds that were appropriated for

5 environmental restoration.

6 Department of Defense has only recently begun to

7 spend more money on actual cleanups rather than studying the

8 problem. Hence, for communities seeking relief from military

9 downsizing, it is essential that funding be increased, not

10 cut for base closure cleanups. We urge the Commission to

11 recommend adequate levels of funding to clean up these

12 military bases.

13 Superfund reform that Congress has been unable to

14 enact could aid in the environmental remediation of these

15 properties. For example, we urge enactment of Superfund

16 provisions which would permit DoD, like other responsible

17 parties, to select cleanup remedies which are tailored to the

18 future uses decided upon by local government.

19 To make sure that local planning is fully

20 incorporated into remedy selection, Congress should require

21 Department of Defense to expand programs to include early and

22 meaningful participation by local officials.

1 Third, better cooperation and coordination is
2 needed within the existing legal framework for base reuse.
3 As I stated earlier, the Administration and the Congress have
4 enacted good law on public benefit conveyances for economic
5 development. Now the military branches need to recognize
6 base reuse and economic development as national goals. This
7 recognition must extend to all levels in the chain of command
8 and in each branch of the service.
9 Each branch of military service now administers its
10 own property disposal and reuse process. There is great
11 inconsistency between how the services administer their
12 processes. We ask that the Commission recommend a review of
13 how branches of the service are implementing what is required
14 in the 1994 Base Closure Community Assistance Act.
15 These are a few of NACO's recommendations on how
16 the conversion of closing military bases to civilian use can
17 be improved. Attached to our testimony we have included the
18 NACO policy on the challenges and the local impacts of base
19 closure. Again, I thank you for allowing us to testify this
20 morning.
21 COMMISSIONER COX: Thank you very much, sir. That
22 was very helpful. Lastly, from the great state of

1 California, City Manager Graham.

2 MR. GRAHAM: Thank you, Commissioner Cox and

3 members of the Commission. I'm honored to be here this

4 morning to present information to you on behalf of the

5 International City and County Managers Association, those

6 8,500 people that serve the elected officials throughout the

7 United States.

8 I'd like to divide my comments into two areas for

9 the morning. The first area is on the ongoing actions by the

10 federal government which are really slowing the closure of

11 the BRAC facilities, and the second area is the areas that

12 the federal government can assist local communities in the

13 transition of military bases to civilian use.

14 You heard before, you'll hear again funding of

15 environmental cleanup of the military facilities ordered to

16 be closed is the most important and time-sensitive issue that

17 the local reuse authorities face today.

18 Throughout our history, we've all put our hazards

19 out into the air and onto the ground, and the cost of

20 remediating that is going to be substantial. If adequate

21 funding is not available to meet a reasonable cleanup

22 schedule, all other closure efforts will have to be delayed.

1 Simply put, until a properly completed and
2 documented environmental cleanup is completed, the federal
3 and state regulators will not allow title to base property to
4 be passed to the local reuse authority and will remain
5 unproductive from the job generation perspective.
6 The only option for the reuse authority, then, will
7 be to continue its short-term leases and operating the bases
8 under an interim caretaker function. Many companies, private
9 companies, simply will not go onto a base with a short-term
10 lease.
11 This will also increase the money the Department of
12 Defense is required to pay the caretaker and will slow the
13 closure process. This appears to be a lose-lose situation
14 for both the military department and the local community.
15 We strongly recommend that prior to voting to add
16 more bases to the BRAC list that you assure yourself that the
17 DoD has allocated sufficient funds to meet their current
18 obligations.
19 A second issue affecting the timely transfer of
20 facilities to local reuse authority is the lack of DoD
21 regulations on property transfers. Personal property can be
22 best defined as all the property on the military bases that

1 is neither land nor building.

2 In the case of my particular community, Mare Island

3 Naval Shipyard in Vallejo, California, it has been in

4 operation for 140 years. The buildings on the island cover

5 the full spectrum of that long history.

6 Because of their age and advanced deterioration,

7 many of the buildings have negative value. It costs to tear

8 them down. It is primarily the equipment contained in those

9 buildings and in other locations that can contribute as an

10 incentive to businesses to relocate to Mare Island.

11 In closing, I'd like to suggest and recommend to

12 you two items which also we believe would assist the local

13 communities in the transition of bases to civilian use.

14 We have recently been told by the DoD that during

15 the period between closure of a base and the completion of

16 all requirements which would allow the transfer of property

17 title to the local reuse authority that they would allow only

18 five-year leases with limited renewal options, and even

19 worse, they have inserted a unilateral 30-day termination

20 clause.

21 I suggest to you that a five-year lease with a

22 unilateral 30-day termination clause is something of an

1 oxymoron. The two don't mesh. Talk to your lender. Talk to
2 your banker. Ask them what they think of a 100-year lease
3 with a 30-day termination clause.
4 In order to attract businesses to the closed bases,
5 we simply have to have these private companies obtain
6 financing for the construction upgrades and tenant
7 improvements and other start-up costs.
8 A five-year lease is only marginally marketable,
9 and when you add the 30-day unilateral termination clause, it
10 renders the lease term useless or almost useless.
11 A second item has more to do with the cleanup
12 process again. We've been told that although they're going
13 to clean up some of the environmental problems, they're going
14 to leave the asbestos in the buildings alone.
15 And I think it will be very difficult to try and
16 find a company that wishes to take on a building that has
17 asbestos inside, and the responsibility and the cost of
18 removal of that asbestos would have to be absorbed by the
19 tenant or the local reuse authority even though it was
20 somebody else that put that asbestos in the building.
21 Besides the obvious liability to DoD, it would be
22 extremely difficult to find tenants willing to absorb that

1 cost when they have other opportunities to go elsewhere to
2 find buildings without that danger.
3 We believe it is the responsibility of DoD to
4 remove all of the hazardous material prior to the final
5 disposal of their property.
6 We're very pleased to have been here to present the
7 testimony. You have it in written form. Redundancy and
8 repetition, I suppose, are not virtues. Brevity is, and I do
9 thank you all for permitting me the opportunity to speak on
10 behalf of the ICMA group. Thank you very much.
11 COMMISSIONER COX: Thank you very much, sir, and
12 for those very specific recommendations. That's very
13 helpful. For the questions, and I know there are a lot of
14 questions for a lot of you all, let's start with Commissioner
15 Steele.
16 COMMISSIONER STEELE: Thank you, Madam Chairman, I
17 guess, at the moment here. First, Mr. Graham, if I could
18 follow up on the lease subject just so I have a clear
19 understanding of what the concerns are.
20 In talking about the limit on five-year leases, is
21 that leases that DoD permits or if the local lease authority
22 has what I believe is called a master lease, and then they

1 can sublease the property? Is that five-year limit also on
2 those subleases?
3 MR. GRAHAM: When we develop the master lease,
4 there may be opportunities to have much longer terms, but
5 we're talking about the interim period of time between the
6 bases are fully closed and transferred to the city or other
7 agencies.
8 During that period of time we have approximately
9 1,000 jobs that want to move onto the base. We have
10 approximately zero jobs that want to move onto the base with
11 a 30-day closure or a limited term.
12 So there is going to be a long period of time
13 between -- we believe there is going to be a long period of
14 time before the cleanup and the opportunity to turn the title
15 over to the different agencies.
16 During that period, we've been told that it is only
17 a five-year term that we can have with certain renewal
18 clauses but unilateral renewal clauses, and when you add in
19 the 30-day unilateral termination, we really don't have much
20 to sell to a private company.
21 COMMISSIONER STEELE: I appreciate the 30-day
22 clause. Personally, I could see why I wouldn't sign up for

1 something under those circumstances. So until I would hear
2 otherwise, logic is fully with your argument there.
3 My question, though, is on the leases that are
4 limited up to five years, if those are leases that the
5 Department only will allow for five years versus the local
6 community, could the rationale be the community may head in a
7 different direction, and if the Department allowed a 15-year
8 lease and then two years later -- without any clause for
9 escape -- and the community two years later gets a great
10 proposal from a big company but it would usurp the property
11 that then has been leased, could their rationale be they are
12 tying your hands if they allow leases longer than that period
13 of time?
14 MR. GRAHAM: Well, yes. That certainly could be
15 the case. Our view would be once the DoD or the Navy
16 provides us with a lease we can do within their lease
17 whatever subleasing we wish to do. And if we make mistakes,
18 and we probably will, that onerous will be on us.
19 COMMISSIONER STEELE: Okay. Different subject and
20 to play devil's advocate a bit, I appreciate the comments
21 that were in the submitted testimony about the buildings on
22 the bases are at a different code standard than the local

1 community, and there ought to be permission to have an
2 extended compliance time for those buildings and
3 installations.
4 My question is particularly with the addition of
5 the Pryor Amendment law that allows the installation and the
6 land to go back to the community at less than market value or
7 at no cost, why should the Department of Defense, with its
8 limited budget, clearly, be forced to foot the bill to take
9 down a building when clearly half the reason why the
10 Commission was created was to free up some funds for
11 Department of Defense for readiness and modernization, not
12 issues such as that?
13 MR. GRAHAM: I think, Commissioner, and I recognize
14 you're playing the devil's advocate, if the Department of
15 Defense can sell the buildings themselves to some other
16 private companies, we'd be delighted to let them do that.
17 It's our belief that they can't sell those buildings to
18 anybody else, given the ticking time bomb that sits in the
19 asbestos buildings.
20 We have a number of areas in California, Hunter's
21 Point, where the Department of Defense has either been unable
22 or unwilling to sell the property at the price that they

1 believe they should get it for. Appraisals have been given
2 to them, and the appraisals don't mean very much unless you
3 have a buyer.
4 I'm simply saying that for the city we will make
5 our money to provide the services to the community not from
6 whatever profit we make if DoD gives us the land free, but
7 rather we will make our profit, if you want to say profit
8 means services in the city government business, we will be
9 able to provide our services not because of the sale of
10 property so much but rather because there will be a property
11 tax.
12 In California, it's 1 percent of the appraised
13 value, and we believe that the Department of Defense, if they
14 wish, we'd be delighted to turn over the marketing and the
15 sales of the property there for whatever value they can
16 receive from the buildings.
17 We'd be happy to do that, but I think what they've
18 concluded is that the local government areas probably know
19 better the markets and the opportunity of merchandise, and so
20 they're looking toward us to do that.
21 But we are not opposed to have the federal
22 government go into the business. RTC has tried that, and

1 I'll leave it up to you to judge whether RTC has been
2 successful.
3 COMMISSIONER STEELE: Lastly, a quick question, if
4 you could all comment if you've experienced either complaints
5 or personal frustrations in this area. I mentioned this
6 question this morning to Senator Pryor.
7 I gather there are instances where a federal agency
8 will take a hold of a base or part of a base and claim they
9 will use it but then might swap that land for different land
10 in the state for a different purpose.
11 Have you dealt with this subject, and do you have
12 any recommendations to us and if there is a local frustration
13 that somehow we're getting around the local authorities by
14 allowing this swap to happen? Is that a familiar subject?
15 (No response.)
16 COMMISSIONER STEELE: Okay. Good to know. Thank
17 you.
18 COMMISSIONER COX: Commissioner Robles.
19 COMMISSIONER ROBLES: I'd like to follow up on the
20 general thrust of all four of your presentations. There were
21 two, oh, sort of over-arching themes that came out.
22 One had to do with bureaucracy, federal bureaucracy

1 and the ability to cut through that and get to the heart of
2 the matter, and the second one was funding and funding most
3 primarily targeted for environmental cleanup.
4 So I'd like to just ask a couple of questions along
5 those two thrust lines. In a previous life, when I was
6 involved in the funding of this whole business, the dilemma
7 that the Department of Defense face is the same dilemma that
8 the cities face, which is too few dollars chasing too many
9 requirements.
10 It's a national problem, as we know, with balanced
11 budget and deficit reduction, and it was the theme of the
12 service chiefs' and secretaries' presentation to us that they
13 could have probably gone farther if they would have had up-
14 front costs to do some of these base closures.
15 And they could have eliminated more excess capacity
16 and done some other things. Because they do not have the
17 funds to do the base closing process, they have to come from
18 internal. Internal is offset to readiness, modernization, et
19 cetera.
20 Furthermore, when the decision was made not to try
21 to get funds or proceeds for the sale or lease of this
22 property but, in fact, much of it was turned over through

1 gifts and grants, and the '94 legislation only strengthened
2 that particular appeal, there is no money.
3 So it's a question of whether does money come from,
4 and it is a difficult, complex issue, as you know, and the
5 issues around environmental are very complex. We just don't
6 have enough money to clean up everything there is to be
7 cleaned up.
8 In many cases, it seems -- I will laughingly say
9 that at one time I made a proposal to my boss that we just
10 ought to put a chain link fence around anything we want to
11 close down and let it lay fallow, because we didn't have the
12 money to clean it up, nor did the local community have money
13 to clean it up for purpose they intended.
14 That's the dilemma both sides face. So I think my
15 question to you is there has got to be some common ground
16 here in which you don't clean up the property squeaky clean.
17 You can't throw the hundreds of millions of dollars against
18 it that are just not available in the federal budget to clean
19 it up. So what could be done?
20 What constructive purpose could be served to come
21 and meet, sort of, halfway and say, "Well, here is what we
22 can do on the community side to not clean everything up to

1 squeaky clean standards, and here is what federal government
2 can do better not to try to impose some very harsh and
3 sometimes onerous environmental restrictions so that the
4 property can be used at all"?
5 There has got to be some common ground here, or
6 we're going to continue to be chasing this elusive dollar and
7 never get to the business of cleaning up the place and
8 turning it over for community reuse. Any of you want to
9 comment on that?
10 MAYOR GRIFFO: I think one of the things,
11 Commissioner, that we have tried to address is talking about
12 maybe allowing to separate some of the parcels of land so
13 that we can move forward, by separating the clean parcels
14 immediately so you can move forward and then to revisit some
15 of the economic regulations.
16 The cleanup should be prioritized in areas that are
17 high-risk areas, particularly as it relates to certain
18 conditions in certain areas.
19 So if we could look at it that way and begin to
20 move forward in that process, that would help our efforts,
21 and likewise, again to revisit some of the regulations that
22 exist right now and whether any of them can be eased at all.

1 And that would come from the EPA or whatever or state
2 organizations, likewise.
3 MR. GRAHAM: I think another point, sir, would be
4 that the -- I hate to use the term "bureaucracy," but perhaps
5 that's the best term anyway. The government employees that
6 we're dealing with, if they would be a little more direct
7 with us and say, "We don't have the money. We can't do this.
8 We can't do that" and be direct about it and make sure that
9 is a position that is coming from higher elevations, that
10 would be far better for us than to have spent five months
11 negotiating with something that somebody knows is
12 nonnegotiable but simply does not want to deliver the
13 message.
14 And so we go along blissfully believing that there
15 are great opportunities out there, and if we will just make
16 next major effort, we will be able to get all of this money
17 or get the change in the regulations or whatever else it
18 might be.
19 And I think if the federal government bureaucracy
20 would be a little more direct with us -- and I also
21 acknowledge that it's two-sided. Perhaps we ought to be
22 acknowledging that we are a little bit more ambitious than we

1 ought to be -- then maybe we could get to some common ground.
2 But right now I think we're all telling each other gentle
3 lies.
4 COMMISSIONER BOVIN: Another avenue, we have to
5 consider the overall picture, and in many areas, including
6 ours, environmental cleanup has been a mandate. And we have
7 had several businesses who have gone out of business because
8 of contamination that existed before they ever went into
9 business.
10 In many instances, sometimes state agencies have
11 come in and assisted on remediation. After remediation,
12 after cleanup, those businesses were then sued for the
13 monies. They were sued for dollars that were totally out of
14 the realm of possibility of them ever to pay.
15 You put that alongside of the fact that now we had
16 a pledge, and in our case we have a schedule where
17 remediation is going to take place tailored -- we would like
18 to have it tailored to civilian use, intended civilian use.
19 But on the one hand, we have civilians who will not
20 buy property in the area any longer because they are
21 concerned about contamination sometimes from 100 years ago.
22 We have great economic impact from that, in this case, severe

1 depressed economic impact because they are afraid of the
2 environmental contamination.
3 And yet, we had a pledge when the base closed that
4 they would come in. They come up with a schedule, and now we
5 are concerned that they are going to peel back on that
6 schedule.
7 In addition to that, in our situation -- and again,
8 I guess this points out the need to consider local input. We
9 can't just have a blanket rule everyplace. In our case, much
10 of the land has been leased by the state to the federal
11 government for $1.
12 And the way the law reads the last user pays for
13 the contamination. We have a restoration clause at K.I.
14 Sawyer Air Force Base. There are over 100 buildings that are
15 on state land.
16 What we are now fighting is the situation we want
17 to resolve the issues so that we can reuse those 100
18 buildings, some of them multi-million dollar buildings that
19 were completed after announcement of closure. They were in
20 the process of completion at the point of closure.
21 What we need, then, is we need local input. When
22 you look at it -- and you addressed the problem of

1 regulation, and we understand that's the problem.

2 However, to cut through the problem, we have to

3 have the federal government talk to those at the local level

4 because you have individual situations. It would be

5 deplorable if we had to invoke our restoration clause.

6 It would be deplorable if the state said and the

7 conversion authority said, "We can't live by the rules. We

8 can't live by the lack of help. So take your 100 buildings

9 back and restore them."

10 That would cost an immense amount of money, more

11 than successful conversion and reutilization of that area.

12 And I would point out another problem at the local level is

13 the fact that you differ because of rural activity.

14 I'm from an area where even though our economy

15 nationwide is very good and even though Michigan is doing

16 very well in the upper peninsula where K.I. Sawyer is

17 located, unemployment is still well over 10 percent.

18 We have been hit, as I mentioned, with three major

19 base closures and a couple of other industries that have gone

20 out of the area and the mining industry going down.

21 We don't have the wealth within the area. Our

22 wealth has been exported. So to convert that authority is

1 going to require a lot of help, and we have to cut through
2 the red tape. And the only way to do it is to allow local
3 involvement with that whole process.
4 COMMISSIONER ROBLES: Well, thank you. Your
5 message is loud and clear. I would just sum up by saying
6 that this is a complex issue. Clearly, the whole reform of
7 the Superfund legislation, as you know, is stalled because of
8 this very same issue on a larger scale.
9 I don't think we're going to solve it. This is
10 just a microcosm of a bigger problem. I would say I think
11 that people need to talk frank with each other. You do need
12 to come up with some common ground. You do need to
13 prioritize, and you can't solve problems that have occurred
14 for centuries.
15 I'll just end up by saying I commanded a base that
16 has been around since 1863, and there has been a lot of
17 environmental damage that has happened on that base, because
18 in 1863 there was not a lot of Superfund legislation on
19 books, and people weren't worrying about it.
20 And now we're trying to correct all those sins.
21 That just is not going to happen, and certainly we're going
22 to have to just keep working together to prioritize, use

1 those clean parcels and let them be developed first and deal
2 with this national problem. Thank you all.
3 COMMISSIONER COX: Commissioner Montoya.
4 COMMISSIONER MONTOYA: Thank you. I have the macro
5 question that I have, sort of, landed on this morning. It
6 seems that what we've heard so far and as I read through the
7 book is that things are better in the base closure process
8 than they used to be by a considerable amount thanks to
9 Senator Pryor and others.
10 But I also hear that there is a lot more to be
11 done, that there is certainly another quantum leap of
12 improvements that are needed, and I think that we're talking
13 about either fixing the people who are involved in the
14 process or the process itself.
15 And when both are broken, you really got a problem.
16 So the question that I have of you is that as you have worked
17 through these processes, would you opine that it is the
18 bureaucrats, or is it the bureaucracy, the rules, the
19 regulations and so forth?
20 And when I speak of bureaucrats and the word
21 "attitude," I would be using other adjectives such as
22 inaccessible, nonresponsive, maybe evasive, as we alluded to,

1 lack of candor, or maybe just it's your problem not mine kind
2 of an attitude.
3 I'd like each of you to comment what is your sense
4 that the issue is? Is it the people that we have assigned to
5 it, or is it the system within which they have to work?
6 Mr. Bovin.
7 COMMISSIONER BOVIN: I would have to say that on an
8 individual basis the people that we have dealt with have been
9 most cooperative. We are very pleased when we ask for help
10 and we get help, and there have been several instances of it.
11 One of the major situations was a central heating
12 plant. We have a monster there that costs $3 million a year
13 to operate, and we asked the Air Force to consider demolition
14 of the heating plant and putting in individual heat in the
15 buildings, and we are in the process of agreement. We are
16 very pleased with that.
17 Again, it's the system. It's not the individuals.
18 But what happens a lot of times is we get on a 100 yard run,
19 75, 80, 90 yards down, and then all of a sudden there is some
20 intervening regulation that we were not aware of.
21 I think the problem is -- the governor has
22 appointed 11 people on our conversion authority. I won't do

1 a self-evaluation, but the other ten are intelligent people.
2 They are trying to carry through with this and I think doing
3 a good job.
4 However, we collectively do not know all the rules
5 because there are so many. We are abiding by the rules as we
6 know them.
7 When we came up with our lease agreements, and
8 we're at the point of implementing six leases, having people
9 come in to use part of the base, and then all of a sudden at
10 the last minute we find out that the money from the lease
11 agreement will not be used by the authority for continuation
12 of operation of the authority, that the Air Force Base
13 Conversion Authority wants to take up to 80 percent of that
14 lease-back money to go back to the Air Force.
15 I can understand the question. Why can't we get
16 100 percent funding? We have immense properties at K.I. If
17 you could get 10 cents on the dollar for their evaluation, I
18 would be amazed. It's just not going to happen in our area.
19 And the same holds true for the lease, but if it
20 requires $3 million a year to operate that base, the only way
21 we can gather that money is through leases.
22 And if the Air Force wants to require 80 percent of

1 that to go back to the Air Force, and one of those leases --
2 and you'll appreciate this -- is a golf course, but it's on
3 state land.
4 The state land is being leased for a dollar back to
5 the Air Force, and now they want to charge 80 percent, not
6 until September when they are going to close the base, but
7 even after the base is closed.
8 We need those monies, but those are rules that we
9 didn't know about until real late in the game. So the
10 problem is the very great difficulty in understanding what
11 has to be done, and that entire race to the end zone is
12 difficult.
13 COMMISSIONER MONTOYA: Quickly, the next three of
14 you?
15 COUNCIL MEMBER MAXWELL: If I might address that,
16 and I can do this because something happened yesterday that
17 shows you the bureaucracy that we have to all deal with.
18 We understood, as I mentioned earlier, that the
19 military has finally decided the best thing to do is economic
20 development conveyance of most of these properties back to
21 the communities.
22 As you know, we were very successful after several

1 years of asking for a golf course, a public benefit transfer
2 to provide recreational green space for our community. That
3 was in the plan that we had given to the Air Force.
4 The Air Force indicated in their EIS that was the
5 best use for that golf course, as a community golf course.
6 We were successful getting a golf course. In that
7 application, original application, there was also another 100
8 acres of recreation land on the base side of the golf course
9 separated by the airfield.
10 We withdrew that 100 acres through an agreement
11 with our local redevelopment authority, that they at some
12 point in time, rather than apply for that 100 acres, which
13 would perpetually be given to us as recreation lands, that it
14 might be more valuable with development land later on for the
15 authority.
16 We withdrew that 100 acres with the agreement that
17 at some point in time after we could use the recreational
18 land, if those land become more valuable, they would find
19 another spot on the base that we could use for recreation
20 land and let the potential buyer provide the monies to build
21 these new recreational facilities.
22 That worked -- and a good common goal for the

1 community and provide recreation for us. We heard yesterday
2 from the Air Force that the Air Force will appraise this
3 recreation land.
4 We should reapply for that recreation land based on
5 their appraisal value and be prepared as a city to use
6 taxpayers' money to buy those recreation lands from the Air
7 Force. Because of the budget crunch, they need the money.
8 Now, you have to ask yourself why are we using
9 taxpayers' money to buy ball fields when these ball fields
10 may be developed as other properties later on, and the
11 authority has already agreed -- the local redevelopment
12 authority has already agreed to find recreation lands on the
13 base?
14 That's the problem we get as this paperwork tower
15 continues to grow, these change in regulations. Here they
16 are the Air Force now is adjusting their financial role in
17 this thing, not economic development conveyance at no cost or
18 little cost to the cities, now they're looking to get some
19 money back.
20 So you begin to wonder, you know, where do you go?
21 And I don't think it's bureaucrats. I'm beginning to
22 wonder -- I've just begun to wonder what it is.

1 MAYOR GRIFFO: I think we all have certain episodes
2 that we can relate to in this process, but generically
3 speaking, I think that probably the biggest problem is that
4 bureaucracy may not tend to understand the economic
5 development process, the dynamics of how communities need
6 flexibility and authority to take charge.
7 And that's why one of the recommendations that we
8 have made through the U.S. Conference of Mayors is for
9 someone maybe at the NEC as an ombudsman to work through all
10 of this, to make sure that everybody is working together.
11 Because while I respect Senator Pryor, I think just bringing
12 everybody in the same room really isn't going to get it done.
13 There has to be somebody to shepherd that process and to
14 ensure that it will take place.
15 I think there is truly the desire. I think
16 individuals have worked well with us, and there is a desire,
17 but how do you translate that desire into action? That's the
18 key, and that's what we'd like to see.
19 MR. GRAHAM: First, I think that the local people
20 from the federal side having doing a very honest job at the
21 local level. They've been doing a fine job, and I think
22 people generally are honest and wanting to earn their money

1 and deliver full value.

2 I think as Senator Pryor said earlier, however,

3 they are limited with their ability to make decisions, and

4 I'd like to see, as Senator Pryor said, possibly the pushing

5 down of more of the decisions closer to the local level.

6 Obviously, you have to have parameters and

7 policies, and those should be adhered to, but if they are

8 policies, they ought to be pushed down rather than in the

9 case -- and I won't give the specific instance -- but we were

10 told at the local level that, yes, that could probably be

11 done, but they couldn't give us permission to do it at the

12 local level.

13 And so it goes up the ladder, down the ladder and

14 gets mixed up as it moves around. If it can be done and if

15 it should be done, it perhaps ought to be an authority given

16 to the local level.

17 The other thing that strikes me as a possibility as

18 to why we're having some much difficulty -- not so much

19 closing the bases. I think the BRAC process is a good

20 process in determining what bases need to be closed -- but

21 rather I think the process of opening them to civilian and

22 private use has been limited somewhat.

1 And I only say "somewhat" because way back when
2 somebody developed a formula and a methodology and showed
3 that there would be significant massive savings by the
4 closing of these bases.
5 Now that the bases are being closed, I don't think
6 I would want to be the messenger that went back to the king
7 and said, "By the way, we've made a few mistakes, and there
8 isn't going to be as much money being saved."
9 Rather than telling you that, I think I'd continue
10 the negotiation process a little longer until I could get to
11 point where I said it didn't happen on my watch, and I got
12 off.
13 (Laughter)
14 COMMISSIONER MONTOYA: I understand that. Thank
15 you. Madam Chairman, thank you.
16 COMMISSIONER COX: Commissioner Kling.
17 COMMISSIONER KLING: Gentlemen, thank you very
18 much. I believe Senator Pryor said that since the
19 President's five-point program and since the Pryor Amendment
20 that things are better, that they're moving better, and that
21 we really shouldn't look into any type of legislation or make
22 any necessary changes but give this a chance.

1 I'd like to just ask each of you if you agree with
2 that. Are things better? Are we improving? Do we need some
3 type of, maybe, a outside commission to, kind of, speed
4 things up where the bureaucracy can't? I'd just would like
5 your quick -- I don't mean to take a lot of your time up --
6 answer to that. Mr. Graham.
7 MR. GRAHAM: I think that if the policy-makers,
8 which are primarily located here in Washington, if they are
9 able to exercise some of their legitimate discretionary
10 powers, I don't think that there are very many new bits of
11 legislation that need to be accomplished.
12 I have been told that over these United States on
13 all these bases that there have been literally 100 different
14 ways of changing the laws or changing the regulations and the
15 policies to fit the particular situation in each base and the
16 special circumstance.
17 And if that is true, then I don't see that you need
18 special legislation. I just think you have to have a better
19 understanding of what needs to be done in that particular
20 location, and that could be at your policy-makers level.
21 COMMISSIONER KLING: Are we doing better, though?
22 Are we doing better now since the President's five point

1 program and the Pryor Amendment and so forth?

2 MR. GRAHAM: I think we're improving, yes, sir. To

3 my knowledge, yes, sir.

4 COMMISSIONER KLING: Mayor?

5 MAYOR GRIFFO: Well, we just began this experience

6 personally in our community, but I can tell you that we learn

7 from experiences. And from what you've seen that we've

8 presented to you today, I think that is a shared experience

9 from communities across this nation.

10 And yes, it appears that things are better, but

11 there is still a greater need for flexibility and

12 responsiveness, and today what you are allowing, this

13 opportunity that this Commission is providing is something

14 that's very worthwhile and very important, and we truly

15 appreciate that.

16 COMMISSIONER KLING: Thank you. Mr. Maxwell.

17 COUNCIL MEMBER MAXWELL: In fact, I'm going to say

18 yes. As I mentioned in my opening remarks, the fact that we

19 were here two years ago to address some of these problems,

20 and the five-point program and the Pryor Amendments to Title

21 29 indicate that you are very much concerned about the local

22 communities, and you're very much concerned to help us to

1 recover.

2 I think it's indicative that people realize that

3 you've called us back here again to listen to some of the

4 problems. Myrtle Beach, under the legislation that exists

5 today, would be much further down the pike than we are today.

6 I think these folks that are going through the '95

7 BRAC closure list will be in a much better position to return

8 their post or utility to the community much faster than we

9 were able to.

10 So if anything needs to be done, I think we need to

11 simplify -- I think the legislation is in place, is simplify

12 the legislation and make it readable for all and certainly

13 help find the funding to help clear up the environmental

14 problems.

15 COMMISSIONER KLING: Do you agree, Mr. Bovin?

16 COMMISSIONER BOVIN: Without a doubt. First and

17 foremost we should thank you because things are much better,

18 and we have captured people that have been involved in other

19 closures who are now helping us.

20 It is better. I guess it's the nature of the beast

21 that we are here to present not all the thank yous and the

22 good things but to ask for how to improve. And I think

1 that's what really our duty is here, to ask for ways of
2 improving it.
3 And if we could streamline some of the situations
4 of local input, I think that would be an improvement, but it
5 definitely is much better.
6 COMMISSIONER KLING: Just one last question. We've
7 talked about so many things that we can improve on -- work on
8 the environment, work on the personal property being
9 transferred, all these different things.
10 If I asked each of you to say to us,
11 "Commissioners, here are three things. Put your tasks to
12 these three things and get these done for us," which would
13 you suggest? What would those three things be? Just
14 quickly, Mr. Graham.
15 MR. GRAHAM: Well, I'm writing and thinking as fast
16 as I can, sir. I think we would like you to move with
17 alacrity dispatch to improve the leasing process so that we
18 don't have that onerous 30-day issue in there.
19 I think we would ask you -- and that is not a
20 dollar item, incidentally, the leasing issue. That's a
21 policy matter.
22 COMMISSIONER KLING: The time period.

1 MR. GRAHAM: Yes, sir. Item two, I think from the
2 perspective of most of the bases, a need to move more quickly
3 on the environmental cleanup in some fashion, either move on
4 it with money or move on it with some reduction in the
5 regulations, if they can be reduced without impairing the
6 safety of the people.
7 Item three is asking the bases to permit a little
8 longer period of time in the closing down of the maintenance
9 and operation on the bases.
10 What we'd like to envision would be when the base
11 closes they have a maintenance and operation cost, a
12 caretaker cost. It's up here somewhere, and the city is
13 paying zero.
14 We'd like over a period of time -- and I don't
15 pretend to tell you what that period of time is, but let's
16 use ten years for a minute. If it costs $10 million to close
17 the base -- or, excuse me, to maintain and operate the base,
18 sewer, water, utilities, everything that goes with it, if it
19 costs $10 million a year to do that, perhaps we would be able
20 to say to the base people the first year after you close you
21 pay us $10 million for the continued maintenance and
22 operation in caretaker mode.

1 The second year you go down to 9.8 and down to zero
2 at the end of ten years. At the same time your local
3 government is busy bringing the jobs in and producing the
4 revenue that will allow us to pay 1 million the first year, 2
5 million the second year, and at the end of ten years, the
6 cities are in the picture completely, and the military is out
7 of the picture completely.
8 So those would be my three items -- the lease
9 issue, the environmental cleanup and the provision for
10 continued maintenance and operation of the island for a
11 period of time.
12 COMMISSIONER KLING: Thank you very much.
13 MAYOR GRIFFO: Commissioner, we had a resolution
14 passed at the winter meeting which, basically, states that we
15 want to see continued federal funding through the EDA and the
16 OEA consistent as where it is now to communities that have
17 been affected.
18 We'd like the process to continue to streamline,
19 particularly as it relates to transfer and cleanup of
20 facilities, and finally, to continue to emphasize local
21 control in the decision-making process, particularly as it
22 relates to infrastructure and resources.

1 COMMISSIONER KLING: Thank you. Mr. Maxwell.

2 COUNCIL MEMBER MAXWELL: And recognize the spirit
3 of the law, the President's five-point plan and legislation
4 enacted with it. Allow EDC to proceed very quickly.

5 Control by the local authority needs to happen, and
6 allow us some funding for EPA cleanup. We realize it's a
7 severe problem, but there has to be some funding there
8 somewhere.

9 COMMISSIONER KLING: Mr. Bovin.

10 COMMISSIONER BOVIN: Thank you for the question.
11 An easy answer. EDA and environmental funding top priority.
12 Second, clarification and easier use of the leasing
13 procedure.

14 And third, in our situation, a lot of our assets
15 come directly from Undersecretary of the Air Force, Rodney
16 Coleman. We want his presence. He has been on base. He has
17 helped us tremendously, but we need somebody from his office
18 with authority to make decisions on a quicker basis.

19 We have to be able to streamline the process and
20 rules, and if we had -- we have to place our trust in
21 somebody, with the federal government's approval, obviously,
22 but there has to be trust placed in somebody who is going to

1 have to make some decisions at local areas, and that would
2 rid some of the problem that we're having with a lot of
3 regulations. We have to have somebody there with authority
4 to act.
5 COMMISSIONER KLING: Thank you very much.
6 CHAIRMAN DIXON: Madam Chairman, I just want to say
7 to these fine witnesses that I'm going to pass my opportunity
8 for questions because we are beginning to have a little bit
9 of a time problem.
10 But I wanted to say to all of you and to your
11 representatives behind you in the room I hope you'll continue
12 to work closely with us over in our office and the people
13 that are assigned this task, particularly Sylvia Davis-
14 Thompson and her people, about your needs.
15 We're very anxious to work with you on a list of
16 recommendations that we're going to hand to Congress at the
17 appropriate time, and in there is a shared feeling on this
18 Commission that there is more that needs to be done.
19 There is some progress, yes. We're pleased with
20 progress, and there is more that needs to be done, and we're
21 anxious to work with you, and we invite your continued
22 cooperation with us throughout this process.

1 COMMISSIONER DAVIS: Mr. Graham, I must tell you
2 when you suggest the Department of Defense gets in the real
3 estate business, it really gives me the willies, being part
4 of that department for many years. We know how to train and
5 equip and execute national policy, but selling real estate is
6 way down on our list.
7 In reading some very good background material on
8 some of the questions you've been asked, I've been very
9 interested to find that success in some cases is based on --
10 where it's achieved very well at some places and not so well
11 at other places is almost personality dependent.
12 I don't mean personality with a little "p." I mean
13 big "P," depending on whether you have two or three cities
14 working the problem or you have one city working the problem,
15 whether you can get the cooperation or not, whether you have
16 the individuals on the bases and camps and posts that have
17 the personality to carry the fight, and that's the part that
18 I'd like to focus in on.
19 And Mr. Bovin sort of came to the process. Even
20 the Undersecretary of the Air Force doesn't have the
21 authority to approve all these things.
22 And what bothers me, having been part of that

1 bureaucracy, is that you have to say mother may I to so many
2 people in the process, and that in itself can be very time-
3 consuming.
4 And when you get that job done, then you say,
5 "Okay. It's time to do it. Let's get this job done," and
6 you find, say, you know, wait a minute, the Department of
7 Commerce has to be consulted because you're going to deal in
8 something else, or the EPA.
9 And so you run into another set of regulations or
10 problems. I would like to ask for your advice and counsel
11 on -- you, sort of, alluded to it when you said the
12 Undersecretary had the authority to make those decisions.
13 But somehow it seems that it might be a bit higher
14 than that because you ought to, in my view, have a place to
15 go that when you want to effect something you're able to get
16 an answer fairly quickly.
17 Now, whether these agencies that you spoke of to
18 continue their funding are those agencies to do that, I don't
19 know. That's where I'd like to seek your advice and counsel.
20 Mayor.
21 MAYOR GRIFFO: Commissioner, I think it goes back
22 again to what we had said, and one of the examples is during

1 the President's five-point plan, in order to try to look at
2 this process, they put in place transition officers on
3 installations to work with communities. So that was a good
4 example of how it can work.
5 They recognized it, the Administration, moved
6 forward on something, had somebody in place that could
7 coordinate these efforts.
8 That's why we are proposing through the U.S.
9 Conference of Mayors that you look at the possibility of
10 establishing such a person in a national economic council at
11 the White House who can cut through all the red tape.
12 It would be a tremendous burden on that individual,
13 and I wonder ultimately how successful, when you put that
14 burden on one person, and you don't want to establish a new
15 bureaucracy.
16 But hopefully, that is -- in concept, that in our
17 opinion, at this point in time, would be the best way to try
18 to put this all together where there is a collaborative and
19 cooperative effort and in the end we can see some action done
20 where somebody can make the decision, receive an answer and
21 is completed.
22 COUNCIL MEMBER MAXWELL: Commissioner Davis, I'd

1 like to maybe extrapolate a little bit on what you said about
2 the military being very good at taking land but not very good
3 at getting rid of land.
4 I think, in reality, that may be the crux of the
5 whole problem. For the first time we have the services
6 trying to dispose, through some method, of land. They are
7 not the people we would normally ask to get rid of land. We
8 ask them to take land.
9 What we see here is people I'll call inexperienced
10 in dealing with real estate laws, dealing with environmental
11 laws. Those folks are having a hard enough time in the
12 services identifying the agencies that they themselves have
13 to deal with.
14 And maybe, as we get through this process, the next
15 round will be a little more -- may be speeded up a little bit
16 more because those agencies will have been developed.
17 But when you speak of clearing up a environmental
18 problem, for instance, with EPA, and then and all at once you
19 got a state agency to deal with who the federal government
20 nor the local or the military authority has no experience at
21 dealing with the local DHAC authority in our state.
22 And who do they turn to to get someone to work with

1 them? That's why I think it's very beneficial to have this
2 on-site coordinator or transition manager local to help
3 identify to the military the sources that these people need
4 to turn to to clear up the problem. I think it's happening.
5 It's just happening too slowly.
6 COMMISSIONER BOVIN: Commissioner Davis, for
7 clarification, and I hope I haven't misstated myself, we are,
8 again, very pleased with the individual cooperation that we
9 get without a doubt.
10 Every time we ask, we are getting help. Most of
11 our arguments, quite honestly, are between the locals on what
12 to do, and I think probably happens in a lot of areas, but
13 the problem is the timelines.
14 We are continually faced with timelines. We were
15 told when we formed our association by Gryner & Associates
16 that a lot of the authority members would not be here.
17 They said history tells them that they fall off
18 because of frustration or other commitments, one or another.
19 Well, all of our 11 have stayed so far. There have been a
20 couple who have expressed an interest in dropping off.
21 That's the frustration of it.
22 But the timelines are important, and that adds to

1 frustration, but when you have pickled buildings with flat
2 roofs and you go through freeze-thaw cycles and you have to
3 make decisions on what to do with these -- just on Tuesday of
4 this week we authorized a study for demolition of buildings.
5 It's a process we have to go through.
6 We deplore having to spend those kinds of monies
7 out of limited amount of monies that we have to come up with
8 just an estimate of what it would cost to effectively destroy
9 100 buildings or so. We wouldn't have to make that decision
10 if other decisions could fall in place a little bit more
11 quickly.
12 So what it is, it's not a dissatisfaction with any
13 individual, but it is that bureaucracy, if you will, and also
14 being faced with these timelines. Everybody is looking for
15 something to happen.
16 It's very difficult to go back to the people after
17 a year and show them that we don't really have a lease yet.
18 We thought we did, but we don't because of a situation that
19 cropped up.
20 So again, we are not displeased with individuals,
21 but somehow we have to try to streamline. And I understand
22 -- I didn't want to over-simplify the point by asking for the

1 Undersecretary to be at our disposal all the time, and I
2 admit that is probably an over-simplification.
3 But the point is we have to work at ways of
4 streamlining this so that we can get from point A to point B
5 and not take 20 years to get there. We have to streamline
6 that just to keep focused and to keep the interests of the
7 people at heart.
8 COMMISSIONER DAVIS: All right. Thank you very
9 much. I finally get to ask some questions in front of
10 Commissioner Cox, and they ring the bell on me. My time is
11 expired.
12 (Laughter)
13 COMMISSIONER COX: I'll ask a short question. To
14 anyone but particularly Mr. Mayor, I'd like to ask you, in
15 1993 we had a situation where a base had been closed in an
16 earlier BRAC, and certain commitments had been made to the
17 community that if they did certain things in working with the
18 reuse group that the military would continue to do some
19 things.
20 And the community, in fact, did that in reliance on
21 what they believed to be assurances from the Defense
22 Department, and ultimately, in 1993, the Defense Department

1 came in and said, "Well, it was a good idea, but really it's
2 in the best interest of the Defense Department to do
3 something else now."
4 That's, obviously, a moral dilemma, just to start
5 out with. You probably all can't answer that, but is there a
6 process question here? We're talking about the local
7 responsibility and the local accountability and whether the
8 Defense Department has the right person on the ground,
9 whether they have the flexibility.
10 Do we have a problem that maybe the people on the
11 ground are making commitments they shouldn't or couldn't
12 make? Is there a way to deal with that problem? Mr. Mayor?
13 MAYOR GRIFFO: Commissioner Cox, I think you're
14 talking about Bergstrom, probably.
15 COMMISSIONER COX: Right.
16 MAYOR GRIFFO: Yeah. That is so significant
17 because Rome is in the same situation right now.
18 COMMISSIONER COX: Right.
19 MAYOR GRIFFO: And I believe that reuse has to be
20 an important factor. I mean, we look at a number of factors
21 when they are making recommendations to the BRAC, and right
22 now at military value, cost, economic factors.

1 But I think reuse has to come into that now because
2 reuse has become such an important component of this whole
3 process that we're dealing with, this issue today.
4 So yes, very difficult for communities who go
5 forward, who begin to prepare and develop programs based upon
6 advice working with federal agencies and departments, the
7 military departments and then to later find out that you
8 may -- they feel that things should be done differently now.
9 It's difficult because they have explained to us
10 that they have put together exhaustive efforts to make the
11 right decision, and we are trying to work within that
12 framework. We are trying to work hard with everybody by the
13 information that us given to us.
14 So to answer your question, I think unfortunately
15 it's very dissettling, very frustrating for a lot of
16 communities who have put a lot of time, effort and talent in
17 trying to make a success story based upon what we have been
18 told by the Department of Defense and as a result of the
19 decisions made by the BRAC.
20 So how do you correct that? I'm not sure except to
21 really maybe scrutinize more reuse, to have that as a factor
22 for consideration when you begin to make recommendations that

1 people -- that the right people should be communicating.

2 How can we determine at the local level who is the

3 right people? We are working with the highest levels -- we

4 seek out that. So it is not, I think, the local level who

5 has not made the opportunity to reach the right person. To

6 determine ultimately if the right person is communicating to

7 us, I don't know how you answer that.

8 But I think we, in our case, particularly -- I can

9 only speak from my experience. We feel that we dealt with

10 the people at the highest levels that we could and were given

11 the assurances and the directions that we should undertake

12 and have tried to have our process evolve accordingly.

13 COMMISSIONER COX: And were there things that you

14 all did, money that you've spent, actions that you took based

15 on assurances, whether they were --

16 MAYOR GRIFFO: Most certainly. A great part of --

17 again, the Office of Economic Adjustment has been tremendous

18 in their support, if we talk about organizations and

19 individuals.

20 We have found the EDA and the OEA have been

21 exceptionally responsive and cooperative. It's been great

22 working with these people, because it is a painful

1 experience, as you all have said.

2 And it's very difficult to look at this, and yet

3 commitments, like in our case, not only is the community

4 working hard, but in the State of New York has committed

5 multi-millions of dollars and created special corporations in

6 a cooperative effort to follow-up on the last BRAC

7 recommendation, on the last decision that was made from the

8 BRAC Commission of 1993.

9 We did move forward accordingly. So not only do

10 you have the local government, but we tried to put together

11 what each of you have been talking about, great efforts from

12 the different levels of government, working cooperatively,

13 bipartisanly, and it's working.

14 And then to have the rug just taken from underneath

15 you is very difficult and hard to understand. And I'm not

16 sure if I can give you the answer but that it needs to be

17 corrected, and I'm hoping that maybe this year, as you

18 revisit some of these decisions yourselves, through your

19 scrutinization will have more answers, and maybe some of the

20 wrongs can be rectified.

21 COMMISSIONER COX: Thank you. Did anybody else

22 want to comment on that? I knew the Mayor had a similar

1 circumstance.

2 (No response.)

3 COMMISSIONER COX: That's all. Thank you.

4 COMMISSIONER CORNELLA: Mayor Griffo, first of all,

5 I commend you on the publication of your organization.

6 MAYOR GRIFFO: Thank you.

7 COMMISSIONER CORNELLA: And I'd ask if those

8 recommendations are prioritized in book.

9 MAYOR GRIFFO: They're not prioritized, no. Being

10 a New Yorker, we gave you a top ten list, you know, from,

11 like, a late night show and such. So excuse me. That

12 wasn't -- we gave you just a summation of attack.

13 COMMISSIONER CORNELLA: In your opening testimony,

14 when you made recommendations, they were in a different

15 order, and that leads to a recommendation or request from me

16 that each of you with regard to your respective entities

17 would provide the Commission a list of the top five in order

18 of their priority.

19 I think we're hearing somewhere between 20 and 30

20 recommendations, and I think it might be easier for us to

21 effect five critical or very important ones than 20 to 30

22 that go across many different departments.

1 MAYOR GRIFFO: We can do that. In fact, I will
2 speak for our organization. We can work cooperatively with
3 all the organizations here, because I think you did see a
4 number of same factors that are of concern to each of all our
5 organizations. So maybe we can all work in unison to provide
6 you with something that really hits from a local perspective.
7 COMMISSIONER CORNELLA: It does not have to be in
8 unison. I would prefer, actually, that you each would do
9 your respective list and submit --
10 MAYOR GRIFFO: We will do.
11 COMMISSIONER CORNELLA: Also, during Senator
12 Pryor's testimony, I noticed a few smiles, and I know they
13 weren't smiles of amusement. I would say they were smiles of
14 experience of having been where the rubber meets the road on
15 some of these issues.
16 The reuse opportunities for Myrtle Beach versus
17 K.I. Sawyer I would think would be rather diverse, and I
18 would like to ask if there are any items that haven't been
19 covered that you would feel unique to your respective reuse
20 endeavors that have not been mentioned this morning.
21 COMMISSIONER BOVIN: I guess -- if I understand
22 your question, what else could we do that we haven't

1 discussed this morning?

2 COMMISSIONER CORNELLA: Well, I'm asking if there

3 would be something that would be unique to K.I. Sawyer that

4 we have not talked about, something that you encountered in

5 that effort that we haven't discussed but yet played a major

6 part of that effort.

7 COMMISSIONER BOVIN: I guess the unique thing for

8 K.I. Sawyer is they always talk about location, location,

9 location -- rural area. Trucking is still a very major

10 industry in this country.

11 Roadways leading to K.I. Sawyer are lacking. If we

12 could have more input. Because of defense closure, from the

13 Department of Transportation, if there was more emphasis on

14 the need for DOT to help with infrastructure improvement, if

15 you would, that would be of tremendous benefit to us.

16 I think that probably that's the one largest area

17 that we are lacking in. We are working with them, but we are

18 working with them via requests rather than, oh, some enabling

19 legislation or some initiative that would go along with

20 defense closure, asking that there be Department of

21 Transportation involvement and seeing what they may do,

22 understanding that with the cost restraints we can't over-

1 expend on transportation.

2 You can't spend a million to save a dollar, but if

3 it were reasonable, I think if we had more latitude in that

4 kind of a direction, it would very beneficial to us.

5 COMMISSIONER COX: I'm sorry. If it can be

6 considered in discretionary funding or something from the

7 Highway Department, that that would be a factor?

8 COMMISSIONER BOVIN: Yes.

9 COMMISSIONER CORNELLA: Any others?

10 COUNCIL MEMBER MAXWELL: No. I think as I

11 mentioned before, I think the legislation is in place. It's

12 just like a ball game. The longer it goes on, the more

13 people want to change the rules, and that's what we're seeing

14 happen.

15 Quickly getting through the process of the Pryor

16 Amendment and ADC can help communities, allow things to move

17 pretty quickly.

18 MR. GRAHAM: I think, sir, that we would like to

19 see more speed in the process. There are some areas, some

20 bases that may not need as much speed in the closure because

21 they may not be as far along on reuse plans or other

22 activities.

1 In our specific case, we could place a business on
2 our base right now if -- and there is no reason why we
3 shouldn't do that except that we've been five months
4 negotiating, and what we'd like to do is to have somebody
5 say, "You can't negotiate. You can't put the business on
6 that land, so go away."
7 I don't mean it that harshly, but we'd like them to
8 do that, or we'd like them to say, "Hey, you're going to lose
9 that 300 employee business, and we want to help you keep it
10 or get it, and we'll put this together and give you the lease
11 that you need to move ahead." So speed or time, however you
12 look at it, is money.
13 COMMISSIONER CORNELLA: One last question.
14 Mr. Bovin, you stated in your testimony that communities have
15 real concerns about environmental liability they may be
16 exposed to if they pursue development on closing bases.
17 You also stated that the indemnification law passed
18 in prior appropriation acts benefits localities by keeping
19 DoD on the hook for all identified contamination problems now
20 and in the future.
21 In your view, what are the liability concerns of --
22 are the views of the liability concerns of localities a real

1 problem or a perceived problem? That is, if lenders and
2 developers understood the indemnification provisions, would
3 the liability concerns be diminished?
4 COMMISSIONER BOVIN: I guess the best way to
5 explain that is because of our location -- we're right
6 between Lake Superior and Lake Michigan. And in Michigan,
7 with all of our waters, environmental concerns are great.
8 And we have had several within the entire area
9 situations of very, very expensive cleanup, and as a result
10 of that, a lack of initiative from anybody to even consider
11 going in and purchase property.
12 There are properties for sale, but in our area the
13 number one question is has there been an environmental impact
14 study done. It's just so crucial, but that's the problem
15 that is needed to hear. Anybody that wants to do anything
16 with that base is concerned about the environmental
17 contamination that's there.
18 And that was addressed, and they will clean it up.
19 It has been an ongoing process, but it's just such an
20 overriding issue. I'm sure it is throughout the country, but
21 when you're in the Great Lakes area and when you're in such
22 close proximity -- you're 30 miles from Lake Superior, 40

1 miles from Lake Michigan with all the other lake around
2 there -- I think that just magnifies the situation with
3 environmental cleanup.
4 There were pipelines leading up there where there
5 had been some spills, and it just goes on and on and on.
6 It's just been in the forefront of discussion. Before the
7 base closures we have had problems with other industries. I
8 don't know if I've answered your question, but I'm trying to
9 point out the importance in that area.
10 COMMISSIONER CORNELLA: Thank you. Mr. Chairman.
11 CHAIRMAN DIXON: Thank you very much, Commissioner
12 Cornella. Now we are going to go to the last panel. Let me
13 quickly say this to you fine gentlemen and your associates in
14 this room.
15 We're very serious about doing something to help
16 you. Remember fundamental politics. You've all been
17 involved in it. You ought to be talking to your senators and
18 your congressmen and your congresswomen about your concerns
19 and letting them know that this Commission is going to have
20 recommendations to broaden the opportunities for local
21 communities to help themselves in this process.
22 For instance, Mr. Maxwell, you referred to Senator

1 Thurmond in your remarks. He's the Distinguished Chairman of
2 the Armed Services Committee and the Distinguished President
3 Pro Tempore of the United States Senate, which means he's
4 senior on the majority side.
5 And if that man becomes interested in your
6 problems, when we make our recommendations, your opportunity
7 for success is greatly enhanced. Thank you very much for
8 being here this morning.
9 The next panel is Brad Arvin of the National
10 Association of Installation Developers, and William Tremayne
11 of Business Executives for National Security.
12 Good morning, gentlemen. I'm sorry to do this, but
13 if you don't mind, would you please rise and raise your right
14 hands?
15 (Witnesses sworn.)
16 CHAIRMAN DIXON: Thank you very kindly. Mr. Arvin,
17 since you were the first that I alluded to in my opening
18 remarks, I'm going to recognize you first, if you don't mind.
19 MR. ARVIN: Thank you, Mr. Chairman and members of
20 the Commission. I'm Brad Arvin representing the National
21 Association of Installation Developers.
22 My full-time job, though, is Executive Director of

1 the Beeville County Redevelopment Council, which is an entity
2 that is charged with planning for the reuse of Chase Field
3 Naval Air Station which went on the closure list in 1991, and
4 Beeville is located in rural South Texas.
5 The National Association of Installation Developers
6 is primarily composed --
7 CHAIRMAN DIXON: Mr. Arvin, could you speak into
8 your mike more? I notice that the reporter is having a
9 little difficulty. Just speak right into it, sir.
10 MR. ARVIN: All right.
11 CHAIRMAN DIXON: Thank you.
12 MR. ARVIN: The National Association of
13 Installation Developers is comprised primarily of those
14 communities that have lost a military base. Currently, we
15 have about 120 communities that are members of our
16 organization, and we expect another surge in the membership
17 later this summer when you all complete your work.
18 But NAID is the voice of experience when it comes
19 to recovering from the loss of a military facility. Some of
20 our members date back to closures after World War II, but the
21 majority of our members came on board since 1988.
22 The purpose of my testimony is to give the

1 Commission perspective on how the overall reuse effort is
2 going, and that perspective comes from the practitioners, the
3 people who are out there today working on trying to find new
4 uses for those military facilities to create jobs and, in a
5 word, to recover.
6 As you all have heard earlier from Senator Pryor
7 and the preceding panel, two years ago, when NAID sat before
8 this Commission and gave testimony as to the problems we were
9 facing at that time and the reuse process two years ago,
10 there is no way to describe it except complex, cumbersome,
11 convoluted, contradictory.
12 And as a result of that, reuse was simply not
13 occurring. When President Clinton announced his five-point
14 program and the Congress adopted the Pryor Amendments, there
15 have been improvements, and they have been welcome.
16 However, while the regulations have improved,
17 execution by the Department of Defense still remains uneven,
18 and we still have a lot of frustrated communities and reuse
19 organizations out there.
20 And from our perspective, what we believe is that
21 there needs to be additional DoD guidelines to complement the
22 regulations that are now in place.

1 Earlier, Commissioner Cox asked a question about
2 economic development conveyance, and that's a good example of
3 why we need some additional guidance or guidelines from the
4 Department of Defense to make these things work better.
5 I think to date there have been three economic
6 development conveyances, but there are many communities that
7 have submitted these requests, but they're stacked up. And
8 the guidance from the Department of Defense has just not come
9 down, at least within the Navy, to move things forward.
10 Admiral Montoya mentioned earlier, he said, well,
11 you know, "Is it the regulations? What seems to be the
12 problem?" What I've heard in the case of Navy, that they are
13 scared.
14 The individuals that would have to sign their names
15 and make these recommendations, they are scared to do so
16 because they don't have the guidance from higher above so
17 that they can check off the box and say, "We made the
18 decision based on this, this, and this."
19 And they're afraid that if they make a decision, a
20 couple of years from now or six months from now they may be
21 hauled in and say, "Why did you take the liberty to do this?"
22 And that's why we need some further guidelines from the

1 Department of Defense so that they can make those decisions.
2 Also, I guess our bottom line is that we would just
3 appeal to the Commission to encourage the federal government
4 at all levels to work closely with the communities. A
5 greater sense of partnership between the Department of
6 Defense and the communities needs to be realized, and that,
7 kind of, sums up the whole thrust of our testimony.
8 And respect those local reuse efforts, because if
9 recovery is going to occur, it's going to come from the
10 leadership of the local communities. If they have the
11 vision, and many of them do, if they are willing to work hard
12 and willing to persevere, recovery can occur.
13 There are a number of bright spots in this country.
14 You've mentioned several of them today. But for every one of
15 those bright spots out there where something has happened,
16 there is a lot darkness in other areas where they have not
17 been able to move forward, not so much because they don't
18 have plans.
19 It's been my experience in talking with other
20 members from around the country of our organization,
21 everybody has businesses that are interested in coming in, or
22 at least they have other uses. It may be other federal or

1 state uses.

2 Everybody has opportunities, but the problem has

3 been in getting access to those facilities whether through an

4 interim lease or through a conveyance of the property. Until

5 those things are improved, recovery is going to be retarded

6 or, in some cases, thwarted.

7 And we want to see that overcome, but there are

8 problems that we face in rural South Texas that the

9 metropolitan area, San Francisco Bay area doesn't face or

10 Charleston or New York, Pueblo, Colorado, wherever it is.

11 There is going to be certain unique factors that a

12 local community can respond to and overcome and knows what

13 needs to be done, and we need to have that flexibility from

14 the Department of Defense so that those things can occur.

15 In summary, I'd just like to say that our annual

16 conference this year, the theme is military base reuse --

17 let's get on with it. And that is what we're trying to do,

18 and we're certainly seeing evidence that it can happen.

19 But we just appreciate this opportunity to provide

20 testimony. I think the other panels that have preceded us

21 that have just reiterated what we want to say is recovery can

22 occur. There needs to be some continued improvement, and we

1 appreciate your support in that effort, and I thank you.

2 CHAIRMAN DIXON: Thank you, Mr. Arvin.

3 Mr. Tremayne, we're delighted to have you. I think everyone

4 can usefully employ constructive criticism, and your

5 organization, which is well-known for its efforts in support

6 of our national security interests, has suggested some useful

7 criticism in the past.

8 We're thankful for that and will bear it in mind as

9 we go through the process this time, and we're delighted to

10 have you here this morning, Mr. Tremayne.

11 MR. TREMAYNE: Thank you, Mr. Chairman and members

12 of the panel. We are here today to be supportive of the

13 efforts of this Commission, and we thank you for inviting

14 BENS to testify on this important issue.

15 BENS is a national nonpartisan organization of

16 business leaders working to strengthen national security by

17 promoting better management of defense dollars, by advocating

18 measures to make the economy stronger and more competitive

19 and by finding practical ways to prevent the use of weapons

20 of mass destruction.

21 I'm Bill Tremayne, a long-time member of the board

22 of directors of BENS and chairman of its policy committee.

1 In my private life, until my recent retirement, I was senior
2 vice president of The Prudential.
3 In 1982 and 1983, I was the project manager for the
4 Defense task force of the Grace Commission. In that report,
5 we recommended for the first time that an independent
6 commission be appointed to identify superfluous military
7 bases, but that was not my first experience with base closure
8 and reuse.
9 I have for 32 years been a resident of Piscataway,
10 New Jersey. It was in that community that Camp Kilmer was
11 located, which those of you who are old enough to remember
12 World War II will know that it was the primary point of
13 embarkation to the European Theater.
14 I was there when Camp Kilmer was turned back to
15 civilian use. I served as president of the Piscataway Board
16 of Education when we met in its administration building that
17 had been a part of Camp Kilmer.
18 The children of my neighborhood attended school in
19 its reclaimed buildings when our fast-growing community did
20 not have enough classrooms. I was there when a great deal of
21 the base was added to the campus of Rutgers University, land
22 where tens of thousands of its students now go to school.

1 I saw the economic boom that resulted from the
2 industrial parks, office buildings, regional post office,
3 distribution center and retail stores that were built on what
4 previously had been a base.
5 Today, what had been Camp Kilmer has clearly been
6 transformed into a higher and better use, and this can happen
7 in many base locations throughout America if we plan well;
8 that is, if you plan well to make this happen.
9 I've been pleased to take part in BENS's efforts to
10 advance the base closure process. When Congressman Dick
11 Armey authored his legislation calling for the creation of a
12 special commission for base closure, essentially implementing
13 our Grace Commission recommendations, I joined BENS and
14 participated in the formation of the Coalition on Military
15 Base Closures.
16 This coalition cooperated with the Department of
17 Defense in addressing the challenges of the first base
18 closing commission in 1988.
19 For the past four years, BENS has maintained an
20 active defense transitions project, promoting a fair and
21 businesslike system of closures, doing what it can to help
22 alleviate the local economic shock of closures by

1 facilitating redevelopment plans for base properties and the
2 rehabilitation of dependent communities.
3 As you begin the 1995 round, BENS continues its
4 work to help communities replace jobs and rebuild the
5 economies affected by the first three rounds. Our written
6 submission makes the points we feel should guide DoD in its
7 approach to base closure through speed and finality and base
8 reuse.
9 BENS feels that the role of the federal government
10 must be to provide the affected communities with the tools
11 and the funds to begin planning, to act swiftly to conclude
12 federal screening and cleanup actions and then to move out of
13 the way to let the communities enact their reuse plans.
14 We note that since 1988 DoD has made significant
15 progress by requesting and getting legislation to grant
16 economic development conveyances when communities have viable
17 plans to create jobs, by approving interim leases while legal
18 deeds and environmental restoration plans are being readied,
19 by factoring in the community reuse plan to the federal
20 screening process as a coterminous rather than a sequential
21 action and reconciling through legislation the needs of the
22 homeless and the local communities economic development

1 needs.

2 Nevertheless, as we detail in our written

3 testimony, BENS urges that additional work be done in areas

4 not fully addressed or not fully implemented by DoD.

5 We stress the need for a customer service

6 perspective in the one-stop process, ensuring that local

7 appointees do become facilitators of reuse planning and not

8 another level of bureaucracy between the federal government

9 and the community, by ameliorating the difficult burden of

10 requiring LRAs to approve through documentation the

11 respective virtues of gift or below-market sales as compared

12 to a full-market effort and to rely more on the actual

13 experience and environment encountered by an LRA, by removing

14 the 180-day limitation on payment to cities or counties for

15 various services under caretaker agreements and by urging

16 Congress to enact into law a provision that simplifies the

17 process of retrocession to state jurisdiction.

18 In our written testimony, we also make specific

19 suggestions as to environmental contamination and remedial

20 actions affecting reuse.

21 In particular, we urge a shift from addressing

22 worst first to best first to more quickly make sites valuable

1 for reuse. Maybe the worst will long remain conceptually
2 similar to undevelopable wetlands until their time comes.
3 The reason base disposal and reuse is succeeding is
4 that the federal government and affected communities have
5 moved well up the learning curve since the first round of
6 closures.
7 BENS urges this Commission to add its weight to
8 ensuring that the process is allowed to continue in spite of
9 general cutbacks in funding and support for environmental
10 restoration accounts.
11 In concluding, let me emphasize the BENS principle
12 recommendation in dealing with the cumulative effect of
13 closure rounds since 1988. The federal government must act
14 swiftly and with finality in determining its residual
15 requirement and environmental cleanup responsibilities once
16 it has decided to vacate a facility. Then, it must step
17 aside and let communities begin the redevelopment and reuse
18 process.
19 Members of the Commission, thank you for this
20 opportunity to testify. We will remain available to the
21 Commission and implementing agencies to offer insights we
22 have gained as an independent organization without any vested

1 interest in the issue that has expertise on the effects of
2 base closure on local communities. Thank you.
3 COMMISSIONER COX: Thank you very much, sir. That
4 was very helpful, and as you've probably seen from our
5 questions over the last couple of weeks, we have followed
6 very closely the work that you all have done and are
7 certainly interested in it.
8 Why don't we start with Commission Robles.
9 COMMISSIONER ROBLES: Thank you, Madam
10 Commissioner. Given that many of the questions I would ask
11 have already been hashed out this morning and the noon hour
12 is approaching, I will yield my time.
13 COMMISSIONER COX: Thank you. Commissioner Kling.
14 COMMISSIONER KLING: Mr. Arvin, I was interested in
15 your comment that what you really need are more DoD
16 guidelines or more expanded. What do you operate off of now?
17 I mean, are you looking -- are you suggesting that
18 what you would like to see created is a specific set of
19 guidelines that a base would follow so that that's organized,
20 laid out?
21 MR. ARVIN: Well, I think my response would be that
22 probably just need more support from the top at the

1 Department of Defense that says, "Let's move forward."
2 Whether that is just some checklists or just support for the
3 people out in the field that says, "We want you to make this
4 happen. Let's have the flexibility."
5 I don't really think it's going to require, you
6 know, major changes. It's just that push or support from the
7 top that says we are going to make the recovery or the
8 redevelopment of these bases a top priority and not, you
9 know, say, all right, it's the environmental concerns that we
10 need to make sure everything is done in that particular area
11 before we allow any kind of interim use of the facility.
12 That's the kind of approach I think that we're
13 looking for, is just some guidance from the top, some support
14 for the effort to allow the communities to recover.
15 I think the regulations are in place, but again,
16 sometimes you can have those sitting there and everything is
17 available, but unless the people who are out actually having
18 to make some of those decisions know that the people at the
19 top support them, they're reluctant to act.
20 COMMISSIONER KLING: Well, let me follow that up,
21 if I could, just a little bit. Part of the five-point
22 program that the President came forward with and that we've

1 been using, it was local coordinators that was put out in
2 place to try and do just, I believe, what you're suggesting
3 and have that coordination from the top to the local but
4 having local people being there. Is that not working?
5 MR. ARVIN: The transition coordinators have been a
6 most helpful step, but they are not the ones that make a
7 decision, let's just say, on the interim lease for more than
8 a year or the 30-day kick-out clause.
9 COMMISSIONER KLING: Right.
10 MR. ARVIN: Those transition coordinators don't
11 have that ability. That's going to have to come from the top
12 of the Department of Defense. The same thing on the economic
13 development conveyance requests.
14 They are there. The regulations are in place, but
15 there is a reluctant on the part of the people within the
16 various military branches to make those decisions. I cannot
17 tell you exactly why.
18 The regulations are in place, but they just need to
19 have some more support from the Department of Defense so that
20 they will move forward on that or make that a priority that
21 this action needs to take place, and those are just, I'll
22 call it, guidance or guidelines that needs to come from the

1 very top.

2 COMMISSIONER KLING: Do the local coordinators need

3 to have a little more authority to get things done? Would

4 that help, or is that not --

5 MR. ARVIN: I don't think that the transition

6 coordinators in these two cases are where the problems -- I

7 don't think that -- I think it's a little higher up in the

8 bureaucratic chain of command.

9 COMMISSIONER KLING: Thank you.

10 COMMISSIONER COX: Mr. Chairman, would you like to

11 ask questions now, or shall I --

12 CHAIRMAN DIXON: I am, but I wanted to get a little

13 advice from counsel. I'm interested, Mr. Arvin and

14 Mr. Tremayne, in this one-stop shop business. Could you

15 explain that a little bit better for me?

16 MR. ARVIN: Well, I think that -- I'll let him go.

17 MR. TREMAYNE: Well, I think somehow we end up

18 addressing process with lawyers and bureaucrats. Yeah,

19 that's an inevitable process, but it seems to me that what

20 we're really interested in are in results.

21 And the results take place better when there was

22 someone in charge, someone locally who either can make the

1 decision or be quickly in touch with someone who can make the
2 decision and is also in interested in the results.
3 CHAIRMAN DIXON: Now, are you talking more at the
4 local level, Mr. Tremayne, or out here?
5 MR. TREMAYNE: I'm talking -- probably, there
6 should be one a each point.
7 CHAIRMAN DIXON: Well, yeah. The experience I had
8 since leaving United States Senate is that there is a lot of
9 frustration at the community level because there is so many
10 people to see and so many people that have to sign off on
11 every process along the way that it's terribly confusing all
12 the time, as most things governmental are.
13 I got, I think, earlier from the folks representing
14 the local communities the idea along the line here of an
15 ombudsman or something like that in the White House or
16 somebody that can make those final decisions, whether it's in
17 the White House or wherever it is. Is the White House the
18 right place for it? I don't know.
19 MR. TREMAYNE: Well, if I may express my opinion, I
20 think we have enough people already in the pie. What we need
21 are people who are determined to effect the base closings.
22 And I think the military structure recognizes if

1 they're going to be able to spend their money efficiently
2 they have to get rid of some of these expenses that are
3 excess, and the faster they do that, the faster the process.
4 On the other hand, with respect to your comment
5 earlier, we made the point that you can't close bases if
6 you're putting new activities back into bases, and some of
7 these pressures are frustrating it.
8 Someone has to be in charge from the Department's
9 viewpoint as well as at the local level to move each one
10 individually along.
11 CHAIRMAN DIXON: Yeah. Mr. Arvin.
12 MR. ARVIN: Well, I think, you know, the concept of
13 that one-stop service center is great, and I think we're
14 moving toward that. The transition coordinators, putting
15 them in place helps the communities to understand what the
16 military branches have to deal with.
17 CHAIRMAN DIXON: Incidentally, if I may interrupt,
18 that was the greatest single thing done so far was the
19 transition guy out there that at least you got somebody to go
20 talk to, comes out here and talks to somebody. Before you
21 thought, "Who am I talking to? Nobody is listening."
22 MR. ARVIN: And that's great. That has helped.

1 CHAIRMAN DIXON: So there is somebody there.

2 MR. TREMAYNE: I agree. And you get one up in the
3 Department who is assigned to do the same thing, working both
4 within the Department and with the services, and you could
5 speed it up even faster.

6 CHAIRMAN DIXON: Yeah. We would be greatly
7 profited by each of you sending us in writing your specific
8 suggestions about things of value you think could be done in
9 this process so that when we get back to the process with the
10 ideas that have been given to us by the National Council of
11 Mayors and the other groups, the counties and others, if we
12 had some of your practical applications as someone that's in
13 process every day, yours, Mr. Tremayne, from your
14 organization, which has been objective in its views of it, it
15 would be very helpful to us.

16 MR. TREMAYNE: Fine. Thank you. We'd be happy to
17 do so.

18 CHAIRMAN DIXON: The sense I had, you know, when
19 you're in the Congress, you're here largely talking in the
20 cloak room to your colleagues. When I was a kid in the
21 legislature in the 1950s back in Illinois, we had these nice
22 little part-time sessions, and you had a nice session in the

1 legislature.

2 I was a lawyer, and you had a doctor. Lee Kling

3 was a merchant, and somebody else was an actual dirt farmer.

4 He knew about, you know, how to farm. That's what he did

5 every day. And you passed a few laws, you went home, and you

6 did what you did before, and you talked to people that you

7 understood, and they understood life.

8 Then, you came back and having the benefit of that

9 you did some more things that made sense. Now everybody

10 talks in cloak rooms to one another about what they read in

11 the New York Times and the Washington Post. I don't mean to

12 exclude the other newspapers in the country when I say that.

13 (Laughter)

14 CHAIRMAN DIXON: And I think there is a real

15 problem in that, and that's what these communities are

16 experiencing. To the extent that we could find some

17 practical solutions, when we do these things to people, it

18 would be very, very helpful. Thank you for your testimony.

19 Thank you, Madam Chairman.

20 COMMISSIONER COX: Thank you. I just have, I

21 guess, one area to ask you all about, and I thought the

22 testimony was extremely helpful, from our perspective.

1 Mr. Arvin, you point out and I think very
2 succinctly that military bases can be, sort of, cherry-picked
3 by other federal agencies, whether it's prisons or airports
4 or the Department of Interior, whatever.
5 And you suggest that the first and foremost thing
6 that you believe is that other federal agencies seeking
7 parcels to retain for federal purposes should be forced to
8 work with the local government to join in the reuse planning
9 process.
10 I guess I'm interested in how do you actually
11 accomplish that. You have a statute that says that they get
12 priority. Can the Defense Department, given its role, keep
13 them from exercising the authority they have, or do we need
14 to change the law? Is that the only way to force them to
15 work with the local community?
16 MR. ARVIN: Well, let me respond this way: I think
17 if the local community is consulted early in the process, you
18 know, you have an opportunity, then, for the community to
19 look at what this proposed other federal use might be.
20 And at that point in time, you know, if the
21 community concurs with it, that there is going to be, let's
22 say, you know, jobs associated with that, if you have an

1 installation that maybe has 5,000 jobs and the new federal
2 use will bring in some things, that may be supported by the
3 local community.
4 But I think it is vitally necessary for the
5 community to be consulted early on in that process. It may
6 be necessary, you know, to have an alternative where a
7 community could say, "No. We don't want that," and that does
8 require legislative change.
9 CHAIRMAN DIXON: Could I interrupt at that point?
10 Because Commissioner Cox, you're asking a very good question.
11 I'd forgotten I wanted to get into that a minute. If I could
12 join you.
13 COMMISSIONER COX: Of course.
14 CHAIRMAN DIXON: You know, you learn from personal
15 experience in this business. When they closed two bases in
16 my state, they closed Fort Sheridan up on Lake Michigan with
17 all that affluence and all that lovely property and
18 everything, and poor old Chanute down in Rantoul, you know,
19 nothing but corn fields.
20 And it turned out okay down there because folks had
21 to, you know, really get into the thing, and there wasn't
22 very much the federal government was interested in.

1 They had a lot of problems at Fort Sheridan because
2 of what Commissioner Cox is talking about, all the federal
3 agencies coming in there wanting their little piece, put the
4 cemetery here, not where you want it and do this, do that.
5 And the local community had this tremendous,
6 wonderful committee made up of leading democratic liberals in
7 the county and fine republican conservatives, and every walk
8 of life was represented. It was a beautiful mix.
9 And they did a super job, had a good congressman,
10 John Porter, that was very motivated to work closely with
11 them and I would have to say, you know, just did a,
12 basically, wonderful job.
13 And then everything that they talked to the federal
14 government about out here came back, "Well, we want this, and
15 we want that, and we want the other thing," and they never
16 did get a resolution. I think to this day they still have
17 problems.
18 I think I read an editorial in the Chicago Tribune
19 three or four months ago that they're still having problems
20 out there. I think the Commissioners touched on the essence
21 of that here. What can you do about that?
22 MR. ARVIN: Well, I would say, you know, our theme

1 is --

2 CHAIRMAN DIXON: I'm sorry to jump on your --

3 COMMISSIONER COX: No. Thank you. It was a much

4 better statement.

5 MR. ARVIN: -- to consult with the local

6 communities. They're the ones that are going to be

7 determining their own future. That's the way it should be.

8 You don't want something imposed from the federal government

9 if that doesn't fit in to what the community is wanting to

10 do.

11 CHAIRMAN DIXON: But the Commissioner is pointing

12 out law gives them those priorities.

13 MR. ARVIN: But if that is the only way, you know,

14 if there can't be this partnership approach where the federal

15 government comes in and talks, you know, lays out why they

16 want to do what they want to do and what the advantages for

17 that and the community still wants to do it a different way,

18 then the only solution may be a change in legislation. That

19 may be the only way.

20 With that experience at Fort Sheridan may be the

21 impetus for an alternative way for a community to say, "No.

22 We don't want that." It unfolds a whole lot of issues,

1 though, that go beyond base reuse. There is some
2 constitutional questions that would probably have to be
3 addressed, too.
4 COMMISSIONER COX: Could you give the Department of
5 Defense a greater role in sitting on other federal agencies?
6 Could you give them the final decision, yes, the other
7 agencies have priority but the Defense Department, in working
8 with the local communities, has, sort of, the final say?
9 MR. TREMAYNE: If we have a situation that isn't
10 working, why don't we address it by legislation that's either
11 operative to base closures only, or maybe it should be
12 reviewed from the entire disposition of property.
13 COMMISSIONER COX: Right.
14 MR. TREMAYNE: We're in a quite different
15 environment than we were when that law was first passed. And
16 we're not necessarily looking for adding new functions or new
17 processes, and we're not lacking in federal land or property
18 around this country.
19 Why closing bases are a priority for development
20 for attraction of existing departments -- as the Chairman
21 points out as occurred in Fort Sheridan, it makes absolutely
22 no sense.

1 And if it doesn't make sense, why don't we do
2 something about it? So I'd urge legislation rather than
3 simply wringing our hands over the difficulty.
4 COMMISSIONER COX: Thank you. Mr. Cornella.
5 COMMISSIONER CORNELLA: Thank you. Mr. Tremayne, I
6 would like to ask you a few questions about BENS.
7 MR. TREMAYNE: Sure.
8 COMMISSIONER CORNELLA: When you come from the
9 plains of South Dakota, you lead a rather protected life, and
10 the only exposure I've had to your organization is through a
11 news magazine, television news magazine, I believe, Getting
12 Back to Exposing the Shell Game. I'm not sure if that was
13 the title of the news program or not.
14 MR. TREMAYNE: That's close enough.
15 COMMISSIONER CORNELLA: But tell me, once in a
16 while you get hung up on a word, and I want to talk about
17 that, "superfluous" military installation.
18 MR. TREMAYNE: Surely.
19 COMMISSIONER CORNELLA: I want to know just a
20 little bit about your organization, as far as how many
21 members are in your organization?
22 MR. TREMAYNE: There are approximately 2,000

1 members.

2 COMMISSIONER CORNELLA: And how often does your

3 organization meet?

4 MR. TREMAYNE: We have an annual meeting. We have

5 two meetings of the board of directors. We have many

6 meetings of the policy committee and committees of the

7 organization.

8 COMMISSIONER CORNELLA: And I'm sure you're just as

9 interested in a robust national defense, and that's why your

10 organization is doing this, for the same purpose that the

11 Commission is undertaking this responsibility.

12 MR. TREMAYNE: That is correct. If I may --

13 COMMISSIONER CORNELLA: Yes, go ahead.

14 MR. TREMAYNE: We have pointed out the dangers of a

15 hollow military. We are not one of saying slash the budget;

16 we shouldn't spend money on defense. We feel very strongly

17 that we need to have a strong military defense.

18 We believe that there is a peace-keeping role. We

19 believe that it would be folly for this nation to fail in its

20 military strength. However, this does not prevent us from

21 pointing out where we think waste occurs.

22 COMMISSIONER CORNELLA: Is there some kind of

1 preconceived level you're trying to attain, whether dollars
2 in the defense budget or number of military installations?
3 MR. TREMAYNE: Well, if I may, I'm going to my pre-
4 BENS days at this point when I was working on the Grace
5 Commission, and I met then with former Secretaries of Defense
6 who said in 1982 we had a base structure that was more than
7 double the size that we needed for military reasons.
8 This was still while we still had a Cold War. This
9 was before the downsizing of the military. It was at a time
10 when 40 percent of our congressional districts, however, had
11 a major base in their district or in the next district. It
12 was clearly an interest where political interests were
13 keeping bases open that weren't necessary.
14 It was this that caused us to observe in that
15 report and BENS later to take up the issue of excess military
16 base closing because it was weakening our ability to put our
17 defense dollars where they were really needed.
18 COMMISSIONER CORNELLA: Thank you. I didn't want
19 to appear to be confrontational. I just wanted a little more
20 information.
21 MR. TREMAYNE: No, no, no, no. I'm happy for the
22 opportunity to explain.

1 COMMISSIONER CORNELLA: Mr. Chairman, I have no
2 further questions.
3 COMMISSIONER COX: Commissioner Steele.
4 COMMISSIONER STEELE: Thank you. I just have two
5 brief questions. The first follows up on Chairman Dixon's
6 comments and Commissioner Kling's regarding the ombudsman
7 concept.
8 I understand the need to cut through red tape, and
9 having a person at the Pentagon or at the White House,
10 whichever would be more appropriate. I could see that as
11 being very useful.
12 But my question on that issue is given that the
13 local coordinator knows the unique interests of the community
14 and the base and the day-to-day needs, would it not be even a
15 higher priority to give that local base transition
16 coordinator more authority? What is your opinion on that?
17 MR. ARVIN: Well, that could work. I'm not sure
18 that, you know, that would be the best way, but that
19 certainly could work.
20 But there are a lot of issues that I feel that the
21 Department of Defense, you know, at the highest levels is
22 just going to have to make some decisions on, that this

1 is we're going to push for the early reuse of those
2 facilities, and then the transition coordinator can just help
3 with getting an interim lease signed, you know, as quickly as
4 possible.
5 There are a number of steps that have to be taken
6 even if you have the support of the Department of Defense
7 that this is going to be our policy, to have dual use before
8 the military completely leaves the base.
9 If there is some buildings there that can be
10 utilized by a business or somebody else that you get that
11 interim lease in place, there still is going to have to be a
12 finding of a suitability to lease. That particular document
13 is going to have to be signed.
14 That is where the transition coordinator, I
15 believe, is more helpful, following that piece of paper
16 through all the steps rather than being the one empowered to
17 say we are going to do this particular interim lease and
18 letting that individual make all the decisions.
19 COMMISSIONER STEELE: I guess my fear is sort of
20 the general concept of having somebody again in Washington be
21 the person who is making the decisions when it's out in the
22 communities where "the people know best." They know what

1 their individual issues are.

2 And might we be creating yet another area for

3 people to have to go through? Instead of cutting red tape,

4 might we be creating another bureaucracy and expect one

5 individual to know all regarding all these individual

6 situations?

7 MR. ARVIN: Well, that would be very difficult for

8 one individual to know all the things that are coming up, but

9 that's why I would say that the regulations are in place, for

10 the most part. We just need to have support from the

11 Department of Defense to move the things forward.

12 One of the questions or one of the issues that's

13 been repeatedly addressed is about this interim lease. Why

14 can't it be for more than one year, and what about that 30-

15 day kick-out clause?

16 That's something that could just be handled, I

17 would think, pretty quickly within the Pentagon, say, "We're

18 going to have it for more years, and there is not going to be

19 that 30-day kick-out clause."

20 The transition coordinator, then, when the

21 community comes in and says, "We want to use building A. We

22 have a company that wants to occupy that facility. We want

1 to have an interim lease signed," that particular document,
2 then the transition coordinator can follow through, doesn't
3 have to make the big decision, "Well, should this be for a
4 year or two years or five years, or whatever?"
5 It's just a policy that the Department of Defense
6 has that it can be for whatever length of time within reason
7 that the community wants it, five years or two years or
8 whatever.
9 COMMISSIONER STEELE: Thank you. Lastly,
10 Mr. Tremayne, if I heard you correctly, solving the
11 environmental problems at a base, when you prioritize, did
12 you not state that it might make sense to clean up the least
13 contaminated portion so we can have a rapid turnover, which
14 is very logical?
15 MR. TREMAYNE: That's correct.
16 COMMISSIONER STEELE: My question is, if I'm not
17 mistaken, in most cases with installations, unfortunately,
18 the part of the installation that's most sought after isn't
19 the most relatively clean portion of the base. It's the part
20 that has been used and is more contaminated.
21 Should we address a way to rapidly turn over
22 portions, which is logical, do you think it makes sense if we

1 would also allow the cleanup to be targeted toward the part
2 of the installation that is first sought after?
3 MR. TREMAYNE: Well, then it seems to me you're
4 going to have a dual interest; that is, those who are seeking
5 it will be more willing to share in the costs of doing it.
6 Economics will move to develop the ones that may have a
7 higher cost.
8 On the other hand, if the cost is so high that it
9 can't be addressed immediately, there is no sense holding the
10 entire base hostage waiting for that situation to be cured,
11 and that's why we urge considering the best first.
12 Make them available. If there is no demand,
13 obviously, it's not going to move very fast. Demand will
14 move toward those areas that may have both greater potential
15 for reuse and greater cost at the same time.
16 COMMISSIONER STEELE: Thank you.
17 CHAIRMAN DIXON: Well, I want to thank you
18 gentlemen. Now I'm going to close with this statement, and
19 then we are going to recess until 1:30 this afternoon. I
20 believe Mr. Joshua Gotbaum, Deputy Secretary of Defense, will
21 be our first witness.
22 Let me read this statement: "In past hearings and

1 in meetings, I have agreed to ask questions pertaining to the
2 subject matter of the hearing on behalf of members of the
3 Congress. We have received so many questions during the
4 hearings that I've not been able to ask them all.
5 "I have, however, provided all of the questions to
6 the witnesses, and I've asked them to provide written
7 responses. Now, I've now received questions from
8 Representative Stephen Horn, the Distinguished Congressman
9 from the 38th District of California.
10 He has asked that these questions be directed to
11 two of our witnesses today, Mr. Arvin in this morning's
12 hearing, and Secretary Gotbaum in this afternoon's hearing.
13 "In my opening statement, I said that the purpose
14 of this hearing was to discuss issues associated with reuse
15 of closing bases and not issues associated with the list of
16 recommendations submitted to the Commission by the Secretary
17 of Defense.
18 "Accordingly, the questions that I have received
19 from Representative Horn deal with the Secretary's list and
20 thus, in our view, are not germane to this hearing.
21 "What I would like to do, if our witnesses agree to
22 this, is to ask each of them if they would take these

1 questions and provide written responses for the record at
2 their convenience."
3 Now, what the Distinguished Congressman from the
4 38th District is charging is that with respect to Long Beach
5 Naval Shipyard, he believes by virtue of a variety of things,
6 including articles in San Diego Union, the Long Beach Press
7 Telegram and others that there may have been improper
8 unauthorized inputs into the process and so forth.
9 Now, Mr. Arvin, some of these are directed to you,
10 and I ask you will you be willing to answer in writing these
11 written questions to you, Mr. Arvin?
12 MR. ARVIN: Sure.
13 CHAIRMAN DIXON: With the understanding that those
14 have the same standing before this Commission as if you had
15 answered them orally under oath in this Commission room this
16 morning? I thank you for that accommodation.
17 These questions will be sent to you by our counsel
18 in writing. We ask you to answer them in writing with the
19 understanding that it's the equivalency of answering them
20 under oath.
21 MR. ARVIN: Certainly.
22 CHAIRMAN DIXON: We are in recess until 1:30. I

1 thank you all.

2 (Whereupon, at 12:30 p.m., a luncheon recess was

3 taken.)

1 A F T E R N O O N S E S S I O N

2 (1:30 p.m.)

3 CHAIRMAN DIXON: Good afternoon, ladies and
4 gentlemen, and welcome to the second of two hearings
5 conducted today by the Defense Base Closure and Realignment
6 Commission on the subject of the reuse of closed military
7 installations.

8 This afternoon we have a distinguished panel of
9 representatives of federal agencies involved in post-closure
10 activities. They will discuss a variety of topics such as
11 procedural measures, planning efforts and grant activities
12 involved in closures, obstacles encountered and
13 accomplishments achieved in working with local communities,
14 outreach programs, employment and training activities, base
15 cleanup and leasing efforts and activities.

16 As I said this morning, the Commission's goal is to
17 develop a set of recommendations for Congress and the
18 President to be included with our final report July 1st that
19 will help to make the government's post-closure activities as
20 meaningful and efficient as possible.

21 Our first panel this afternoon is composed of
22 Joshua Gotbaum, Assistant Secretary of Defense for Economic

1 Security, who has honored us by testifying in this process
2 once before, an old friend from my days on the Armed Services
3 Committee in the Senate; Sherri Goodman, Deputy
4 Undersecretary of Defense for Environmental Security; Colonel
5 Dennis Cochrane, Chief of the Base Realignment and Closure
6 Office, Department of the Army; Rear Admiral Patrick Drennon,
7 Director of the Facilities and Engineering Division of the
8 Department of the Navy; and Alan Olsen, Director of the Air
9 Force Conversion Agency.
10 And we're delighted to have you all here this
11 afternoon. I have to tell you before we begin the testimony
12 that as part of the National Defense Authorization Act for
13 Fiscal '94, the Base Closure and Realignment Act was amended
14 to require that all testimony before the Commission at a
15 public hearing be presented under oath. So would you mind
16 rising and raising your right hands? And you'll remain
17 sworn, Secretary Gotbaum.
18 (Witnesses sworn.)
19 CHAIRMAN DIXON: Thank you very, very much. And we
20 are pleased to have again before us the Distinguished Deputy
21 Secretary, Assistant Secretary of Defense for Economic
22 Security, Mr. Joshua Gotbaum. Thank you, Mr. Secretary.

1 SECRETARY GOTBAUM: Mr. Chairman and members of the
2 Commission, this is my first opportunity to testify before
3 the full Commission, and I'm extraordinarily pleased that you
4 are a full Commission.
5 CHAIRMAN DIXON: Oh, I apologize. On the occasion
6 that you previously testified I was here alone.
7 SECRETARY GOTBAUM: Yes.
8 CHAIRMAN DIXON: You're in a lot more trouble now.
9 There are eight of us.
10 (Laughter)
11 SECRETARY GOTBAUM: I will say the Commission was
12 extraordinarily ably represented that time.
13 CHAIRMAN DIXON: Thank you very kindly.
14 SECRETARY GOTBAUM: And I'm very pleased to be able
15 to testify on these issues of reuse, which we consider to be
16 absolutely crucial.
17 I will tell you, Mr. Chairman, that my task is made
18 considerably easier because it is clear to me that you
19 already know a great deal about this subject.
20 It is reported to me that a couple of weeks ago you
21 were quoted as saying, "There has been a lot of improvement
22 in post-closure, particularly in the last year, but more

1 needs to be done."

2 CHAIRMAN DIXON: And that was supported by the

3 testimony this morning, I'm delighted to tell you,

4 Mr. Secretary.

5 SECRETARY GOTBAUM: Yes. And I will tell you,

6 Mr. Chairman and members of the Commission, that is our view.

7 We are having very real successes. We have made, in my view,

8 extraordinary process, but we are not resting on our laurels.

9 The President of the United States personally, the

10 Secretary of Defense personally, the Department and I

11 personally have spend an enormous amount of time and effort

12 on closing bases more quickly and encouraging reuse.

13 And what I'd like to do, if I may, Mr. Chairman, is

14 first of all submit my formal statement for the record and

15 then attempt to summarize in a way that doesn't belabor,

16 overtake the Commission's time the main points.

17 CHAIRMAN DIXON: Thank you. Your remarks, your

18 formal remarks, will be reproduced in the record in full,

19 Mr. Secretary. Thank you.

20 SECRETARY GOTBAUM: I will talk from this chart,

21 but if I could summarize, Mr. Chairman, the Department really

22 effects reuse in two ways.

1 First of all, we provide help in local economic
2 development. We offer technical advice on what forms of
3 organization work. We offer planning grants to underwrite
4 part of those costs. In effect, we help communities get
5 started in figuring out how to make the best use of bases.
6 The second area that affects reuse is our own
7 property disposal policies and procedures. As you know very
8 well, we operate under the Federal Property Act, under the
9 Base Closure Act, under the National Environmental Policy
10 Act, under a variety of other amendments, and we operate
11 under delegated authority from the General Services
12 Administration.
13 To be blunt, the procedures under which we operate
14 were not designed for large-scale transfers of property. It
15 just wasn't their basic intent. And to be equally direct, we
16 are working and we have proposed to the Congress on several
17 occasions that they be changed, and we are planning to do so
18 again.
19 The history of base reuse, as I'm sure this
20 Commission knows, is one mostly of delay in consistency and
21 legislative and procedural obstacles.
22 The fact is in 1991 the then Governor of the State

1 of Arkansas, one Bill Clinton, had a base closing in his
2 state and experienced personally some of the miseries that
3 were inflicted by the process we had then.
4 Personal property was reserved exclusively to the
5 military departments. In some cases, blackboards were ripped
6 out of schools, pews were ripped out of a church, and there
7 was no consideration of the possibility of reuse. It was
8 just taken.
9 Secondly, we operate under a very complex maze of
10 federal, state and local policies, and people felt they were
11 getting the run-around. There was nobody from the federal
12 government who could give them the straight answer. There
13 was no place they could go to to get the story in one place.
14 Third, the process of property disposal focused on
15 getting cash up front, and as a result, we spent a lot of
16 time essentially waiting around for top dollar, get a check
17 up front, ignoring the possibilities of reuse over time,
18 ignoring job creation.
19 Fourth, there were public benefits that had
20 legislative favor -- parks, education, airports, et cetera.
21 Job creation was not one of those. There was no legal
22 authority to encourage job creation in the property disposal

1 process, to modify the property disposal for it.

2 And last, environmental cleanup was proceeding

3 slowly, too slowly. And based on his experience in Arkansas

4 and a review that he commissioned when he became President,

5 the President himself personally resolved to change these and

6 announced in July of '93 a set of initiatives to speed up the

7 process and encourage reuse.

8 And I am very pleased and frankly enormously

9 relieved to be able to say that today, thanks to the Congress

10 and thanks to the actions of the agencies that you see before

11 you plus the ones that are going to testify, we have the

12 legal authority to implement and we are implementing every

13 single one of these initiatives.

14 We now have the legal authority to take job

15 creation into account when we do disposal. We now can and do

16 have interim leases to permit reuse of a base before it is

17 finally transferred.

18 We now can and are speeding up the process of

19 federal screening. We are still under a process, and I'll

20 get to those in a second, in which there are a series of

21 sequential steps to deal with a base, and we don't think

22 that's the best way to go.

1 We are speeding up those steps. We're trying to
2 streamline that process. And DoD now consults with local
3 communities before personal property is removed from bases.
4 Those were ideas. They are now facts. They are now
5 policies. We also now have transition coordinators on every
6 major closing base. This is a person, an ombudsman or woman.
7 CHAIRMAN DIXON: Very good. Very good.
8 SECRETARY GOTBAUM: My point here is not that we're
9 perfect and not that the job is done, but we're making
10 enormous process. We now have base transition coordinator at
11 every major closing base. These are ombudsmen. They are
12 peep who are at access to the community. They have a
13 straight line to the base commander.
14 They have a straight line to DoD, to all parts of
15 DoD and to other federal agencies. As a result, we now have
16 a person to whom the community can say, "What's the story?"
17 And I will tell you that every closing base I
18 visit, and frankly, in my job, I visit fair number of them, I
19 ask the mayor, "Do you know who your base transition
20 coordinator is?" And I will tell you in every single instance
21 the answer is yes.
22 Third, Fast Track environmental cleanup. The

1 President directed and we have implemented, working with the
2 Environmental Protection Agency, a process of creating base
3 cleanup teams in which for the first time people from DoD,
4 people from EPA, people from state regulatory agencies work
5 as a team, to walk the base as a team, to figure out what
6 remediation makes sense as a team to speed up cleanup.
7 No one will pretend, and I'm sure people testified
8 this morning, and I'm sure you will hear over time that the
9 cleanup process is quick or easy. It's not, but what we are
10 trying to do is make sure that it is as coordinated as it can
11 be, that it is as fast as it can be. And we believe that we
12 are making real progress in that area.
13 The next point that the President said is he wanted
14 more effective and more coordinated federal assistance.
15 Within DoD, we have an office, an office that reports to me
16 called the Office of Economic Adjustment.
17 It is an office which has for years been recognized
18 as among the most competent and most professional of advisors
19 in the economic development area. It is. Its workload has
20 increased. Its productivity has increased as well.
21 Our OEA grants and our OEA project managers are
22 available today for communities that want to know, "What's

1 the story? What can I do? Where can I get help?" today.

2 They offer technical assistance. They offer small

3 planning grants. We're not talking about millions and

4 millions of dollars here. We're talking about part of the

5 cost of getting a reuse organization started.

6 But we have within DoD a group of people who

7 provide that kind of assistance, and it is coordinated with

8 -- and I know that you're going to have Department of Labor

9 and the Economic Development Administration talk to you, so I

10 won't belabor the point. It is coordinated with those

11 agencies as well. And so quite literally we are getting our

12 act together.

13 Another improvement which we proposed and which the

14 Congress, to our enormous relief, in an act of absolute

15 bipartisanship on the last day of the last session by

16 unanimous consent in both Houses passed was an integration of

17 the needs of the homeless with the base reuse process.

18 It used to be that we had a process under the

19 McKinney Act that said homeless providers step up to the

20 plate first and say what you want, and then whatever is left

21 over the community can talk about.

22 And that was a process that didn't work very well

1 because there was no place for negotiation, for seeing if we
2 can fit together. So fortunately, we suggest a change, and
3 the Congress, recognizing that this was a real issue,
4 essentially integrated that process.
5 This new procedure, I will tell you, almost 50
6 communities have agreed to work under this new set of
7 procedures. These are changes that the President directed.
8 I believe that we're making real progress, and I want, if I
9 may, direct your attention to just two separate points.
10 First of all, we are, in fact, learning to close
11 bases faster. The left three bars are the time it takes for
12 each previous round of BRAC for half of the major bases in
13 that list to bring down the flag.
14 So that you can see that in BRAC '88 it took almost
15 four years for half, not all but half the bases to pull down
16 the flag. By BRAC '91 and '93, we were doing the job faster
17 and better. We are bringing down the flag in a little over
18 two years.
19 So we are, in fact, learning how to do the job more
20 effectively, learning how where it makes sense to do MILCON,
21 where it makes sense to direct resources, et cetera.
22 In addition, not just the Department of Defense but

1 communities and developers are also learning how to deal with
2 the process and to be more effective.
3 The chart on your right is how long does it take,
4 on average, for a community to propose a reuse plan to the
5 Department of Defense? In the first round of BRAC, it took
6 almost two and a half years. In the second round, it took
7 almost one and a half years, and in the third round, half the
8 communities were in in a year.
9 So we believe that we are doing the job better, not
10 perfect, but better. And the result, quite frankly, is that
11 we are already seeing substantial job creation. For bases
12 that have been closed; i.e., the flag has been down for a
13 year, more than 60 percent of the civilian jobs have been
14 replaced.
15 CHAIRMAN DIXON: You really know how to get my
16 attention, Mr. Secretary.
17 SECRETARY GOTBAUM: Well, let the record show that
18 I'm actually from a little further north, but I grew up in
19 Evanston, Illinois, so this one is close to home, too.
20 The fact of the matter is that we have already seen
21 over 8,000 new jobs, and I've included that in my testimony,
22 so I won't belabor the point.

1 But I will point out that the kinds of reuse we see
2 varies place by place by place. I thought it was instructive
3 not only because it happens to be your own state,
4 Mr. Chairman, but because it is one of the most successful
5 examples of reuse.
6 And we would not suggest that all examples are
7 successes, but this is one of the most that in Chanute, at
8 the former Chanute Air Force Base in Rantoul, Illinois, a
9 community that thought that the end was near now reports that
10 they have more jobs, a better tax base and, obviously, as you
11 can see, a more diversified economy.
12 What was once an Air Force base is now home to cold
13 storage warehouses, housing developments, recreation,
14 department stores, et cetera. And we actually had a meeting
15 yesterday with Mayor Podagrosi, who is the mayor of
16 Rantoul --
17 CHAIRMAN DIXON: Dynamite lady.
18 SECRETARY GOTBAUM: Yes, terrific. This was a
19 press conference, and I said to the press, "Listen, we think
20 we're doing a better job, but don't ask me. Ask these
21 folks."
22 And she went forward and told the story of how by

1 organizing effectively, by working together they went out and
2 did the job. And as a result, there are more civilian jobs
3 today on the Chanute Air Force Base than there were when the
4 base was closed.
5 Another improvement -- this is not just a story for
6 post-closure. We are getting reuse before the flag comes
7 down. For example, in Philadelphia, at the Philadelphia
8 Naval Shipyard, parts of that shipyard are being turned over
9 to reuse through a master lease agreement even before
10 official closure.
11 Right now at the shipyard we are completing
12 overhaul of the Kennedy, but even now private sector firms
13 are moving in. Darby Machinery is going to move in. They're
14 talking about employing over 100 people, and they're talking
15 about using former shipyard workers, and this is all
16 happening before the legal transfer of the base.
17 Another example, and there are more in my
18 testimony, but I'll tell you, you know the film Sleepless in
19 Seattle? Part of that film was shot at what used to be --
20 excuse me, what was at the time still Naval Station Puget
21 Sound.
22 And a recent example -- but we think a very

1 important one -- in Sacramento, California, the site of the
2 former Sacramento Army Depot, before it was transferred by
3 the Army to the local community it became the home of Packard
4 Bell. Before it was transferred on a leased basis, Packard
5 Bell started assembling and shipping computers out of it.
6 Ultimately, they expect to employ more than 3,000
7 people there. Sacramento is a good example, and I include it
8 in my testimony because not only is it a case where we were
9 able to get a jump start on reuse using leasing, it's also a
10 case where the base cleanup team effort bore real fruit.
11 And as a result, we believe -- it has not happened
12 yet -- that Sacramento will be the first former base to be
13 taken off the national priority list.
14 There are many other uses that are in statute that
15 we're doing. There is parks, there is education, there is
16 homelessness, there is prisons, there is airports.
17 My point, Mr. Chairman, and members of the
18 Commission is not that this process is perfect, not that it's
19 easy, not that it's quick but that it is happening, that we
20 are working at it very, very diligently.
21 The Department, actually, my office, has tracked
22 closures from 1961 through 1993. Almost 90,000 civilian jobs

1 were lost as a result of all those closures over all that
2 time. But how many new jobs have been created to replace
3 them? 170,000, almost twice as many.
4 And we are making changes to improve this process
5 by speeding up the change in the law, by speeding up
6 regulations, changing policies, programs, et cetera, but --
7 this is an important but -- we know there is more to be done,
8 and I want to talk briefly about what we see on the agenda
9 and then make some suggestions to the Commission, if I may be
10 permitted.
11 One is there needs to be better communication, and
12 we're working on it. Within the next month, before you all
13 complete your reviews, we will publish a guide to help
14 community leaders understand and respond to community reuse.
15 This summer and this fall we're going to hold
16 conferences. The services will hold conferences jointly with
17 OSD. This is a process that unifies the Department and
18 brings in EDA, Commerce and the Department of Labor. So
19 that's one, better communications.
20 Second, clearer guidance. This is and will always
21 be, frankly, a complicated process, but we know that in order
22 for it to work we need to as much as possible decentralize

1 authority and provide clearer guidance for those who actually
2 implement it.
3 So what we have been doing now, working for months
4 is a team composed of people from all the services in the
5 Office of the Secretary of Defense have been working on a
6 manual to provide detailed guidance for the people who
7 actually do the work in the field.
8 And we hope to publish a manual and revised
9 regulations within the next month or so. And I will tell you
10 that these regulations which we have changed, in response to
11 over 1,000 comments and suggestions from over 100
12 communities, are going to be nominal in a number of respects.
13 We have gotten special permission, I will tell you,
14 from Doc Cook, who I'm sure you know, to write these in
15 standard English, and that's how they're going come to out,
16 sir.
17 The last point is that there clearly needs to be
18 further improvement in property disposal procedures and law.
19 Every site is different. Every community has a different
20 natural result, but what happens is often either the law or
21 our own procedures limits our ability to be flexible and to
22 keep us from implementing the best solutions.

1 And so we are looking at ways and we are going to
2 propose to the Congress ways to work federal issues, state
3 issues, local issues, federal issues involving parks and
4 airports, et cetera, in parallel rather than waiting in line.
5 Our current process says first you offer property
6 to DoD and see if anyone takes it. Then, you offer property
7 to other federal agencies and see if anyone takes it. Then,
8 it used to be you offer property to the homeless and see if
9 they take it.
10 And as a result, everybody waited in line. What we
11 would like to do is to develop a procedure -- and we have
12 discussed this with the Congress. We hope it is something
13 that this Commission will endorse -- to say let us bring
14 everybody to the table. Reuse is a complicated process. It
15 works best if everybody can be heard and brought in.
16 And so we hope to do that. We hope to make changes
17 in that. We hope to make changes in our leasing authority to
18 permit us to do more expansive and more flexible leases even
19 as we're doing cleanup, even as we're doing transfer. Those
20 are important changes.
21 If I may make some recommendations to the
22 Commission, I would make two, sir. One is resist the

1 pressure to make decisions now about reuse in Washington.

2 We have painfully but, in fact, learned the lesson

3 that reuse works best if you work locally. You are going to

4 be besieged, lobbied, discussed, importuned by local

5 communities and base commanders to put a federal use on the

6 base as a matter of your recommendation or to put some part

7 of DoD on the base.

8 Please don't. There is plenty of authority for any

9 other DoD component, after you make your decision on our

10 recommendations, to ask for and get use of the property.

11 There is plenty of authority for every other federal use

12 after you make your decision to get use of a closing base

13 land.

14 But if it is done by you here in Washington as part

15 of a decision, okay, there is no -- there is no room for

16 community discussion. There is no room for compromise.

17 There is no room for the kinds of cooperation and

18 coordination that leads to most effective reuse. That's

19 recommendation number one.

20 Recommendation number two, we hope that you will

21 support continued legislative improvement because we need it.

22 We would like very much a process that brings everybody to

1 the table rather than forcing people to wait in line.

2 We would like very much an ability to make

3 transfers and do environmental cleanup in parallel the way

4 private companies do, and we'd like authority and flexibility

5 to do transfers of base closure buildings that we retain in

6 some way on an ongoing basis after the BRAC round is

7 completed.

8 So that's our suggestions to the Commission. We

9 hope for your consideration. Mr. Chairman, if I may, before

10 we open it up to your questions, you raised a point the time

11 I testified before as to what the savings and costs of BRAC

12 had turned out to be by comparison with what they were

13 thought to be.

14 And with the Commission's permission, I would like

15 to spend just two minutes to make the point. Could you bring

16 out the first slide?

17 I said, when we testified the first time, when you

18 make a BRAC decision and we make a BRAC recommendation, we

19 are using a set of estimates which are not budget quality

20 estimates. And as a result, Murphy's Law applies and

21 sometimes costs go up, but it is also true that we find ways

22 to do it that save money.

1 So my first point, Mr. Chairman -- and this is a
2 chart done in constant Fiscal '96 dollars, so it is an apples
3 to apples comparison of what the original estimates for the
4 first three rounds of BRAC were in costs, up-front costs,
5 excluding environmental and land sales and what the actual
6 costs turned out to be.
7 And my point, Mr. Chairman, is it didn't go up. It
8 went down. We thought it was going to cost us almost $15
9 billion. In fact, we believe it will cost us about $13
10 billion.
11 None of us pretends that $13 billion is a small
12 amount of money of course, but the fact is that the costs are
13 less than we thought, not more.
14 If I can bring you to the second chart, the
15 savings, Mr. Chairman, are greater, not lesser, greater than
16 expected. The first two columns compares the estimates
17 within the six-year planning period -- again done constant
18 dollars. So they're apples to apples -- for the first three
19 rounds of BRAC.
20 Costs minus -- savings minus costs. Okay. And so
21 what you can see, for example, in BRAC '88, they thought that
22 within a six-year period it was going to end up costing us $1

1 billion. Okay.

2 For all three rounds, the original estimate within

3 the six-year period was that we were going to save $1.5

4 billion. We, in fact, believe we are going to save something

5 on the order of $3 billion.

6 And on an ongoing basis, Mr. Chairman, you see the

7 same story, that on an ongoing basis what we find is the base

8 closing process does not save less than was originally

9 projected; it saves a bit more.

10 And that, frankly, if I may summarize, and I

11 appreciate the Commission's time, why we consider your work

12 to be so important, because it does provide real savings to

13 the taxpayers in the Department.

14 And that, sir, I no longer have the luxury of

15 turning to Bob Bahr and deferring to his greater knowledge.

16 I have the greater knowledge of Sherri Goodman and Alan Olsen

17 and Denny Cochrane. We would be happy to answer any

18 questions you or the Commission have, sir.

19 CHAIRMAN DIXON: Do any of your distinguished

20 associates have anything they want to add before we go to the

21 question period? Ms. Goodman.

22 SECRETARY GOODMAN: Thank you, Mr. Chairman and

1 members of the Commission. It is a pleasure to be here.
2 Mr. Gotbaum has very ably summarized the five-part plan and
3 our progress to date.
4 I want to make just a couple of comments on the
5 environmental portion, the Fast Track cleanup. I think our
6 work is in line with your statement, Mr. Chairman, that we
7 have made considerable progress and yet more remains to be
8 done.
9 In the environmental area, the Fast Track cleanup
10 really has had five parts to it, all of which are significant
11 and on all of which we are making progress today.
12 The first is we are making clean parcels available,
13 and we are doing that around the country, although it is also
14 true that some contaminated parcels are very attractive for
15 reuse, and there we have to do some cleanup work before those
16 can be made available.
17 Second, we are speeding the process under the
18 National Environmental Policy Act where we have to conduct an
19 environmental impact statement or an environmental
20 assessment, and this is not for cleanup of contamination.
21 This is so that the property can be disposed of at the base
22 to the community.

1 We are speeding that up. It is, of course,
2 contingent on the community submitting its reuse plan to the
3 Department. We need that plan in order to do our
4 environmental impact statement.
5 Thirdly, we have clarified the issue of
6 indemnification for future transferees at our closing bases
7 so that future users of the property have the assurance that
8 the Department of Defense will not stick them with the
9 liability for contamination caused by the Department of
10 Defense.
11 We clarified that two years ago, and so we now
12 provide that indemnification against future liability under
13 Superfund.
14 Fourthly, we are providing for community
15 involvement. We have established restoration advisory boards
16 at all our major closing bases so that the public can be
17 involved and understand early on what the environmental
18 conditions are at our bases and be informed about it and
19 participate and therefore prevent any problems down the road.
20 And fifth and very important, as Mr. Gotbaum said,
21 we have established base cleanup teams at all our bases. We
22 have a formal mechanism now where the DoD representative

1 works with the EPA regulator and the state regulator to
2 understand the environmental conditions at that base and
3 accelerate the schedules for cleanup as much as possible.
4 One example which I hope has been provided to you
5 and I would like to insert for the record, of this
6 partnership and the work that can be done together is
7 something that's called Fast Track to FOST.
8 FOST stands for Finding Of Suitability to Transfer.
9 It's the procedure by which we determine the environmental
10 conditions for transferring property. This is a document
11 developed both by DoD, EPA and state regulators, and it's now
12 a process we're using around the country. I think these
13 kinds of procedures will help us considerably.
14 Secondly, Mr. Chairman and members of the
15 Commission, it's important to note that while we make clean
16 parcels available, property does not have to be completely
17 cleaned up for it to be available for reuse.
18 We do use leases today, and that's an important
19 point. We use leases to make property available for reuse
20 prior to having the cleanup remedy installed and approved by
21 the regulator. So you should not measure our progress only
22 by this term of what's called clean parcels.

1 And yet we want to do more, and this comes to my
2 final point where we will need your help and the help of the
3 Congress.
4 We believe that some of the laws today could be
5 reformed to help us go somewhat faster in this process, and
6 it's primarily in Superfund, the major hazardous waste, the
7 nation's major hazardous waste law, environmental cleanup law
8 that these changes can be effective.
9 Last year, the Administration proposed and Congress
10 debated and got very close to approving but in the end did
11 not a major reform of this law. It needs to be reauthorized,
12 and there are some very common sense reforms that can be made
13 in there.
14 Some are general that would apply to closing bases
15 as well as to the rest of the nation. Some are very specific
16 to base closures. Let me take each separately and just
17 summarize for you.
18 In the general changes in this law, one is we
19 should be able to reconsider reasonably anticipated future
20 land use as we design cleanup remedies, and this is true
21 across the board.
22 We today face a presumption, in most cases, of

1 residential use for all property being cleaned up regardless
2 of what the actual use is going to be. This is true both in
3 the federal law, Superfund. It is also true in many of our
4 state laws today that also drive our cleanups.
5 That very much complicates and lengthens the
6 process of cleanup. So being able to consider future land
7 use in conjunction with regulators and the community is very
8 important.
9 Secondly, we have in today's law a preference for
10 permanence and treatment, which, basically, means there is a
11 presumption that you will actually remove all the
12 contaminants in a location and permanently treat it when, in
13 many cases, the most cost-effective end solution that
14 actually protects health and safety is contains it but may
15 not actually move it someplace else.
16 So eliminating that preference and confining it to
17 hot spots where it's really necessary but not to lower-risk
18 sites is also important. And thirdly, more realistic risk
19 assumptions are important.
20 Additionally, the way we list our bases, bases get
21 listed on the Superfund National Priorities List is an area
22 that merits some review, we believe, because it is one that

1 does actually increase our costs and lengthen the time for
2 cleanup. We have cleanups today that proceed reasonably well
3 under state law.
4 And finally, there are some reforms that are
5 specific to closing bases, and there are three in the
6 Superfund law that could be made that would help us.
7 One is to clarify what is uncontaminated parcels.
8 In other words, what is a "clean parcel." We believe the
9 definition today is overly restrictive.
10 It prevents property that where you had stored,
11 say, a home heating oil tank, a residential parcel from being
12 declared clean just because the home heating oil tank is a
13 hazardous material that was stored there for more than one
14 year. We think that's overly restrictive.
15 Secondly, we need to clarify the ability of the
16 services to continue to be able to lease property that is
17 contaminated. That, as a result of some recent court
18 decisions, is unclear.
19 And thirdly, as Mr. Gotbaum said, today federal
20 property is not treated the same as private property. You
21 cannot sell contaminated property. You cannot privatize,
22 essentially, the cleanup even if a buyer is willing to do so.

1 I think that it's time to look at that provision
2 and understand whether there is a continuing policy basis for
3 it, and if not, to consider a reform that would enable
4 property with assurances from the Department of Defense for
5 paying for that work and for addressing the liabilities there
6 but to provide for ability earlier to transfer by deed that
7 property.
8 Mr. Chairman, thank you very much for the
9 opportunity.
10 CHAIRMAN DIXON: Thank you very much. I think,
11 incidentally, that's very important. I would like to have
12 from you in writing all of your recommendations with
13 reference to that subject matter because I think we are
14 unduly restrictive in connection with our environmental
15 impact on the solutions to these problems.
16 And we would be very grateful for your expertise
17 and for whatever you would supply to our Commission in that
18 regard. Have you ladies and gentlemen had sufficient time?
19 May we go to the question period?
20 SECRETARY GOTBAUM: Absolutely, Mr. Chairman.
21 CHAIRMAN DIXON: Very good. Commissioner Steele.
22 COMMISSIONER STEELE: Thank you, Mr. Chairman.

1 Given the communities like to see we Commissioners coming
2 about as much as a group of IRS commissioners or something,
3 it's really welcome to know that the costs are actually lower
4 and the savings are greater and this process is serving a
5 good end. So I thank you for reviewing those two charts,
6 Mr. Secretary.
7 SECRETARY GOTBAUM: Thanks for the opportunity.
8 COMMISSIONER STEELE: A follow-up question
9 regarding that, however. If the costs are lower up front and
10 the savings are higher, my question for you and I guess all
11 members of the panel, why do -- or I should say, as a
12 commissioner, I have the impression that this round has been
13 driven at the Pentagon by the fact that if up-front costs are
14 high, closure options aren't looked at and that that is paid
15 attention to more than long-term savings, potentially.
16 Why, if this is the outcome of the last three
17 BRACs, do I have the impression that this round we could
18 have, perhaps, gone further and realized greater savings in
19 the long haul?
20 SECRETARY GOTBAUM: Mr. Chairman, I just want you
21 to know that this was not a setup, because if we can show you
22 the last chart, which I didn't take the time to, I think I

1 can make the point.

2 COMMISSIONER STEELE: I didn't know that was there

3 either.

4 SECRETARY GOTBAUM: This is honest to God not a

5 setup. I wish I had thought to plan it, but the issue,

6 Commissioner Steele, is that although up-front costs turn out

7 to be less than we once feared and although with careful

8 planning we can do more with lower up-front costs, up-front

9 costs are still a lot of money.

10 And the point which was made -- and different

11 services were constrained to different degrees, but the point

12 that they made to us as they were going through their plans

13 is, yes, we think we can do a better, more efficient job of

14 doing it. Yes, we think we can find ways of getting closure

15 savings at smaller up-front costs.

16 But it is still true that we ultimately have to pay

17 the costs up front for closure, and since those have to be

18 paid in Fiscal '96 and Fiscal '97 and Fiscal '98, which is

19 the time when we are most constrained, in some cases, there

20 is simply things that we did not do that we might have

21 considered had we been unconstrained.

22 So my point here is even though you get more for

1 your money, that doesn't mean that you don't have to pay.

2 COMMISSIONER STEELE: But at what long-term costs?

3 The tradeoff here sounds expensive for the taxpayers in long

4 haul. That's just an editorial. You don't need to --

5 SECRETARY GOTBAUM: It is for that reason that the

6 Secretary of Defense really said that at some point in the

7 future, three, four years down the road, we think it would

8 advisable for there to be possibility of another round, when

9 we will have further learned more about how to implement

10 this, learned more about how to handle our force structure

11 and our infrastructure and, frankly, have a little more room

12 in our budget.

13 COMMISSIONER STEELE: Would any of these service

14 folks want to comment on that question at all or no?

15 (No response.)

16 COMMISSIONER STEELE: No?

17 (Laughter)

18 COMMISSIONER STEELE: I shouldn't have made that

19 question, actually. Okay. I'll follow it up anyway. In a

20 different area, more in Secretary Goodman's area, how has the

21 environmental estimates and environmental realities of the

22 last three rounds, how has that panned out?

1 SECRETARY GOODMAN: When we make a decision to
2 close a base, we don't always know the full environmental
3 condition of a base. So at the discussion to close, when
4 that becomes a reality, that's when we begin to learn a lot
5 more about the environmental condition at the base.
6 One of the procedures that the President put in
7 place as part of Fast Track cleanup is he now requires every
8 base to develop a base cleanup plan on an annual basis, and
9 this plan for each base becomes a living document to identify
10 the conditions at that base and then to continue to improve
11 the cost estimates as they are understood.
12 Now, what's typically happened is as we've learned
13 more and more about the environmental conditions, those costs
14 have increased.
15 I think it is also going to be true that as we
16 improve our ways to deal with that through better
17 coordination with regulators, better use of technology and,
18 if they become available, reforms in current law that some of
19 those -- some of the costs that increase as a result of
20 learning more about the condition will be balanced by some of
21 the better ways of managing that.
22 But that does require some changes in the way we do

1 business today, changes that would be required in law.

2 COMMISSIONER STEELE: On average, would you say at

3 this point of the process have the costs of contamination

4 problems previously undiscovered been higher than the

5 advances in new technologies, et cetera, have offset this

6 cost, or do we not know yet?

7 SECRETARY GOODMAN: I would say today we're still,

8 particularly for the BRAC III round and for anything that you

9 identify in this next round we will be still in the early

10 stages, because that's a multi-year process.

11 And what has typically happened as well is once a

12 base is identified for closure and the federal and state

13 regulators come in recognizing that this property will be

14 turned over to the community, they make take an even more

15 conservative look at the environmental condition on the base

16 than they did before.

17 So they may even decide that some parcels that they

18 previously thought were uncontaminated they want another look

19 at before they confirm that.

20 So we're trying through the base cleanup team to

21 make that process go as rapidly as possible, but there is

22 this sense of they have to be as protective as possible. And

1 therefore, right now as we identify more and learn more, we
2 learn more about the costs.
3 SECRETARY GOTBAUM: May I make one point? Go to
4 again this chart. For the first three rounds of BRAC --
5 because Sherri made the point that we do not consider
6 environmental cleanup costs -- we have nonetheless estimated
7 for the first three rounds what the environmental cleanup
8 costs are within the six years ahead, and those are about $4
9 billion, a little less than $4 billion.
10 When you look at the total savings for those three
11 rounds, you see total savings of about $38 billion. In other
12 words, right hand column, first three rounds of BRAC, total
13 savings net and present value as against $4 billion in cost.
14 So whether or not -- for the first three rounds of
15 BRAC, whether the environmental costs turned out to be 10
16 percent high, 10 percent low or about what they were
17 originally intended to be, nonetheless, BRAC is still a good
18 deal for the taxpayers and the government.
19 COMMISSIONER STEELE: Okay. Thank you. I have
20 more questions, but I've received my little card here. So I
21 will return the mike to the Chairman.
22 CHAIRMAN DIXON: Thank you, Commissioner Steele.

1 Commissioner Robles.

2 COMMISSIONER ROBLES: I'd like to follow-up on your

3 previous charts. What it says to me is, first of all, just

4 to put a baseline here, how much of those previous three

5 rounds is complete against which those estimates are given,

6 60 percent, 50 percent, 30 percent?

7 SECRETARY GOTBAUM: Good point. We have now

8 brought down the flag on between 40 and 45 percent of the

9 bases in the first three rounds. So we're about a little

10 less than halfway through.

11 But the other point which I would make,

12 Commissioner Robles, is that we have nonetheless been through

13 six budget cycles. So even on those rounds -- even on the

14 latest round on which we are, obviously, just getting started

15 we now know, frankly, a hell of a lot more than we did in

16 BRAC '88.

17 So we believe they are -- as we've learned to do

18 everything else better, we think our estimates are better,

19 sir.

20 COMMISSIONER ROBLES: And that was the point.

21 You're about halfway done through the first three rounds.

22 You've got refined budget estimates or --

1 SECRETARY GOTBAUM: Yes.

2 COMMISSIONER ROBLES: And you believe that, in
3 fact, it is not costing -- there is not a significant
4 deviation in a negative way from where you thought you were
5 going to be at this point in the process?

6 SECRETARY GOTBAUM: That's exactly right, sir.

7 COMMISSIONER ROBLES: Okay. Second thing, how do
8 you track those costs? I'm intrigued by the system that the
9 Department of Defense uses to track those savings
10 installation by installation, department by department.

11 SECRETARY GOTBAUM: Okay. At the time of the
12 closing, as we've discussed, each service makes its
13 recommendation based on a set of estimates which are
14 developed by the service using the COBRA model, using what
15 they understand about base operating costs, using estimates
16 about MILCON, et cetera.

17 When we go -- and then, obviously, you, the
18 Commission, decide what you're going to do, and then go
19 through a budget cycle in which there is a more refined set
20 of estimates done by each of the services as part of their
21 normal programming and budgeting process.

22 Those estimates are then broken into costs, which

1 are reflected in one set of budget lines, and savings, which
2 are in another. The costs, obviously, get revisited every
3 year automatically, as you would expect.
4 The savings are not, in most cases, subject to any
5 easy, kind of, post-audit because, essentially, what you're
6 doing is you're saying some cost is going to go away. That's
7 a savings.
8 So in general, that's how we follow it. If one of
9 the services wanted to comment in more detail, I'd be happy
10 to -- okay. That's, basically, the process, sir.
11 COMMISSIONER ROBLES: Well, to the extent that you
12 have numbers, I'd like to see the numbers that back up those
13 savings of cost just to make sure that I can, kind of, track
14 the two, and I --
15 SECRETARY GOTBAUM: We'd be happy to provide that
16 for the record.
17 COMMISSIONER ROBLES: And I understand you're not
18 tracking the savings as closely as you're tracking the costs,
19 because the costs are hitting you in the face every day,
20 where the savings are cost avoidance and other things. But
21 I'd be interested in seeing the tracking system you're using
22 and what are the numbers.

1 Switching to a different subject, you made a
2 comment, Secretary Gotbaum, about the fact that you're asking
3 us not to make any -- not to bend easily as we're asked to
4 add things, subtract things, move things around. I don't
5 quite understand the thread here.
6 Let me make sure -- let me ask it, and then if I'm
7 wrong, would you please tell me? Before you submitted the
8 list to the Secretary of Defense, you had a chance to move
9 all the deck chairs each way you wanted, which ones you
10 wanted to close, where you wanted to do realignments and
11 optimize all of that.
12 So are you saying that if we went ahead and found
13 there was significant deviation from that optimization drill
14 and decided that probably something needed to be moved or
15 added or subtracted that would be bad or not appropriate or
16 you would do it after the fact?
17 SECRETARY GOTBAUM: I guess a couple of points,
18 Mr. Commissioner, with your permission. My first point is
19 that if you change our recommendations -- our recommendations
20 are, as you know, extensively, carefully, we believe,
21 extremely rigorously considered.
22 Again, nobody suggests that they are perfect, but

1 they are extremely rigorously considered. If and when you
2 change any of them, there are consequences. When you change
3 them in the form which is most frequent, which is to say, "I
4 realize you wanted to close this, but why don't you leave
5 something there," the consequence is that we end up paying
6 for infrastructure.
7 So what I'm really saying is, A, give that the
8 hairy eyeball have closely before you decide to do it. B, if
9 you can, consult with the services, the Department and say,
10 "Is there a way to do this?"
11 Because we can -- I mean, we are at your service
12 for considering any alternatives, and we would be very happy,
13 if you're thinking about changing a recommendation, to
14 discuss with you what alternatives might be.
15 And the third point is that you should also get
16 some confidence in the fact that there is a follow-on
17 process, that after your decisions are made and we begin to
18 implement them we do, in fact, consider whether or not other
19 federal agencies should get the property, other state
20 agencies should get the property, et cetera. So there are
21 additional protections, if you will, sir.
22 COMMISSIONER ROBLES: In order to be fair, we had a

1 discussion this morning about a lot of local communities, and
2 some of the organizations represent the local communities
3 making the point that to the extent that there is a
4 realignment after the fact; that is, a federal agency lays
5 claim to a particular installation or piece of an
6 installation and they move something in there, they sometimes
7 have disagreement with that because they said they're not
8 consulted, and it may not fit in their master plan for that
9 redevelopment, et cetera.
10 I think one of the things that did not come out of
11 that whole discussion is in most cases, when you do that,
12 there are savings again because there is some cost avoidance.
13 That is, where you vacate a base and there is
14 housing there and the Navy or the Air Force or the Army has
15 requirements, it is better to do that than either build new
16 housing or go out in the economy and have to pay the
17 additional costs to have folks live on the economy in a high-
18 cost area, et cetera.
19 So there is a balance there, but I think their plea
20 was if you're going to do that, if you're going to put a
21 cemetery at Fort Sheridan, Illinois, by the Department of
22 Veterans Affairs, or Department of Interior is going to build

1 a park, how about letting us in on that so that we can, sort
2 of, see if it all fits?
3 SECRETARY GOTBAUM: Mr. Commissioner, thank you,
4 because that is precisely the sort of reason why we think the
5 reuse process needs to be changed by law.
6 Because the way the law is currently right now
7 federal agencies get first pick, and furthermore, they have
8 to make their pick without knowing that there are other
9 possible uses.
10 And that us the reason, sir, why we hope that you
11 would support and why we are going to the Congress, in any
12 case, and asking authority to make these processes in
13 parallel so that the VA, which has an interest in a cemetery,
14 perfectly legitimate interest, no question about it; the
15 community, which has interests in development and housing and
16 parks, et cetera, can come to the same table at the same time
17 so that we can see if we can achieve a result which is better
18 than this, kind of, sequential grab bag approach.
19 COMMISSIONER ROBLES: Thank you, Mr. Secretary. My
20 time has expired. Mr. Chairman.
21 CHAIRMAN DIXON: Thank you, Commissioner Robles.
22 Commissioner Montoya.

1 COMMISSIONER MONTOYA: It is really very
2 encouraging to hear you say that you are willing and are
3 going to seek legislative relief to remove some of the
4 bottlenecks that you're finding in these processes.
5 That really does feel good, because the folks this
6 morning certainly have a lot of ideas for you. So if you
7 listen to them, they'll give you a book full.
8 SECRETARY GOTBAUM: I have, sir.
9 COMMISSIONER MONTOYA: However, sometimes we don't
10 want to change something that appears to be working without
11 recognizing that we're doing that.
12 Ms. Goodman, I think in your testimony, and please
13 correct me if I misunderstood it, you indicated that you felt
14 that you might need a change in the Superfund law or you
15 might seek one to keep additional bases that are going to be
16 closed off the NPL list even though there is a problem there.
17 I think inferred in that was that would give you
18 more flexibility to do the cleanup better or faster? Did you
19 imply that in your testimony?
20 SECRETARY GOODMAN: There are two issues with
21 respect to the way military bases are listed on the NPL that
22 are important to understand. The first is today at most of

1 our bases we have both federal and state regulators.

2 But before a base is listed on the NPL one could

3 have a very active cleanup program going on under state law

4 and maybe not under Superfund, either the federal or a state

5 version of it but under another law that's called the

6 Resource Conservation and Recovery Act, RCRA, which is an

7 equally complicated law, but it's procedures are just a

8 little bit different.

9 Most states have now had authority delegated to

10 them to implement RCRA. Charleston Navy Base is a good

11 example. At that base they've had a RCRA program for quite

12 some time. It's proceeding well under state authority.

13 And if the EPA came in now and said, "I'm going to

14 score you and determine that you rank high enough for the NPL

15 and put you on that," then the base would, kind of, have to

16 stop in its tracks in its current cleanup program,

17 reconfigure it. It would lose time, and it would raise

18 costs.

19 Now, not every base has an active cleanup program.

20 If you're starting from a blank slate, then it may be just as

21 easy to start under an NPL-directed program as a RCRA

22 program.

1 But for the most part today, and this was not true
2 five or six or seven years ago, but for the most part today,
3 both of our bases have some kind of cleanup program going on.
4 Some of it is happening under Superfund, also
5 called CERCLA. Some of it is happening under RCRA, and it
6 just depends on whether states or the feds got more involved
7 first. That's one point.
8 The second point on the National Priorities List is
9 most of our military bases are listed what's called fence
10 line to fence line. The whole base is enclosed.
11 Even if only a few parcels on the base actually
12 qualify for NPL status, the reason that has been done was
13 partly we at times in the past thought that was more
14 convenient for us in the Department of Defense because we
15 just put everything in there, or the regulators thought it
16 was more convenient for them because then they didn't have to
17 deal with state regulators. They had all full control.
18 Well, in the base closing process in particular,
19 there can be, although there doesn't necessarily need to be,
20 but I think it's true most communities feel there is an
21 additional stigma attached to having their base be called a
22 Superfund National Priorities List site.

1 Having been an attorney myself and representing
2 clients in this process, if my client had a parcel of
3 Superfund NPL-listed property, I would treat it with greater
4 concern than something that wasn't.
5 So most communities would rather not have the base
6 or as little of the base as possible there listed, and we
7 think EPA should have the discretion today, if it still needs
8 to list a base, to be able to say, "Okay. These hot spots,
9 they warrant listing, but you don't necessarily need to fence
10 line to fence line list the whole property."
11 COMMISSIONER MONTOYA: Without requesting a
12 response, let me just make an observation that the staff has
13 picked up that -- and we can pursue it further -- it appears
14 that in California, for example, the Superfund-listed sites
15 have had a higher degree, a more rapid cleanup than the
16 state-led plans.
17 I remember what it feels like to be on an NPL site,
18 and you do react rather quickly and rather boldly. So that's
19 just one that I raise with you to think very hard about how
20 we position that.
21 SECRETARY GOODMAN: Well, let me say many of our
22 states today, and California is among them, Governor Wilson

1 is among them, who would like not to have bases come onto the
2 list now.
3 I agree with you, Mr. Commissioner. There was a
4 time in DoD's own internal policy where we gave greater
5 preference to bases that were on the NPL in our own funding
6 priorities.
7 And therefore, from a state perspective, it would
8 have been better to have their base on the NPL because they
9 got more attention within the Department of Defense.
10 We hope today we have moved away from that to be
11 able to consider regardless of what law it's being under what
12 the real risks are at the site, the real risks to health and
13 the environment, whether it's NPL or RCRA and treat those
14 sites accordingly.
15 COMMISSIONER MONTOYA: Thank you. Mr. Chairman, I
16 will stop here. I hope this is a two-round question session,
17 because I do have another one that I'd like to eventually
18 come back to.
19 CHAIRMAN DIXON: I hope it is, too, Commissioner.
20 It will depend to some extent on the time because of another
21 panel, as you would well understand.
22 I'm going to recognize Commissioner Kling, and I'm

1 going to have to be off the podium for about 10 or 15
2 minutes. Commissioner Cox, would you chair?
3 COMMISSIONER COX: Certainly.
4 CHAIRMAN DIXON: Commissioner Kling.
5 COMMISSIONER KLING: Thank you. Mr. Secretary, I
6 think the panel this morning or the different individuals
7 that testified all were certainly in support of the local
8 coordinators that you spoke so well about that that is a
9 wonderful addition.
10 They at the same time, however, they said that the
11 problem that they were all having was in that final decision
12 process when it got above them and got to the top, that
13 everything got bogged down, got slowed down.
14 They couldn't get quick answers to anything
15 happening there. Is this something that you feel is taking
16 place, and if so, what do you plan to do about that?
17 SECRETARY GOTBAUM: Mr. Commissioner, no one --
18 this is not an easy or quick process. It's not a transfer of
19 a single -- I mean, you're a businessman, you know. This is
20 not a single sale of a single business.
21 These are transfers on, in many cases, huge tracts
22 of land with multiple uses, multiple functions, et cetera.

1 And what we have found in almost every single case is there
2 are dozens of issues that -- I used to buy and sell
3 businesses for my profession, and everything I've seen in
4 base closing makes all of that look really easy.
5 So no one is going to pretend -- anybody who tells
6 you that it can be done quick and easy by the numbers is just
7 not acquainted with the process. What we are trying to do is
8 really two separate things.
9 First of all, we are trying very hard working
10 together, all of the services, in a series of working groups,
11 is, in effect, go through each of the parts of the process --
12 going through leasing, going through environmental cleanup,
13 going through what are the terms and conditions for economic
14 development, conveyances and, essentially, swapping stories,
15 saying, "Okay. What's the best way to do this? What's the
16 best way to do that?"
17 And I mentioned that we're putting out a detailed
18 manual. It's really a manual for us. It's written not as a
19 regulation, because we think this is all going to have to be
20 tailored but so that the guys who actually do the work -- who
21 are, by the way, not always in the field.
22 As Mr. Olsen would say if asked, there are an awful

1 lot of people in the Pentagon whose job full-time it is to
2 handle closure decisions on individual facilities. But what
3 we try to do very much is make the rules as clear as we can
4 in advance.
5 Now, I will tell you, sir, that because this is a
6 complicated process, because we are changing it as much as we
7 are, and we have changed it very dramatically in the last
8 year, that frankly, the first year of implementation is going
9 to involve a lot of hand-holding, a lot of second guessing by
10 the people you see at this table.
11 But we are absolutely mindful of what the goal is,
12 and the goal is to make it smooth. The goal is to make it
13 clear, and the goal is to make it as much as possible based
14 on local economic conditions.
15 COMMISSIONER KLING: And quick?
16 SECRETARY GOTBAUM: Yes, sir.
17 COMMISSIONER KLING: Which is, I think, where that
18 question comes from, really, mostly is the speed-up process.
19 Let me just turn a little bit -- I just want to make the
20 point, though, that I really believe that those local
21 coordinators are doing it, and maybe they need a little more
22 authority at that level. I don't know. I'm going to leave

1 that to you.

2 The question also came up this morning pretty -- in

3 unity about leasing, and the subject here was, and I'm not so

4 sure I understand that, and I'd really like to ask the

5 question that on a temporary basis that the Defense

6 Department would be prepared to give a five-year lease only,

7 and then that five-year lease would have, maybe, a 30-day

8 kickback clause.

9 And if that is so, I can well understand that

10 nobody is going to finance or assist that. Could you address

11 that issue?

12 SECRETARY GOTBAUM: Yes. This has, frankly,

13 Mr. Commissioner, been an issue which has been very difficult

14 because we are making new practice, and we are -- we are, in

15 some respects, constrained by law and in some respects

16 constrained by practice here.

17 What we've been trying to do is throughout the

18 reuse process where we can before we are permitted to

19 transfer, to allow leases, master leases like the Navy did in

20 Philadelphia or shorter operating leases.

21 It is true that it is standard government practice

22 in short-term operating leases for there to be what we

1 universally call the 30-day kick-out clause.

2 And this is for better and for worse both the way

3 the government contracts in every circumstance. It is also

4 the case that we have the authority to waive that clause.

5 COMMISSIONER KLING: Do you?

6 SECRETARY GOTBAUM: Yes, and in some circumstances

7 we are, and in some circumstance, obviously -- you've heard

8 about some of them -- we have not.

9 I will tell you that one of the issues which the

10 leasing working group, which I described earlier, is working

11 on is when and under what circumstances should you, in fact,

12 modify your terms.

13 COMMISSIONER KLING: I think you and I would both

14 understand that it's pretty difficult to finance something or

15 to spend money on a piece of property where you may only have

16 it for 30 days.

17 SECRETARY GOTBAUM: No disagreement, sir.

18 COMMISSIONER KLING: On one of these charts, I saw

19 that half of the bases -- I think you said, and that really

20 was my question -- that we're down to 2.1 years in effecting

21 closing, I think you said, on one half, approximately one

22 half of the bases?

1 SECRETARY GOTBAUM: Yes.

2 COMMISSIONER KLING: What's the situation with the
3 other half? I mean, are those way out? Are we way behind?

4 SECRETARY GOTBAUM: Actually, the truth is, sir,
5 there is a range. In the first round of BRAC, quite frankly,
6 yes. There are a lot that lagged a very long time.

7 Under the law, we are permitted six years to pull
8 down the flag, and it his, in fact, true that -- I believe
9 there is only one case, but I believe there is one case in
10 which we have gone literally right down to the wire in the
11 sixth year, but there were an awful lot clumped at the back
12 in year five.

13 What we are doing now is, in most cases, we are, in
14 fact, closing on a speedier schedule. Now, that doesn't
15 always mean closing in two and a half years because, in some
16 cases, you won't close a base until you've got receiving
17 facilities ready someplace else, and that may require
18 construction.

19 We try to do that less than we used to, but it's
20 still the case. So we have bases in all three services in
21 which the target closing date isn't until year four because
22 they know and as a matter of planning they need to recognize

1 that things need to be done in step and need to be done
2 first.
3 I would say, in general, there is progress in that
4 regard. We'd open it up to further comment, if any service
5 want to report on this.
6 ADMIRAL DRENNON: It's about time. Madam
7 Chairwoman, is it possible to have my written testimony and
8 maybe the ones of the other services entered into the record?
9 COMMISSIONER COX: Of course. We would very much
10 like to have that. Thank you.
11 ADMIRAL DRENNON: That's exactly right. As a
12 matter of fact, in the Navy, being very complicated and
13 having a lot of our tenants on our installations and moving
14 people around in order to move functions around, we have the
15 cases where we have some daisy chains.
16 For instance, the Naval Air Rework facility in
17 Pensacola had to close down its operation before we could
18 then use that land to build the facilities for the aviation
19 training moving from Memphis so that we then could rehab
20 those facilities in order to move the Bureau of Naval
21 Personnel from Washington and in order, then, to backfill
22 from Washington leased facilities.

1 So that's a six-year daisy chain, a full six years.
2 Now, we have done some things to ease that daisy chain, but
3 that means that some of those are, the dates of those and the
4 schedule of those are later in the process.
5 As a matter of fact, in BRAC '93, we had a
6 significant construction program in order to move functions
7 around. We had three naval training centers, and we
8 consolidated in one. Many of the schools in those two Navy
9 training centers were all different.
10 So we've had to construct facilities and
11 rehabilitate, mostly revitalize buildings in Great Lakes in
12 order to do that. That automatically forces the closure of
13 those two training centers a little further back than to do
14 it immediately.
15 COMMISSIONER KLING: Thank you. Mr. Secretary, as
16 you said, it isn't easy.
17 SECRETARY GOTBAUM: No, sir, but we are doing it.
18 COMMISSIONER COX: Thank you. Commissioner Davis.
19 COMMISSIONER DAVIS: Mr. Secretary, it's
20 heartwarming that you've taken on that august responsibility
21 to cut the red tape. Having dealt with the Department of
22 Defense and being part of it at times, I know that's not an

1 easy task.

2 Commissioner Kling talked about a couple things

3 that came up this morning -- the five-year lease with the

4 cutout. The base expert can't make decisions. Hard to cut

5 across red tape. We need an ombudsman or ombudsperson at the

6 White House level. And I think you very clearly answered all

7 those. I very much appreciate it.

8 The one thing that we weren't able to get to this

9 morning which I think is important is the fact that -- and

10 again, it was a complaint of some of folks that were meeting

11 here this morning -- that other agencies other than the

12 Department of Defense come in either at the last moment or

13 the 11th hour and claim some property.

14 Now, there is one in particular where we won't

15 mention the name, but there was an agency that claimed great

16 tracts or great pieces of this particular base and was going

17 to use it as trading material for another area.

18 What are your thoughts on that, and what should we

19 be recommending in that process, if you would?

20 SECRETARY GOTBAUM: Well, as you might suspect --

21 COMMISSIONER DAVIS: You're probably aware of it.

22 SECRETARY GOTBAUM: -- this is not a new problem,

1 and this is not a unique problem either, and it is the reason
2 why we feel so strongly that the actual property disposal
3 procedures need to be changed.
4 Because the way it is now it is the law under the
5 Federal Property Act we must make available -- we're not
6 required to give it, but we have to let people know that it
7 exists -- first to federal agencies before anybody else.
8 And so, as you might expect, federal agencies see
9 this land and say, "It's there. I want it." And as you
10 might expect, since there are no other competing uses, there
11 is nobody at the table to say, "Well, maybe you should have
12 this, but I'd like that, and I could do something really
13 terrific with it."
14 What we have done in every case and what we are
15 doing now with federal claimants on land is we are beginning
16 to say to them, "You don't have an automatic right to this
17 land. You get looks at it first, but it's our job in the
18 Department of Defense, the landlords, to determine what is
19 the highest and best use."
20 So what we then have to do is we have to say, "Hold
21 your horses. We'll make a decision." We try to consult with
22 communities before we do anything. So we try to do that, but

1 the law, frankly, is set up to make that hard.

2 So what we hope the Commission would endorse is, in

3 fact, a reform of the legal procedures. Let me be clear that

4 we are not saying that federal agencies shouldn't have a

5 place at the table, shouldn't have the right to get a call on

6 federal property.

7 As Commissioner Robles said, it is our land. It

8 should be clear that we are saving the taxpayers money if we

9 save another agency's money, but we think that the process by

10 which we do it now, sir, doesn't work all that well, and we

11 would hope that you would endorse changing it.

12 ADMIRAL DRENNON: Can I add something?

13 COMMISSIONER DAVIS: Well, I congratulate you on

14 suboptimized -- making optimizing a suboptimize operation.

15 SECRETARY GOTBAUM: Yes, sir.

16 ADMIRAL DRENNON: Notwithstanding the struggle that

17 OSD and others are having with this issue, in the Navy it has

18 been our policy, and we have actually maintained this policy

19 for the last several years, that whenever there are DoD or

20 federal screenings that come into us we take those and

21 immediately give them to reuse authority and ask them to

22 review them and ask them to come back and advise us whether

1 they endorse or don't endorse though reuses.

2 In many cases, they do endorse. In some cases, it

3 lists jobs, or if there is an endangered species, they'd just

4 as soon Fish and Wildlife take care of it rather than them.

5 But there are cases in which they come back to us

6 and say, "No. We would not like for that reuse to be there."

7 Within the Navy, we have considered the fact that we have the

8 discretion to go back to those agencies and say no, and we

9 have on several occasions, and so far those have stuck.

10 So we have already taken that authority and have

11 done that. There are probably some representatives out in

12 the audience here that would tell you that we have, in fact,

13 done that.

14 COMMISSIONER DAVIS: Is that standard practice

15 across the services?

16 MR. OLSEN: Yes. It is the same, and generally

17 what we have found that if a federal agency is not wanted,

18 they often will just find another situation.

19 SECRETARY GOTBAUM: What we find, Mr. Commissioner,

20 though, is that even though we are consulting with

21 communities, and we are doing it, as a matter of practice,

22 because the federal agency makes the request before a

1 community has spoken, visions of sugar plums dance in their
2 heads, and that's why we think the process ought to change.
3 COMMISSIONER DAVIS: Before I get the dreaded card,
4 I'd like to ask one more question for sure. Madam Secretary,
5 I heard you talk about the five-step approach, and you talked
6 about instead of cleaning up something it's sometimes better
7 to contain it.
8 And of course, the more we know about pollution
9 sometimes, clearly with asbestos, that your cleaning it up
10 sometimes is worse than containing it. But I think you did
11 talk about indemnification.
12 Could you give me just a little bit how the DoD is
13 going to do that? I think it's a wonderful idea. Just
14 legally, how are we going to be able to handle it?
15 SECRETARY GOODMAN: Well, the principle is similar
16 to one that we have actually in place already today for what
17 are called our -- they're, essentially, our preBRAC closures,
18 property that was closed well before these present BRAC
19 rounds.
20 If there is contamination -- and they are already
21 off the DoD roles and they're being used and they're in other
22 uses out in our communities in every 50 states, if

1 contamination is found on that property and it's in a program
2 we called the Formerly Used Defense Sites, or FUDS -- we need
3 an acronym for everything -- then DoD comes in and addresses
4 that, addresses the contamination at that property.
5 So the principle is already established. What
6 we're doing at our closures is we would formally provide an
7 indemnification against future liability for contamination
8 caused by the Department of Defense.
9 Now, if the future transferee comes in and creates
10 contamination of his or her own, then that's not going to be
11 Department of Defense responsibility. But if contamination
12 attributable to the Department of Defense is found later,
13 then they would not be liable under current environmental
14 laws, under Superfund, primarily, for that responsibility.
15 What it does is it breaks the chain of what's
16 called joint and several liability under Superfund today,
17 where if you had any part in contaminating a piece of
18 property, if you brought some waste to a landfill that you
19 didn't -- you could be held liable for the cleanup of that
20 whole site.
21 That's the principle of joint and several
22 liability, and that, of course, makes it very complicated

1 financially for a small business to come in and say, "Oh,
2 this could happen to me somewhere down the road."
3 So we have, basically, broken that chain of joint
4 and several liability by providing this indemnification.
5 COMMISSIONER DAVIS: Well, I can't pass on asking
6 Alan a question. He was one of my teachers when I was on the
7 air staff. A problem about public utilities, is that going
8 to come to some resolution here shortly? Is that a problem
9 common?
10 MR. OLSEN: Yes, sir, it is. We have a team at a
11 neutral site today, Sacramento County people and our own
12 people in Denver, Colorado, negotiating that closure today.
13 So yes, we believe that it will to closure.
14 Just in general, utilities are difficult for
15 especially small and rural communities. They're expensive to
16 operate and to maintain, and it is a significant financial
17 burden to the communities to pick them up from the Air Force.
18 The larger communities, those with larger
19 resources, they generally are able to handle the transition.
20 It's much easier than a local community like a Ward Smith or
21 a Loring or a K.I. Sawyer. So that's an issue that we have
22 to work very hard as a part of the total reuse of the base.

1 COMMISSIONER DAVIS: Thank you. Madam Chairman, I
2 think my time is up. I didn't get the card.
3 COMMISSIONER COX: Thank you. Just a couple of
4 short questions. Several of the folks this morning raised a
5 question in the reuse area on the short-term leases, the
6 interim leases before the final decision on the property had
7 been resolved and indicated that the requirements that those
8 leases be no more than five years and most particularly that
9 they had a 30-day cancellation clause made it impossible to
10 bring in jobs.
11 And I wonder if you might comment on that and
12 whether there is some way to avoid that problem.
13 SECRETARY GOTBAUM: As to the length of time for
14 interim leases, we are constrained principally by the notion
15 that we do not want to be seen as violating the law by, in
16 effect, transferring property --
17 COMMISSIONER COX: Right.
18 SECRETARY GOTBAUM: -- without having done all the
19 things legally we must do. With respect to the 30-day -- to
20 the now infamous 30-day kick-out clause, as I mentioned, this
21 is actually a quite standard practice in government
22 contracts, and it is one which we have modified in some

1 cases.

2 We have not modified universally and which -- I

3 guess the only thing I could say that would be appropriate at

4 this time is that as part of our leasing working group we're

5 trying to figure out those circumstances in which it ought to

6 stay and which it ought to go and provide that as guidance to

7 the services.

8 COMMISSIONER COX: Do you think you have the

9 authority to modify that if it's --

10 SECRETARY GOTBAUM: Oh, yes, Madam Chairman. This

11 is not one that is about law. This is one that is about

12 practice, regulations and procedures.

13 ADMIRAL DRENNON: Just one comment on that, the

14 issue of long-term versus short-term. It seems to me, and I

15 think this morning it may be a little complicated or

16 misunderstood is that there are a series of leases we can go

17 through in order to reach transfer of the property.

18 And one of them is an interim lease where we can --

19 sometimes we can go to a license or even something more

20 temporary than that, a permit, and put people on there to let

21 them use the property.

22 But we can go to an interim lease, and an interim

1 lease is usually before the community has finished their
2 reuse plan. It's before we've done our record of decision on
3 our NEPA document. That really is the last document that
4 goes towards reuse.
5 And in that case we feel like we are precluded
6 pretty much by law in going to a long-term lease. I'm
7 talking about 20, 25, 30, 35 years, which can then -- where
8 you need your financing.
9 But we feel like once we reach the record of
10 decision we can go immediately to the long-term leases in
11 furtherance of conveyance, then kick in to automatic
12 conveyance and transfer of the property.
13 And the financing can come, and they can know
14 they're going to get their property. The five years is kind
15 of -- we think that's about right, but we negotiate that
16 every day in terms of that process.
17 The 30-day kick-out, you know, very frankly, the
18 secretary of each of the services has the ability to waive
19 that, and one of the provisions for waiver is in the public
20 interest.
21 And right now the Navy considers in the public
22 interest towards economic development and transfer of the

1 property because we're not going to use it in the future, and
2 then we almost waive it across the board.
3 COMMISSIONER COX: I see. Well, that's very
4 helpful. We had one of the mayors up here this morning and
5 talked about an issue, and I'd just like your thoughts on it.
6 There is no definite answer.
7 And that is a question of where a community, in
8 working with the Department of Defense on a base closed for
9 reuse makes decisions relying on the Department of Defense or
10 its representatives about the future reuse of that base,
11 which are dependent on the military doing something, granting
12 that one has the right to make a different decision later, is
13 there some obligation of the Department of Defense?
14 Do we, as a BRAC, have some obligation to at least
15 look at that where they have, in fact, relied on the
16 Department of Defense's thoughts on how reuse might go? And
17 that includes a military installation.
18 SECRETARY GOTBAUM: I will tell you, Madam Chairman
19 that -- I will remind you of the testimony which I know you
20 have already heard as well about how uncertain it is what we
21 are going to do and how frequently we change our mind and how
22 long it takes, et cetera.

1 And so I think certainly as a legal matter, but
2 frankly also as a matter of ethical or moral obligations,
3 which is the arena in which I have the luxury of operating,
4 that it is simply not true that any community that has been
5 through this process could really say that the Department of
6 Defense does not have other rounds of BRAC ahead.
7 COMMISSIONER COX: Right.
8 SECRETARY GOTBAUM: That the Department of Defense
9 does not have the continuing obligation to the taxpayers to
10 revisit and rethink what its infrastructure is and that the
11 Department of Defense is, in fact, not going to do that.
12 So I am -- I mean, I know of at least a couple of
13 cases in which some Department of Defense official, in one
14 case Jim Boatright, who is as straight and as honest as any
15 human being I have met was asked in the previous round of
16 BRAC, "Do you have any plans to change this facility?"
17 And his answer was no, and it was an entirely
18 truthful statement, but that anybody should infer from that
19 that the Department would not reconsider --
20 COMMISSIONER COX: Right. And I'm not talking
21 about that instance. I'm talking about an instance, one in
22 Texas that we went through in the '93, for example, and there

1 may be one in this round where literally it wasn't a question
2 of we reserve the right later.
3 It was said if you do a referendum and impose a tax
4 on your people in this city, we will -- to make an airport,
5 we will leave one of the military, I think it was reserves,
6 there.
7 And, in fact, the city went forward and did that,
8 and now you all are -- you did in '93, and you are again
9 recommending that that military move out, even though it
10 wasn't a question reserve the right later to change it.
11 But that one it was specifically if you do this we
12 will. It seems to me that's a little different than saying,
13 geez, you didn't close it in '93, and they assumed that you
14 would keep it open forever. Of course that's not the case.
15 Bergstrom. I'm sorry.
16 SECRETARY GOTBAUM: As I recall, Bergstrom was one
17 in which the Air Force recommended that it be closed. The
18 Commission decided not to close it and --
19 COMMISSIONER COX: We decided not to close it,
20 though, because --
21 SECRETARY GOTBAUM: -- over the Air Force's
22 recommendation.

1 COMMISSIONER COX: Because the Air Force had said
2 in the '91 case if they went forward with a referendum and a
3 bond initiative to do the airport that you all would not move
4 the reserve component.
5 And we said, geez, you know, under those
6 circumstances, we think you should live up to that
7 commitment, since the city did, in fact, rely on that.
8 You're now recommending closing it again is one of the
9 reasons I'm raising the issue.
10 SECRETARY GOTBAUM: So you're saying that the Air
11 Force in '91 said if A, B and C happened, we'll stay, and A,
12 B and C did not happen?
13 COMMISSIONER COX: Which included city raising
14 my --
15 SECRETARY GOTBAUM: Right. That's right.
16 COMMISSIONER COX: -- raising taxes.
17 SECRETARY GOTBAUM: By '93 it had not happened?
18 COMMISSIONER COX: Had happened. Had happened.
19 SECRETARY GOTBAUM: And the Air Force recommended
20 closure?
21 COMMISSIONER COX: Anyway, right.
22 SECRETARY GOTBAUM: Right.

1 COMMISSIONER COX: And we didn't close it, and now
2 you're recommending closing it again. It's just an example.
3 I guess what I'm looking for are are there special
4 circumstances over and above -- of course, you have the right
5 to continue to close, make recommendations on closures --
6 where at least some other factors ought to be considered?
7 SECRETARY GOTBAUM: There is no question that our
8 relationship with all the communities that support us matter
9 intensely. I have difficulty saying that that can or does
10 extend to a contractual kind of obligation unless it really
11 is a contractual obligation.
12 COMMISSIONER COX: No. It certainly wasn't, but
13 it's because of a reuse process here. I guess I'm concerned
14 that you all go through and you're working so hard to work
15 with these communities on reuse, and as you gather everybody
16 together and the federal agencies and put together a whole
17 deal that the community says, "Well, okay. We're now on
18 board." And then two years later you say, "Well, yeah. We
19 were part of that process, but we don't like it anymore."
20 SECRETARY GOTBAUM: If our budget had stayed the
21 same as it was in '91, if our force structure had stayed the
22 same as it was in '91, if the way, in this case, the Air

1 Force had organized itself, stayed the same in '91 and none
2 of that could have been foreseen, yeah. There would be a
3 stronger argument, and there is obviously an argument, no
4 question.
5 But I am from outside the Department of Defense. I
6 was an investment banker for 13 years. I came into the
7 Department -- the one point that is absolutely crystal clear
8 to me is that everything we are doing is changing now, our
9 force structure, our budget, the way we organize, the way we
10 manage, et cetera.
11 It's not always done quickly or smoothly or easily,
12 but it is happening. And I am at best nervous but, frankly,
13 skeptical about the notion that we should be committed as a
14 matter of course, the Navy, the Air Force, the Army, the
15 Marines, anybody to have to do something the way we did it
16 before.
17 COMMISSIONER COX: It's not a question of having to
18 do something --
19 SECRETARY GOTBAUM: Right. But there is a BRAC
20 process. There was a BRAC process and there is, and we have
21 followed it, and the BRAC process requires us to make a set
22 of decisions which we would, frankly, describe as miserable.

1 But we must review every base in light of our
2 current force structure, in light of our current budget, in
3 light of our current management plan, and that's what the Air
4 Force did.
5 COMMISSIONER COX: I guess what -- we can do it for
6 the record at some later point -- as part of the reuse
7 process, I think it raises a concern by the communities that
8 no matter how hard you're trying to make the reuse process
9 work and be part of the community, it's hard to count on the
10 Department of Defense given those kind of situations.
11 Maybe there is something that ought to be included,
12 and maybe we ought to look at contracts in the process.
13 SECRETARY GOTBAUM: With your permission, Madam
14 Commissioner, let me ask that we think about this issue and
15 come back to you if we have further thoughts.
16 COMMISSIONER COX: Yeah. Absolutely. Thank you.
17 Mr. Cornella.
18 COMMISSIONER CORNELLA: Thank you, Madam Chairman.
19 Ms. Goodman, you indicated earlier that you didn't always
20 know the up-front environmental costs of cleaning up a base
21 or an installation cited for closure.
22 I know that in previous testimony the Air Force in

1 particular has indicated that they felt it could cost as much
2 as $600 million to clean up a depot for closure.
3 Was your office involved in the compilation of that
4 figure, arriving at that $600 million figure? Did that come
5 strictly from the Air Force, and does each service decide
6 whether or not that they are going to include those
7 environmental cleanup costs in their decision-making process?
8 SECRETARY GOODMAN: Mr. Commissioner, let me state
9 some general principles and then turn to Mr. Olsen to give
10 you the specifics on the Air Force.
11 The costs of cleaning up a base are costs that the
12 Department expects to incur regardless of whether the base is
13 open or closed. And so they alone, they alone are not the
14 determinant of whether to keep a base open or closed.
15 And I believe Mr. Olsen can give you some specifics
16 on the Air Force depots and Air Force determination on that.
17 Let me also say that with respect to depots, which are large
18 industrial facilities, that we tend -- there we have better
19 understandings overall of some of the environmental
20 conditions on the base because they are large industrial
21 facilities, and most of them have had active environmental
22 programs for some time, as distinguished from a nondepot

1 training base where you don't have industrial activities.

2 So I think there are other factors involved in the

3 Air Force case about environment, but the cleanup costs alone

4 are ones that we incur as a Department and expect to incur

5 regardless of closure.

6 In the closure situation, we may incur them earlier

7 because of the need to design a cleanup process that fits

8 with the community's reuse needs. So we may be front-loading

9 some of those costs in order to make the property available

10 to the community earlier. Mr. Olsen.

11 MR. OLSEN: Yes. Very definitely, the depots are

12 more expensive. Most of them, like Kelly Air Force Base and

13 some of those date back to the 1917s and dates like that.

14 As you know, the environmental laws were not in

15 place back in those days, and there were a lot of things that

16 were done that have contaminated depots quite seriously.

17 They are major industrial facilities. The one

18 that -- recalling from a BRAC '93 experience, McClellan Air

19 Force Base, which the Air Force did look at very seriously

20 for closure, the cleanup costs for that base were in excess

21 of $1 billion, very expensive.

22 Most of the depots are not quite as expensive as

1 Sacramento, but they are very, very significant costs, in the
2 hundreds of millions of dollars.
3 Contrast that with our average nondepot base, our
4 averages run around $70 million of a cleanup of a base, on
5 the average, but that spans all the way from 5 million to
6 over 200 million depending on the specifics of the condition.
7 COMMISSIONER CORNELLA: Ms. Goodman, did you have
8 something else you wanted to add?
9 SECRETARY GOODMAN: No. I think, Mr. Olsen, you
10 were also addressing the Air Force decision. The Air Force
11 decisions on its depots was not determined solely or even
12 primarily by the environmental consideration.
13 MR. OLSEN: No. That is true. As a matter of
14 policy, the cleanup costs are not considered in decision-
15 making process. You look primarily at military value and
16 need, capacity, capability, those kinds of things.
17 COMMISSIONER CORNELLA: Well, I understand that's
18 supposed to be the case. I was just trying to make sure that
19 we were on the same track.
20 MR. OLSEN: Yeah. I think we are on the same
21 track, but as a part of the total view of things you do look
22 at all elements of it. But that's not a part of the

1 decision-making process on closure.

2 COMMISSIONER CORNELLA: Ms. Goodman, are you aware

3 personally of any installation that was not listed on the

4 closure list because of high environmental cleanup costs,

5 even if it's outside the BRAC process, the cleanup costs?

6 SECRETARY GOODMAN: I am not personally aware of

7 such instances.

8 COMMISSIONER CORNELLA: Okay. Thank you.

9 Secretary Gotbaum, getting back to the leases for a moment,

10 it's my understanding that the leases differ with each

11 service, and is there any position or do you have a position

12 on standardizing the interim leasing process to where it is

13 standard across all --

14 SECRETARY GOTBAUM: Yes, sir. It is for that

15 reason that I suggested and the services agreed that we form

16 the leasing working group was precisely to see the extent to

17 which it made sense to reform those procedures.

18 And the reason I say that we've set up the working

19 group and as yet don't have a definite answer is because, as

20 Admiral Drennon pointed out, we, in fact, have a series of

21 interim uses ranging from sort-term things on which the Navy,

22 for example, will grant a license just to get on the property

1 and use it for something and move on to the sorts of uses
2 that require moving in substantial machinery; or, as
3 Commissioner Kling pointed out, even borrowing money to bring
4 the machinery out, in which case you, obviously, need a
5 longer lease, and you need terms that reflect that.
6 We are, I will tell you, at least some weeks away
7 due to the press of the actual BRAC process -- I am a couple
8 of weeks out of date as to exactly where we are -- but I know
9 that we are at least some weeks away from coming to any
10 conclusions on that process.
11 But we intend this spring to, in fact, put out
12 guidance on what leases ought to be, developed, again, with
13 the services based on the comments, the kinds of comments you
14 got this morning, frankly.
15 COMMISSIONER CORNELLA: Thank you. Madam Chairman,
16 I'd like to yield the remainder of my time to Commissioner
17 Montoya.
18 CHAIRMAN DIXON: Thank you very much. If I may
19 reintroduce myself into the proceeding, may I say that it is
20 the conclusion of the Chair, and I know you'll regret to hear
21 this, Mr. Secretary, that we'll not have adequate time for a
22 second round, in fairness to the next panel.

1 What I am going to do is ask you a question here
2 from a congressman, and then I'm going to ask any
3 commissioner who has any further questions to ask them, and
4 we'll not do a second round.
5 But we're certainly going to honor Commissioner
6 Montoya's desire to ask another question. But as I said this
7 morning, Mr. Secretary, the Distinguished Congressman from
8 the 38th District of California, Stephen Horn, has sent us a
9 letter with a series of very penetrating questions.
10 And I have determined on the advice of counsel that
11 these questions are not germane to this hearing because they
12 have nothing to do with reuse and a lot to do with the list
13 given us by the Department of Defense.
14 It centers on an allegation in his letter in which
15 he says, "We'd like to ascertain whether certain Department
16 of Defense entities, industry associations and individuals
17 have made improper and unauthorized inputs into the process
18 which was used to determine which naval shipyards would be
19 recommended for closure," and he references, of course, Long
20 Beach Naval Shipyard.
21 He has a series of written question. I'll ask you
22 whether you would be willing to answer the written

1 questions --

2 SECRETARY GOTBAUM: Of course.

3 CHAIRMAN DIXON: -- in writing.

4 SECRETARY GOTBAUM: Of course.

5 CHAIRMAN DIXON: And whether you would treat

6 yourself as being under oath as in this room if those

7 questions were asked you of orally.

8 SECRETARY GOTBAUM: Mr. Chairman, any question any

9 subject any time.

10 CHAIRMAN DIXON: Thank you.

11 SECRETARY GOTBAUM: Thank you.

12 CHAIRMAN DIXON: Our counsel will send those

13 questions to you. I thank you for your accommodation, and we

14 will not have a second round, but the Chair will recognize

15 anybody that has another follow-up question before we go to

16 last panel. And we will, of course, at the direction of

17 Commissioner Cornella recognize Commissioner Montoya.

18 COMMISSIONER MONTOYA: Thank you, Mr. Chairman.

19 Admiral Drennon, I've known you a long time in all my career.

20 You've got one of the most creative minds that I've ever come

21 across. Since you're about to retire, I'm going to add that

22 you've also made a successful career by living on the edge.

1 (Laughter)

2 COMMISSIONER MONTOYA: And so I'm going to ask you

3 a tough question. And that is if you could give me a sense

4 of one or two things that you would do different, if you had

5 the power to do differently, to make this process even more

6 successful than we contemplate? What would you do?

7 ADMIRAL DRENNON: This is unrehearsed, you know,

8 and I will talk to you about this.

9 (Laughter)

10 ADMIRAL DRENNON: The 1949 Property Disposal Act is

11 archaic in this process. I mean, it's full of -- it was not

12 meant for this process and the rules and regulations that

13 were put in place to support that process in a do not do what

14 we're trying to do justice here.

15 And I think the Pryor Amendments and I think the

16 new Homeless Assistance Act all go a long way to do this. I

17 think that if we could get this process where we at the

18 lowest level possible in the military departments can work

19 closely with the communities for them to determine what their

20 fate is, to take into account the requirements of the

21 homeless, to take into account these other issues and not

22 have such a rigorous process -- we have entire too many

1 lawyers in this process from the top to the bottom involved
2 in this issue.
3 CHAIRMAN DIXON: Why do you always pick on us
4 lawyers?
5 SECRETARY GOTBAUM: Yes, why do you pick on us
6 lawyers?
7 ADMIRAL DRENNON: I'm not too sure. I think I'm
8 the only one that's not a lawyer here.
9 (Laughter)
10 CHAIRMAN DIXON: Probably the whole room.
11 SECRETARY GOTBAUM: Let the record show,
12 Mr. Chairman, that in this context I do not disagree in the
13 slightest with Admiral Drennon.
14 CHAIRMAN DIXON: I'm only kidding, Admiral.
15 ADMIRAL DRENNON: And so, I think there are ways to
16 do this. We are just burdened by a lot of the rules and
17 laws, and when you get into CERCLA, you get into NEPA, they
18 also were not meant for what we're trying to do here.
19 I think we can do a responsible job with all the
20 communities to make all this work. We just need to continue
21 to streamline.
22 We are getting much and much better in this

1 process. But even so, we are still faced from time to time
2 with the frustration of these things.
3 And the other issue is we have, in the base closure
4 account that's associated with this, a lot of flexibility and
5 fungibility that is associate with that. There again, we are
6 constrained to a certain degree of how we do that.
7 We reduced $350 million through a recision process,
8 and we have been playing catch-up on that process ever since.
9 And we have mitigated that to a certain degree by doing some
10 very innovative things in contracting and so forth. We need
11 to continue to have that.
12 And so any support the Commission would give
13 towards keeping flexibility in this process both in how we
14 dispose of property and work with the communities, how we use
15 the funds that are given to us to do that would be much
16 appreciated.
17 COMMISSIONER MONTOYA: Thank you.
18 CHAIRMAN DIXON: Thank you very much, Commissioner
19 Montoya. Commissioner Cox and Commissioner Davis advised the
20 Chair that they will send a series of questions in writing.
21 I'm of the understanding that Commissioner Steele has some
22 questions she'd like to ask right now, and then, if there are

1 any others, I'll recognize that Commissioner.

2 COMMISSIONER STEELE: Thank you, Mr. Chairman. The

3 question, actually, I could also just submit for the record,

4 but I would like to make one comment. It's a follow-up to

5 Commissioner Cox's comments with Bergstrom, and you mentioned

6 Rome Lab.

7 I'm looking forward to your comments on that

8 subject. If this is the last round of BRAC, they -- well,

9 personally, they will play in my consideration of those

10 issues regarding those two facilities and any other

11 installations that fall into that unfortunate category.

12 But particularly, if BRAC authority is extended and

13 the discussion is that such an extension would make another

14 round in three or four years or beyond I would really hate to

15 see communities that at this point are just beginning to plan

16 have the rug pulled out from under them that far down the

17 process.

18 So I just, Mr. Secretary, also would like to say I

19 look forward to reading your comments on that subject.

20 That's all, Mr. Chairman.

21 CHAIRMAN DIXON: Thank you, Commissioner Steele,

22 and I'm sure that they would welcome any further questions in

1 writing. Are all the Commissioners satisfied with this
2 round?
3 (No response.)
4 CHAIRMAN DIXON: Secretary Gotbaum.
5 SECRETARY GOODMAN: Mr. Chairman, Colonel Cochrane
6 would like equal licks with the Navy.
7 CHAIRMAN DIXON: Why not.
8 SECRETARY GOODMAN: And I should report for the
9 record that this, too, is unrehearsed.
10 CHAIRMAN DIXON: I'll be delighted on behalf of the
11 Navy, being an old sailor myself, a bathtub sailor, to
12 recognize you, Colonel.
13 COLONEL COCHRANE: Mr. Chairman, as you know, I'm
14 the junior member here at the table, and as a result I've
15 learned my lesson over time if you are in the junior seat
16 that you, basically, keep your mouth closed and speak when
17 asked. But there is one thing that I do feel that I'd like
18 to just share.
19 In 1993, I happened to be a commander of one of the
20 installations in the Army that was earmarked for closure,
21 specifically one right here in town, the Belvoir Research
22 Development and Engineering Center.

1 I'd been in command two months, and quite frankly,
2 it was the most gut-wrenching experience I've ever gone
3 through to have to go back and tell this organization that
4 we've been recommended to be disestablished and realigned, a
5 lot of our business areas.
6 But I learned an awful lot of lessons from that
7 experience, and I hope to bring those to my current job,
8 which is, as I view it, as being the BTC for the Army. All
9 the BTCs in the field we have direct communication with, and
10 I would just share everybody's thoughts that that's a super
11 program.
12 And I view myself and our organization in the
13 Pentagon as the bureaucratic red tape busters or whatever you
14 want to call it to kind of get things done when that local
15 commander calls and says he needs help or she needs help.
16 The other thing I would just share, I had the
17 experience about two weeks ago to go out to Sacramento Army
18 Depot and participate in a transition ceremony that occurred
19 on the 3rd of March when, in fact, the commander of the
20 installation closed the installation in extremely fine
21 fashion and passed to Mr. Paul Johnson, the ASA
22 representative in the Army headquarters the key to Sacramento

1 Army Depot and a signed deed from the Secretary of the Army
2 that had been signed two days earlier transferring the
3 property, the majority of it, over to the City of Sacramento
4 and Mayor Joe Serna, who then turned right around and with a
5 ribbon cutting ceremony brought Packard Bell and all of the
6 corporate headquarter manufacturing positions out of L.A. up
7 to Sacramento.
8 I had the pleasure of having breakfast with Mayor
9 Serna that morning, and I asked him, "Sir, I look at you as
10 being, sort of, the civilian commander in this operation.
11 You're the one that pulled this together just as well as the
12 Army. Could you give my any lessons learned? I'd love to be
13 able be to share them."
14 And his comment to me was the reason this was
15 successful and the reason this whole thing was pulled
16 together is because everybody -- the community, the
17 installation, the commander of that installation and his
18 chain of command clean up through OSD and all the
19 environmental folks, and there are loads of them -- were
20 working side by side and together pulled that off, a lot with
21 the Corps of Engineers district in Sacramento doing a lot of
22 the paperwork and all that kind of stuff to do this.

1 I think the thing that I would share is Mayor Joe
2 Serna, I'd asked him, "Sir, would you do me a favor? My role
3 in this is not to reinvent wheels. If commanders of
4 installations have super lessons learned out there that work,
5 my role is to pull them together and get them to the BRAC '95
6 installations that are earmarked for closure."
7 That's well underway, and we in the Army, I'm
8 convinced, are in a great posture to move forward to help the
9 communities in reuse by virtue of educating our commanders
10 that are involved in these sites.
11 But the other thing I would just share is Mayor
12 Serna said, "I'll do the same thing." From the standpoint of
13 mayors and senior civilian leaders in the communities,
14 representatives of the state, whatever level, I'm standing by
15 to help them and tell them what worked in Sacramento.
16 And I think that's the one thing that if I could
17 share in your discussions with mayors and in the communities
18 and what not there are examples in all the services where
19 those civilian leaders have pulled these things off.
20 That's a great resource, and I just commend those
21 people to the work that we're doing across the board and also
22 as a service.

1 CHAIRMAN DIXON: Well, that's a very excellent
2 statement, and we appreciate very much all of you being here
3 today. It's great to see old friends and to hear this
4 helpful testimony.
5 I like very much your idea getting everybody at the
6 table at the same time. That waiting your turn is driving
7 everybody crazy, and that is a very good idea.
8 I'd recommend to all of you that you read the
9 congressional record. Senator Dave Pryor has promised he's
10 going put in the National Conference of Mayors requests, a
11 lot of which are persuasive to us.
12 We'd love to have all you folks pass that around in
13 your shops for some study. Thanks very much. We appreciate
14 it. Thank you for coming back a second time, Mr. Secretary.
15 You're a man who likes punishment.
16 SECRETARY GOTBAUM: This is an easy story to be
17 cross-examined on.
18 CHAIRMAN DIXON: Nice to see you all. Folks, we
19 have a little bit of a time problem. I'm going to have to
20 ask you to let our next panel get up here.
21 Ladies and gentlemen, our second panel this
22 afternoon is composed of William Ginsberg, Assistant

1 Secretary of Commerce for Economic Development; James Van
2 Erden, Administrator for Work-Based Learning, Department of
3 Labor; and Timothy Fields, Deputy Assistant Administrator for
4 Solid Waste and Emergency Response, the Environmental
5 Protection Agency.
6 I hate to impose on you gentlemen, but under the
7 law I have to ask you to rise and raise your right hands.
8 (Witnesses sworn.)
9 CHAIRMAN DIXON: Thank you very much. My records
10 show, Mr. Secretary, that you are to go first. Secretary
11 Ginsberg.
12 SECRETARY GINSBERG: Chairman Dixon, thank you.
13 Good afternoon. Members of the Defense Base Closure and
14 Realignment Commission, I appreciate the opportunity to be
15 with you this afternoon and to testify on behalf of the
16 Economic Development Administration in the Department of
17 Commerce regarding EDA's critical role in assisting community
18 economic adjustment in response to military base closures.
19 I applaud the members of the Commission for holding
20 this hearing today, and I want to congratulate you,
21 Mr. Chairman, and the Commission for your leadership in
22 confirming that support for the community in adjusting to a

1 military base closure is and must be an integral component of
2 the base closure process and of the base closure effort.
3 EDA's mission is to act as a catalyst to assist
4 economically distressed communities, including communities
5 impacted by the closure of military bases to achieve their
6 competitive long-term economic potential.
7 In carrying out this mission, EDA supports public-
8 private processes by which communities build the local
9 capacity to define their economic challenges, develop
10 strategies and identify priorities which leverage private
11 sector dollars and create private sector jobs.
12 Our experience is that from the communities'
13 perspective, the challenge of a base closure is the challenge
14 of local economic development, and to be successful, public
15 and private sector leaders in base closure impacted
16 communities must come together to deal with both the near
17 term economic dislocation and the long term fundamental
18 economic change which is occurring in a base closure
19 situation.
20 I appear before you today to strongly urge the
21 Commission in your work and in your recommendations to focus
22 on the long-term economic issues that are faced by base

1 closure impacted communities and as well to share with you
2 today some of EDA's experience in communities which have
3 carried out effective economic development strategies
4 following base closures.
5 It is often said that nothing mobilizes a community
6 like a crisis. Indeed, many local leaders have seized the
7 "cries," and I put that in quotes, of the 1995 BRAC round to
8 mobilize in their community to develop the most creative
9 proposals to present to your Commission in support of keeping
10 their bases open.
11 Even as that dialogue continues through the work of
12 this commission, this crisis at the local level also creates
13 an opportunity to look anew at long-term economic challenges
14 and to build the local capacity to grapple with these
15 challenges and ultimately to build a new competitive private
16 sector economic base by grappling successfully with these
17 challenges.
18 Indeed, base closure communities can use this
19 moment to create or to recreate an economic agenda that
20 identifies local economic strengths, identifies the leading
21 edge industries for the future of these communities, that
22 sets priorities and that implements the right mix of projects

1 to support those priorities.

2 We have seen in EDA's work that those communities

3 that have dealt most successfully with base closures are

4 those that have built public-private partnerships to seize

5 the opportunity that is latent in this crisis.

6 We have also seen that the critical community

7 ingredient in making this happen is strong local leadership,

8 both public leadership and private sector leadership that can

9 articulate this perspective to the local community and that

10 can make it work.

11 In my remarks today, I want touch on, really, three

12 points, three issues -- EDA's vision of local economic

13 development as the key to successful base reuse. I want to

14 talk briefly about the tools and resources that EDA can

15 provide to communities to foster this successful reuse, and I

16 want to submit for your consideration some short

17 recommendations for promoting more effective community reuse

18 of closed military bases in the future as you consider base

19 closures in 1995.

20 So let me start by describing EDA's vision of base

21 reuse and economic development. Throughout its 30-year

22 history, EDA been involved in and supported local economic

1 development efforts to adjust to the impact of military base
2 closures.
3 In fact, EDA supported some of the earliest
4 examples of success of base reuse, such as the redevelopment
5 of the Brooklyn Navy Yard in New York City. EDA has always
6 approached the issue of base reuse from the community's
7 perspective, responding to strategies, needs and priorities
8 identified at the local level.
9 For many years, even before there was a dedicated
10 defense adjustment program at DEA, which there is today, and
11 before EDA had dedicated appropriations for this purpose, EDA
12 was helping communities build new economies from the remains
13 of defense-dependent economics.
14 More recently, EDA has made $245 million available
15 for investments in 114 defense-impacted communities across
16 this country since 1992, including 45 communities which have
17 been impacted by a base closure.
18 In Fiscal Year 1994 alone, the fiscal year that
19 ended six months ago, defense adjustment was EDA's largest
20 program in terms of total obligated dollars with EDA
21 obligating almost $170 million in grants for defense
22 adjustment purposes.

1 On the basis of this experience, EDA recently
2 undertook a comprehensive review of our program, our
3 activities, analyzing where communities have made their
4 investments, which investments have been the most successful
5 and why and how we at EDA intend to utilize those lessons
6 learned in the future. And I want to summarize our
7 conclusions with a couple of points, three, I believe.
8 One, communities should think broadly about base
9 reuse in the context of their overall economic development
10 strategy. EDA has found, from our experience, that effective
11 reuse strategies focus on the broad spectrum of community
12 challenges and opportunities more than simply on property
13 transfer and development.
14 Indeed, local leadership view their challenge not
15 as one of real estate development per se but as the larger,
16 admittedly more complex and more difficult but also more
17 rewarding in terms of economic activity and jobs the
18 challenge of building a new diversified economic base.
19 Two, communities should focus on building public-
20 private partnerships that set priorities in defining local
21 economic development needs and strategies.
22 Through this kind of public-private collaborative

1 process, communities can develop the best and most innovative
2 projects, those that have been developed with private sector
3 input and those which can thus catalyze economic growth,
4 private sector investment and create private sector jobs.
5 And thirdly, as an outgrowth of number two, that
6 community economic development strategies should be driven by
7 the marketplace and should -- strategies in response to base
8 closures should be driven by the marketplace and by the needs
9 of private sector.
10 The strategic objective in approaching base reuse
11 must be to develop and expand local industries, to raise
12 public and private resources to make the most effective
13 investments to create private sector jobs.
14 Base reuse strategies which focus on attracting new
15 government tenants, for example, either federal, state or
16 local, and we've seen all of those, are rarely as successful
17 in spurring economic growth and in spurring the development
18 of a new economic base.
19 Our experience shows that if communities can
20 accomplish the objectives that I just outlined, approaching
21 base reuse in the context of an overall community economic
22 development strategy and setting local priorities that focus

1 on meeting the needs and opportunities of the local private
2 sector, then communities will be approaching the base closure
3 challenge as an opportunity and with the best chance of
4 achieving ultimate success in reusing a closed military
5 facility as an asset in building a stronger and more
6 diversified economic base for the future.
7 Secondly, I want to talk about what programs we
8 have to assist in this process. The Clinton Administration
9 views community economic adjustment as an integral component
10 of our overall defense adjustment strategy.
11 As recently as Fiscal Year 1992, EDA's entire
12 defense adjustment program was funded by transfers from the
13 Department of Defense. We did not get at that time separate
14 appropriations.
15 Today the Administration's defense adjustment
16 activities include support for public-private community
17 economic adjustment initiatives through EDA in addition to
18 other strategies of base closures, development of dual-use
19 technologies and the other elements of defense adjustment
20 that the Commissioners are very familiar with.
21 EDA receives direct appropriations from the
22 Congress for community defense economic adjustment. Support

1 for defense adjustment is a prominent feature of the
2 President's FY 1996 budget request for EDA, with $120 million
3 requested for EDA for defense economic adjustment purposes
4 out of a total programmatic budget request for EDA of
5 approximately $400 million.
6 So about 30 percent of our money is intended in the
7 President's budget request to be devoted to this specific
8 purpose.
9 EDA has responded to or is now responding to local
10 priorities in nearly every community across the country that
11 has been faced with a major military base closure in recent
12 years.
13 In addition, EDA's defense adjustment program funds
14 defense contractor -- funds defense adjustment in communities
15 impacted by cutbacks and scale-backs of defense contracts as
16 well as impacts of downsizing of DOE laboratories that are
17 tied into the nation's defense effort.
18 Well over half of EDA's defense adjustment funding
19 has been awarded to communities impacted specifically by base
20 closures.
21 And our best guess is that that percentage is going
22 to increase in 1995 and over the next several years as more

1 communities that are impacted -- that were impacted by
2 earlier BRAC rounds move from the planning stages to the
3 implementation stages with respect to their reuse plans and
4 as well as more communities face base closures in the current
5 round of base closures that the Commission is considering.
6 EDA is the only federal agency that is currently
7 helping communities implement comprehensive and innovative
8 community economic development strategies in response to base
9 closures.
10 And those strategies have ranged from export
11 promotion to business incubation to technology development
12 and establishment of technology networks to business creation
13 to infrastructure modernization and upgrading or any
14 combination of the foregoing economic development tools.
15 Our defense adjustment program can be divided into
16 three broad themes -- building local capacity, investing in
17 local business priorities and investing in local
18 infrastructure.
19 The first of these we call capacity building, and
20 EDA invests in base closure impacted communities to build the
21 local capacity to plan, to develop and to implement the right
22 strategies to meet local economic challenges.

1 To our capacity building programs, EDA provides the
2 resources at the local level that enable local communities to
3 take the long-term perspective of diversifying the local
4 economy that is so crucial when responding to a base closure.
5 In terms of capacity building, one EDA initiative
6 of particular interest to communities which are involved in
7 the base closure round for 1995 is our Office of Economic
8 Conversion Information, which we call OECI.
9 OECI is an on-line interactive service providing
10 information and support to communities, businesses and
11 workers seeking to craft local responses to the challenge of
12 defense adjustment.
13 The services provided by OECI include access to all
14 information regarding federal, state and local sources of
15 funding, case studies of successful reuse and other sources
16 of useful information.
17 OECI offers a tremendous opportunity for
18 communities on the 1995 BRAC list to learn from communities
19 which went through similar situations in 1988, 1991 or 1993.
20 OECI today is about to serve our 50,000th customer since we
21 began this service in late 1993.
22 And in addition, I'm pleased to announce that EDA

1 has recently -- I should say is about to add a new service to
2 OECI called Parcels, which serve as an additional marketing
3 tool for local communities to encourage military base reuse
4 and promote economic development by having a comprehensive
5 database on line covering specific real estate parcels
6 available in closing military bases.
7 Our capacity building initiatives also include
8 technical assistance programs where we take base reuse
9 planning to the next level, helping to build regional public-
10 private partnerships that link impacted communities with
11 industries identified in the local defense adjustment
12 strategy as central to the post base closure economic
13 recovery of the region.
14 EDA has provided resources for communities to
15 invest in these kinds of technical assistance programs in
16 response to industry downsizing, and I'll give you some
17 examples -- in the State of Washington where we funded a
18 flexible manufacturing network, in Northern California
19 through the joint venture Silicon Valley project and through
20 the Metropolitan Loan program and Missouri Trade Center
21 initiatives in St. Louis.
22 We seek to replicate this kind of comprehensive

1 regional technical assistance activities in base closure
2 communities and in their economic regions as well.
3 Our programs include business investment
4 initiatives, as I said, and through these initiatives EDA
5 provides the resources to allow communities to invest in
6 local business priorities that diversify their local
7 economies, create private sector jobs and leverage private
8 sector dollars.
9 EDA has capitalized 29 local revolving loan funds
10 in defense-impacted communities, empowering local communities
11 to invest in businesses which have been identified as
12 priorities.
13 By working through local community intermediaries
14 which, in a number of cases, are the base reuse authorities
15 themselves, EDA business assistance differs significantly
16 from programs which simply provide access to capital for
17 business.
18 EDA's business assistance is offered on flexible
19 terms through these local intermediaries which tie funding
20 decisions for specific businesses to the local defense
21 adjustment and base reuse strategies.
22 And when these funds are providing in the funds of

1 grants to these local intermediary grantees so that when the
2 loans are repaid, principle or interest, the funds stay in
3 the community for additional defense adjustment and economic
4 development purposes.
5 For Fiscal Year 1996, we're seeking to add another
6 business assistance tool at EDA called Competitive
7 Communities.
8 In recognition of the economic diversification
9 challenge that is faced by base closure communities as well
10 as many other communities across the country, our Competitive
11 Communities initiative will help base closure impacted
12 communities work with leading edge local industry priorities
13 to create and retain quality private sector jobs.
14 This Competitive Community initiative grows out of
15 the need identified at the local level, particularly in
16 defense-impacted communities to establish competitive local
17 businesses that diversify the local economy and enable these
18 companies to compete in the global economic marketplace.
19 Competitive Communities will build on EDA's
20 existing revolving loan funds, including the many that have
21 been established to assist in defense adjustment and the
22 network and experience of EDA-funded development districts

1 across the country to provide funding to communities for
2 investment in competitive businesses which have been
3 identified as the leading edge of the local economy in the
4 future.
5 Competitive Communities, we believe, will enhance
6 the ability of communities to work with their key emerging
7 and expanding industries and will this go to the heart of the
8 defense adjustment challenge that communities that have been
9 impacted by previous base closure rounds as well as
10 communities that will be impacted by the 1995 base closure
11 round will face.
12 Finally, I want to talk about our infrastructure
13 investment initiatives, Mr. Chairman, because EDA also
14 provides resources for communities to invest in locally
15 established infrastructure priorities that advance the
16 defense adjustment process on closed military bases.
17 Indeed, EDA is the only federal agency meeting this
18 critical need. EDA resources allow communities to invest in
19 building rehabilitation and construction, including the
20 construction and modification of buildings for use as
21 incubators, for investment in industrial parks and technology
22 parks on closed bases, in the construction and expansion of

1 access roads and in the construction of expanded wastewater
2 treatment plants or sewer mains and drainage systems.
3 Our infrastructure investment programs are the
4 largest portion of our -- they take up the largest portion of
5 EDA's defense adjustment budget due primarily to the capital-
6 intensive nature of infrastructure investment and to the need
7 for infrastructure modernization on many of the facilities
8 that you're considering.
9 Community infrastructure needs are enormous. We've
10 had communities approach EDA talking about needs as high as
11 $900 million on a single base.
12 We have very limited resources, certainly in that
13 context, and we therefore work closely with communities to
14 ensure that their infrastructure investments are economic
15 development investments, that they tie directly back to the
16 defense adjustment strategy and to the needs of the local
17 private sector.
18 We're also pursuing additional initiatives that
19 will enable us to leverage our infrastructure money more
20 effectively.
21 Through each of these defense adjustment programs
22 that I just mentioned, we respond to community leadership and

1 community priorities. I thought I would give a couple of
2 examples for the Commission.
3 In Fort Worth, for example, where the key community
4 leaders for both public and private sectors such as the CDO
5 from Lockheed Fort Worth and executives from Textron and
6 Union Pacific working with the mayor came together following
7 closure of Carswell Air Force Base to define the community's
8 economic agenda.
9 They determined that the real challenge was
10 diversification through small business development, and using
11 EDA funding, the city has developed a small business
12 assistance center to assist local skilled aerospace workers
13 to develop and grow competitive small businesses as the
14 engine of economic growth for the future of Fort Worth.
15 In Rantoul, Illinois, a community I'm sure,
16 Mr. Chairman, that you know well, we see the city providing
17 the leadership necessary to use the closure of Chanute Air
18 Force Base to mobilize the local community in support of an
19 economic diversification strategy.
20 EDA funding has been used to fund a marketing
21 strategy and a revolving loan fund of the kind that I
22 referred to a few moments ago which has developed 45 local

1 businesses on the former military base property which, in
2 turn, have created almost 1,000 jobs.
3 In Alexandria, Louisiana, you cited often as a
4 crown jewel of base reuse where the commitment of the public
5 and private sectors empowered the local community to develop
6 strategies and projects which tie directly to private sector
7 needs.
8 The results can clearly be seen in the 849 jobs
9 that have been created through the J.B. Hunt Trucking School
10 and through other industries have been attracted to the
11 former England Air Force Base, all supported through EDA-
12 funded infrastructure investments.
13 In Charleston, South Carolina, where the community
14 has come together to develop a public-private partnership to
15 build state-of-the-art mass transportation rail components in
16 response to the closure of the Charleston Navy Yard located
17 in Charleston specifically because of the skills of the local
18 defense workers.
19 This EDA-funded technology investment could
20 generate over 2,000 high-skilled jobs in the future in
21 Charleston.
22 And finally, in the San Francisco area, where the

1 community has come together behind the Bay Area Economic
2 Forum, which is developing and implementing an aggressive
3 export promotion strategy in support of competitive private
4 sector industries, in response to the significant devastating
5 impact of recent base closures in that area.
6 We see common elements, Mr. Chairman, in each of
7 these community's success stories -- strong local leadership,
8 a commitment from the private sector, a local strategy
9 focusing on creating private sector jobs, leveraging private
10 sector resources and building a diversified local economy and
11 EDA investments and other federal investments as a key to the
12 development and implementation of that strategy.
13 In each of these communities and in many others
14 around the country, we see today an emerging story of
15 successful base reuse, a story that is driven by the needs of
16 the local private sector and by the local public-private
17 collaborative process.
18 We will seek to work in coming years to create
19 similar success stories in each of the communities that are
20 impacted by this year's base closure round.
21 In conclusion, Mr. Chairman, I'd like to briefly
22 offer some suggestions, submit some suggestions for your

1 consideration and for the Commission to consider as you put
2 together your recommendations in your report.
3 One, it would be my recommendation that the
4 Commission strongly reaffirm that actions that are taken at
5 the local level by public or private sector actors now to
6 begin the process of planning for base reuse and for defense
7 economic adjustment in communities where you're considering
8 base closures, that any such actions will not impact the
9 decisions or deliberations of the Commission in terms of the
10 difficult decisions you need to make.
11 Many people, notably the mayor of Alexandria,
12 Louisiana, who has been through this, has publicly stated
13 that the BRAC 1995 communities should have started planning a
14 year ago to be on top of this issue, and our experience shows
15 that that's true.
16 Starting this process of planning for defense
17 adjustment in communities, starting this process now will
18 create benefits whether or not the base is actually closed.
19 There is a constant need to address the challenge
20 of economic diversification and adjustment in any event
21 whether or not bases are closed, and it's very important that
22 defense-dependent communities understand this and understand

1 that actions taken to do that will not compromise their
2 position in the minds of the Commission.
3 Secondly, it would be my recommendation that the
4 Commission reaffirm that base reuse is an issue of community
5 economic development driven by the needs and priorities of
6 the local private sector.
7 Base reuse needs to be seen as more than property
8 transfer and real estate development. It needs to be seen in
9 the context of the overall local economic development
10 strategy and on a strategy to create private sector jobs.
11 For local communities to hear this from this
12 Commission, which will have studied the use of base reuse as
13 broadly as anyone, I think will be a powerful message.
14 And thirdly, I would hope and I would recommend
15 that the Commission reaffirm the need for the federal
16 government to provide through EDA and through other agencies
17 as well, provide the communities the funding they need to
18 support their local priorities.
19 When the work of this Commission is done and the
20 communities begin to focus their attention on adjusting to
21 base closures, EDA, with resources, with experience, with
22 flexibility to work with each community to implement the

1 right strategies that are developed at the local level, EDA
2 will be there to help communities make the investments that
3 are needed to turn public sector job losses into new private
4 sector jobs and turn disinvestment into diversification.
5 EDA funding has been essential for the development
6 and implementation of every successful base reuse and
7 community adjustment strategy in recent years, and our
8 defense adjustment program has received bipartisan support in
9 Congress, strong support from such organizations as the U.S.
10 Conference of Mayors and others, and I know you've heard from
11 them.
12 The irony is that now, as this 1995 BRAC round is
13 taking shape, as communities impacted by previous BRAC rounds
14 are moving from planning to implementation of their
15 strategies, at the very time when our assistance for these
16 reasons has never been needed more and when we have both more
17 resources and more experience ourselves to be helpful to the
18 maximum degree, EDA itself and our defense adjustment efforts
19 are clearly threatened with elimination in the 104th
20 Congress.
21 And I urge the Commission to be mindful of this
22 prospect in the current debate and to assert the critical

1 importance of these kind of efforts in assisting communities
2 to adjust to base closures.
3 Mr. Chairman, members of the Commission, I thank
4 you very much for the opportunity to appear before you this
5 afternoon. I would look forward to answering any questions,
6 of course, now and to working with you and to working with
7 each of the communities impacted by base closures to help
8 turn this challenge into an opportunity for local economic
9 change and diversification. Thank you very much.
10 CHAIRMAN DIXON: Mr. Van Erden.
11 MR. VAN ERDEN: Thank you, Mr. Chairman. Members
12 of the Commission, I would like to thank you for the
13 opportunity to discuss the Department of Labor's role in
14 helping workers affected by the realignment and closure of
15 military installations.
16 I will summarize my prepared statement and ask that
17 the full text be put into the record.
18 CHAIRMAN DIXON: Your full text will be put in the
19 record. We thank you for summarization.
20 MR. VAN ERDEN: Thank you, sir. The primary
21 program the Department uses to provide training and
22 reemployment services for dislocated workers is the Economic

1 Dislocation Worker and Adjustment Assistance Program
2 otherwise known as EDWAA. This is Title III of JTPA, the Job
3 Training Partnership Act.
4 This largely block grant program operates in all 50
5 states and in 621 local communities through substate
6 grantees. There is virtually a local entity near or in any
7 area potentially affected by a base closing or realignment.
8 Of the funding appropriated by the Congress each
9 year for the EDWAA program, 80 percent is allocated by
10 formula directly to these states and local areas. The
11 remaining 20 percent of the annual appropriation is reserved
12 by the Secretary of Labor for special projects or to meet
13 unanticipated dislocations that cannot be supported by either
14 existing state or local formula funds.
15 These funds are available to states and local
16 communities through the national reserve account. In the FY
17 '89 Defense Authorization Bill, Congress modified EDWAA to
18 enhance existing authority to help workers impacted by
19 defense downsizing.
20 The Defense Conversion Adjustment Act, DCA, was
21 created, and Congress provided $150 million appropriation to
22 the Department of Defense which was transferred to DOL on

1 September of 1991.

2 The Congress again expanded the role of the
3 Department of Labor in the FY '93 Defense Authorization Act
4 and by appropriating an additional $75 million. This
5 program, known as the Defense Diversification Program, added
6 significant new authority and flexibility to serve defense
7 workers, particularly civilians at BRAC bases.

8 This new authority allows intensive retraining and
9 other readjustment services to workers at a BRAC base up to
10 24 months before the operational closure of the base, in time
11 to upgrade their skills and to make preparations for a new
12 career while they still have the benefits of employment,
13 including access to health care.

14 Both the DCA and DDP programs can also provide the
15 same basic assistance as EDWAA. This includes retraining
16 services such as classroom training, occupational skill
17 training, on-the-job training and entrepreneurial training.

18 In addition, basic readjustment services may
19 include occupational skills analysis, job or career
20 counseling, testing and orientation, job placement assistance
21 and local or regional labor market information.

22 Supportive services such as child care are also

1 available to ensure that training and job search is
2 accomplished in an effective manner. Financial or personal
3 counseling is available to those who are faced with
4 additional problems.
5 In many cases, individuals participate in these
6 programs who are in retraining by a certain period may
7 receive needs-related payments once they've exhausted their
8 unemployment insurance. These payments are usually the same
9 as the UI payments in terms of the amount and provide some
10 level of income support for as long as the individual is
11 retraining.
12 At this time all of the DDP and virtually all of
13 the DCA funds have been obligated. We have funded over 100
14 projects for BRAC bases and layoffs in the defense industry
15 at a cost of approximately $220 million, serving over 80,000
16 workers.
17 Although we no longer have DoD funds, this special
18 level of services intend by Congress is being continued as
19 Congress amended JTPA last year to authorize use of the EDWAA
20 national reserve account funds for both DCA and DDP projects.
21 How do local communities access these programs?
22 Because the authority to operate both DCA and DDP programs

1 exist only through the Secretary's national reserve account,
2 an application for fund must be submitted to the Secretary of
3 Labor.
4 Guidelines have been developed for accessing these
5 funds, including the specification of who may make requests.
6 The most likely scenario for an application begins with a
7 discussion and needs assessment within the local community as
8 to the timing and level of assistance required.
9 In an application, information on the amount of
10 funds required, the appropriate timing for services to
11 individuals, the types of services necessary and the expected
12 skill needs of potential jobs available are laid out.
13 Once the request is completed, the state, which is
14 probably already involved in the planning, reviews the
15 request and forwards it to the Department of Labor. Our
16 review and notification must be completed within 30 days but
17 is often completed in less time.
18 The process is not a competitive process but one
19 that assesses each request against the standards deemed
20 necessary for a successful program. In all cases, either an
21 award is made or additional information is requested.
22 When the BRAC '93 announcement was made in July of

1 '93, Secretary Reich and the President announced that a
2 special technical assistance team consisting of
3 representatives from the Department of Labor, DoD, the
4 Department of Commerce and our state and local partners would
5 visit all of the major BRAC '93 bases within 60 days of the
6 final announcement.
7 We met this commitment by visiting 22 major bases
8 during this period. Six sites involved either the
9 participation of either the Secretary of Navy, Army, Air
10 Force or Labor. At each site we held a town hall meeting
11 with affected employees with over 10,500 workers participate.
12 In addition to meetings with workers and base
13 officials, each visit included a full or half-day meeting to
14 provide technical assistance to state and local staff.
15 Subjects discussed at each site included the
16 availability of funds, grant assistance, eligibility issues
17 and other technical matters.
18 Starting with the BRAC '88 bases, the Department
19 has now awarded almost $115 million to assist about 28,000
20 workers at 48 bases and installations.
21 This includes ten grants for almost $40 million to
22 serve over 7,400 individuals at BRAC '93 sites. At many of

1 the bases impacted by BRAC '93, DOL has worked with the
2 Department of Defense to encourage and support the
3 development of transition assistance centers.
4 These one-stop centers have been established at
5 most if not all of the major bases. They provided workers
6 with an access to a wide variety of information on services
7 and programs available to them from both DoD and the JTPA
8 system.
9 Many transition centers are jointly managed and run
10 by both DoD and Title III staff. To provide you with a
11 little more detail on specific programs, let me briefly
12 review two.
13 First, on March 29, 1994, the Department awarded
14 South Carolina $15 million to help 2,300 workers being
15 dislocated because of the closure of the Charleston Naval
16 Shipyard.
17 Although the operational closure of the base does
18 not occur until next year, the project has already helped
19 over 2,500 workers with 700 being placed in retraining
20 programs.
21 My second example is Mare Island Naval Shipyard.
22 On April 28, '94, the Department awarded California $8

1 million to assist 1,500 workers being dislocated from the
2 base. Although layoff dates have not been established for
3 the complex, 500 workers have already enrolled in the
4 project.
5 What are we planning to do in the future? In many
6 ways, we've been working on BRAC issues for several years.
7 DOL's relationships with the Department of Defense and the
8 individual bases is ongoing.
9 We continue to provide technical assistance to
10 bases and grantees. We have regular meetings with DoD staff
11 to discuss and resolve issues that arise. We have already
12 formed a joint working group to lay out plans for BRAC '95.
13 At this time we anticipate we will have another
14 round of technical assistance visits which will build on the
15 lessons we learned in earlier visits. We will also have an
16 improved and more effective grant application process in
17 place July 1 of this year.
18 This process was re-engineered by a team of
19 federal, state and local staff who have extensive experience
20 in running programs for dislocated workers and working in
21 BRAC-impacted communities.
22 We have spent a great deal of time in the last two

1 years learning how to access our customers and listen to
2 their needs and wishes. Last year we conducted our first
3 ever national survey of dislocated worker customer
4 satisfaction.
5 Along with our state and local partners, we have
6 created the Enterprise Council through which we look at
7 system-wide issues, problems, opportunities to increase
8 customer satisfaction and how to engage delivery system and
9 continuous improvement.
10 Mr. Chairman, the continuation of our efforts to
11 assist workers affected by the recommendations of this
12 Commission may be affected by actions yet to be taken by this
13 Congress.
14 The House is considering reductions to the EDWAA FY
15 '95 appropriation of $99 million against the already approved
16 level of 1.3 billion. As the program year is forward funded
17 these funds do not become available until July of this year.
18 If, however, such funds were to come solely from
19 the national reserve account, this would seriously reduce our
20 ability to assist defense and BRAC-impacted workers in the
21 next year.
22 The Administration has advanced a proposal to

1 consolidate job training programs into one adult job training
2 system. Within this proposal, we would retain a national
3 reserve account for cases like base closures, disasters and
4 other significant dislocations.
5 The Department is concerned about new block grant
6 proposals before the Congress. We are especially concerned
7 about proposals which would omit this vital component.
8 This concludes my remarks. I would be happy to
9 answer any questions you may have.
10 CHAIRMAN DIXON: Thank you, Mr. Van Erden.
11 Mr. Fields.
12 MR. FIELDS: Thank you very much, Mr. Chairman.
13 It's a pleasure to be here this afternoon to meet with you
14 and the members of the Commission. I request that my written
15 statement be entered into the record. I'll give you a brief
16 summary of my remarks regarding the U.S. EPA's role in BRAC
17 cleanup.
18 CHAIRMAN DIXON: Your entire statement will be
19 reproduced in the record, and we thank you for it. I've
20 already examined it, and I thank you for your summarization,
21 Mr. Fields.
22 MR. FIELDS: Thank you very much. We're definitely

1 committed to the revitalization of communities affected by
2 base closure. Our major participation there is in the Fast
3 Track Cleanup Program that was described briefly by DoD,
4 Ms. Goodman.
5 That program relies on a BRAC cleanup team of which
6 EPA is a member along with state representatives around the
7 country at major facilities looking at cleanup and reuse
8 issues.
9 The EPA member of the team has the power to make
10 decisions locally or at least have access to high-level
11 decision-makers quickly when decisions have to be made about
12 cleanup.
13 We provide on-site decision-making, effective
14 communication and clear understanding of subtle site-specific
15 issues which traditionally would not be available in most
16 cleanup scenarios, but they are being made available for BRAC
17 cleanup, and we think the process has worked real well.
18 EPA participation provides greater and quicker
19 access to extensive in-house expertise that would have been
20 provided in other cleanup programs that we administrator like
21 Superfund, underground storage tank and other programs.
22 In addition to the major role the EPA plays on the

1 BRAC cleanup teams and developing the BRAC cleanup plans,
2 we're also involved in developing critical guidance documents
3 that we believe promote faster cleanup and reuse of those
4 properties.
5 I'd like to just mention a few of those guidances
6 briefly. First is an area that was touched upon in the
7 session with DoD. We issued guidance back in 1992 on NPL
8 listing and reuse of properties.
9 I believe that there is still confusion about the
10 consequences of NPL listing and its implication for property
11 transfer. EPA is working hard to deal with the NPL stigma
12 issues, defense line listing issues and partial deletion of
13 certain properties that have been found to be uncontaminated.
14 Twenty-three of the military bases that were closed
15 in rounds one, two and three are on the National Priorities
16 List. At least 16 of the facilities that you all are
17 considering for BRAC 4 are on the National Priorities List.
18 So we'll have to deal with that issue, and we are
19 working with DoD and others to try to resolve how we get over
20 the stigma issues and how we can encourage and facilitate
21 reuse of such properties.
22 We work with DoD on other guidances on findings of

1 suitability to transfer as well as findings of suitability to
2 lease properties as well.
3 Another guidance I would mention briefly is April
4 1994 we issued some guidance on military base closure
5 concurrence procedures, how we in EPA would concur on
6 properties that have been deemed to be uncontaminated parcels
7 under Section 120 H of the Superfund law as amended by CERFA.
8 Pursuant to that guidance, we have signed off on
9 and concurred on 37,000 acres of property that was
10 recommended to us by DoD as uncontaminated property.
11 We'll be receiving shortly on March 27th
12 uncontaminated property recommendations from DoD from Round
13 3, and we hope to make further determinations of property
14 that is uncontaminated and therefore available for use.
15 We've also, on February 17th of this year,
16 announced a new set of Superfund administrative reforms.
17 Administrator Browner announced those.
18 Those Superfund administrative reforms laid out
19 what we could do over the next two years, 1995 and 1996, to
20 improve the Superfund program under current law while we're
21 waiting for reauthorization. We believe that several of
22 those administrative reforms can also help facilitate base

1 closure and reuse.

2 One is that we are going to be issuing by the end

3 of April a new policy on land use at base closure and other

4 facilities. That guidance we believe will result in cost

5 savings and allow us to utilize properties for other than

6 residential use in these cases.

7 We also will be issuing new guidance this summer on

8 soil screening levels for 107 chemicals that are commonly

9 found on contaminated properties. Those guidance will help

10 to help facilitate, allow us to make quicker decisions about

11 cleanup.

12 Finally, we'll be issuing guidance on more generic

13 or standardized remedies for cleanup at closing bases. That

14 guidance we think will also expedite cleanup.

15 We're also participating with DoD on the

16 restoration advisory boards that have been formed at all the

17 closing bases. We are actively trying to bring in the

18 communities as we're making decisions about land use and

19 cleanup of these bases. We think that's critically important

20 in making cleanup.

21 Let me finally conclude with a couple of

22 recommendations I would make to the Commission about how the

1 process might be improved. We believe that there needs to be
2 a greater and a more effective link between the BRAC cleanup
3 team and local reuse authorities.
4 We believe that a key to effective property
5 transfer is to have early knowledge of the community's
6 proposed future land use to enhance the selection of the most
7 protective remedies at a site. So we believe that that link
8 between the cleanup team and the reuse team needs to be
9 strengthened.
10 Secondly, we really believe that the regulators,
11 both the EPA and the state, need to have the adequate
12 resources available to participate as members of the team for
13 revitalization and reuse of these properties.
14 I want to particularly note that EPA has been the
15 beneficiary of resources from DoD that has allowed us to
16 effectively participate as members of this team and then be
17 able to help facilitate and expedite cleanup of these closing
18 bases.
19 In conclusion, I believe that the relatively young
20 Fast Track Cleanup Program has accomplished a great deal.
21 EPA remains committed to the proper return of property at
22 closing bases to safe and productive reuse while adequately

1 protecting human health and environment.

2 We're excited to be a part of this program and look

3 forward to continuing in it in the next round, BRAC 4, that

4 will be announced after your deliberations. We thank you for

5 your time and our participation in this hearing. We look

6 forward to participating in any questions you may have about

7 our testimony. Thank you very much.

8 CHAIRMAN DIXON: Thank you. First of all,

9 Mr. Fields, I want to thank you on behalf of my staff for

10 furnishing us an employee who has assisted us on reviewing

11 these environmental issues. We appreciate that.

12 You talked about the number of bases now involved

13 already on the closure list prior to this round. How many

14 are on the list?

15 MR. FIELDS: There are 23 that are currently on the

16 National Priorities List or Superfund list.

17 CHAIRMAN DIXON: And those are closed bases?

18 MR. FIELDS: Those are closed, yes, sir.

19 CHAIRMAN DIXON: And what are you doing with

20 respect to those 23 bases that are on the list; which is to

21 say, are parts of those bases now being used for other

22 purposes, and are you just setting off those parts that have

1 environmental concerns? Is that how you're doing it now?

2 MR. FIELDS: Well, right now those bases, of the

3 23, 12 of those were in BRAC 1 and 2 that we have signed off

4 on large amounts of acreage where we agree with DoD that is

5 uncontaminated. That property is available for reuse.

6 CHAIRMAN DIXON: Good.

7 MR. FIELDS: 37,000 acres we have agreed is

8 uncontaminated, and we are working with DoD trying to find

9 ways to use that property. Some of that property is already

10 being reutilized already.

11 CHAIRMAN DIXON: My understanding was that we can

12 use those parts that you find, you know, environmentally

13 secure and set off the other parts.

14 MR. FIELDS: Right.

15 CHAIRMAN DIXON: And you do do that?

16 MR. FIELDS: We are doing that.

17 CHAIRMAN DIXON: Another part that concerns me is

18 in existing law, in the private sector, everybody in the

19 chain is concerned about taking something that has an

20 environmental problem.

21 Now, how does that work with respect to the

22 governmental -- the property that the government owns that is

1 taken in the private sector? Is there anything we can do to
2 assume liability for conditions already existing to encourage
3 the use of that land, or does everybody in the chain have the
4 same problems with respect to liability? Do you understand
5 my question?
6 MR. FIELDS: I understand your issue. I understand
7 your concern. We've worked with Secretary Ginsberg and
8 others on the private sector to try to remove the stigma of
9 those contaminated properties like -- we call them "brown
10 fields" properties in cities around the country.
11 We've removed 25,000 sites from that list recently.
12 At military bases what we're doing is working with the
13 National Mortgage Association, National Lending Institution
14 and trying to remove sometimes the often unwarranted stigma
15 of being on the NPL.
16 We've been very successful in California to try and
17 assure for those facilities that are on the National
18 Priorities List we're telling people, "Look, there are many
19 portions of those properties that are not contaminated."
20 What we're doing is two things. We are beginning
21 to look at parceling out those portions of the site that are
22 uncontaminated and saying they're no longer part of the

1 National Priorities List.

2 Secondly, as we identify once the site is on the

3 NPL, those portions which are not contaminated, we're looking

4 at trying to remove them from being part of the NPL

5 designation so people know that they can go in there and

6 reuse and redevelop those properties and turn them over to

7 beneficial reuse.

8 We're looking -- just in a broad answer to your

9 question, we're looking at all the 23 sites that are on the

10 National Priorities List that are a base closure and looking

11 at how are they being dealt with.

12 Is cleanup being expedited? Is it being done as

13 fast as those properties that are not on the NPL? Are we

14 finding that we're being able to redevelop those properties

15 to the same degree as those properties that are not?

16 We're doing a comparison right now of properties

17 that are on the list versus those that are not and seeing if

18 there are differences in the pattern of reuse and

19 redevelopment of those properties.

20 CHAIRMAN DIXON: Well, the thought that occurred,

21 Mr. Fields, and I'm not, of course, an expert in the field,

22 but I remember when I chaired Readiness in the Armed Services

1 Committee we had a lot of this environmental stuff, and we
2 talked about it a great deal and believe it or not spent
3 enumerable hours and days on this whole subject of what do we
4 do about these environmental problems.
5 And I wonder, you know, in the private sector, for
6 instance, I find, as a person who serves on some boards of
7 banks and other things, the reluctance to loan money because
8 of environmental concerns, the discussions at our board
9 meetings about properties where we loan money and
10 environmental concerns were discovered, you know, many years
11 later and things like that, thus impeding an ultimate
12 disposition of the loan in a satisfactory way and so forth.
13 All those things are real problems out there in the
14 real world, and in the private sector each person in the
15 chain has a notice of that and is concerned about that as
16 they go along in the commercial life of a piece of property,
17 and that, obviously, does impact values to a considerable
18 extent.
19 But I wondered with our properties that the
20 government has and bases are closed whether there is some
21 possibility for -- I'm not talking about extra hazardous
22 waste and things like that but where there is some

1 possibility of moderate or even slight degrees of
2 environmental concerns on some of this property, whether the
3 private sector could undertake to use it without assuming the
4 liability because the government had created that condition
5 before they assumed it.
6 Do you follow that? Is that too convoluted?
7 MR. FIELDS: No. That is a good point, and that is
8 the whole basis of the --
9 CHAIRMAN DIXON: Well, are we trying to do anything
10 like that, or can that be done? I don't know if it can't be
11 done. That's why I asked.
12 MR. FIELDS: Two things I can just briefly talk
13 about what we're doing under current law. Under current law,
14 we're making an environmental baseline survey of these
15 properties. We're making a finding of suitability to
16 transfer that property through deed, finding of suitability
17 to lease property.
18 Many of those properties where there is low-level
19 contamination, for example, or the property has been cleaned
20 up to some degree --
21 CHAIRMAN DIXON: "Low level." That's the word I
22 was looking for. Right.

1 MR. FIELDS: Right. We are beginning to reuse that
2 property --
3 CHAIRMAN DIXON: You are?
4 MR. FIELDS: -- even before cleanup is done.
5 CHAIRMAN DIXON: Could I interrupt you there?
6 MR. FIELDS: Sure.
7 CHAIRMAN DIXON: I'm glad to hear that. I hope I'm
8 not going to get into environmental arguments with somebody
9 here, but I hear what you're saying now. Then, what about
10 the liability feature for the private sector individual that
11 comes along with a little business?
12 MR. FIELDS: Right.
13 CHAIRMAN DIXON: Let's take an example. I'll take
14 one. We all talk about Chanute. Everybody knows it's in my
15 state now. I squawked when it happened years ago. But if
16 somebody -- I happen to know there are a lot of little
17 businesses going on to Chanute.
18 There is some pretty good-sized ones. There is an
19 auto parts business there hires a couple hundred people.
20 That's a pretty big employer in that part of the world where
21 I come from in Southern Illinois.
22 But if a business goes on there and starts a

1 business, and let's talk in terms of low-level --

2 MR. FIELDS: Contamination.

3 CHAIRMAN DIXON: -- contamination. They start a

4 little business there. Now, then, is there a way they can be

5 secure against liability for something they didn't do that

6 was a condition of that low-level environmental concern that

7 was there by the consequence of what the government did when

8 it operated the base?

9 MR. FIELDS: Right. Two things we're doing under

10 current law. Under current law, we're issuing new guidance

11 on perspective purchasers. People who want to purchase

12 property, we're telling them what are the limits of their

13 liability.

14 As long as allow the cleanup to continue, as long

15 as they contribute to the cleanup in a lot of access to

16 property, they will not be held liable for past contamination

17 at that site.

18 Secondly, we're issuing --

19 CHAIRMAN DIXON: They will not be?

20 MR. FIELDS: They will not be held liable.

21 CHAIRMAN DIXON: That's very interesting. That

22 would not be the private sector law, I believe.

1 MR. FIELDS: Right, through policy. Now, what
2 we're doing, though, we're also issuing comfort letters to
3 many of these people telling them that, "Look, as far as the
4 federal government is concerned, we're not going to come
5 after you in those instances where private sector past
6 contamination may have been posed at the site and you did not
7 contribute to that."
8 We're telling them that, "You're not liable."
9 Further, under the 120 requirements of the DoD and Superfund
10 law, DoD always says that they are always -- if there is
11 contamination found after reuse of that property, they will
12 always come back and clean that property up.
13 CHAIRMAN DIXON: Okay. I'm advised --
14 MR. FIELDS: But the last point I'll make is this:
15 Under the Superfund law that we -- the amendments that we
16 introduced last year in the Congress, we proposed a set of
17 amendments that would propose exemptions for the people that
18 you were talking about, the smaller guys who want to purchase
19 property.
20 We proposed a set of exemptions that would remove
21 their liability completely. That cannot be done under the
22 current statute.

1 CHAIRMAN DIXON: I'm told here now DoD has a
2 special statute that authorizes indemnification of
3 transferees of FY '93 Defense Authorization Bill.
4 MR. FIELDS: Right.
5 CHAIRMAN DIXON: That's very good. Okay. Thank
6 you very much. I'm going to yield to Commissioner Cox, and I
7 have to meet with a couple of senators and congressmen now,
8 and I'd appreciate if she'd chair in my absence.
9 COMMISSIONER COX: Thank you, sir. Commissioner
10 Robles, maybe you would take on questions.
11 COMMISSIONER ROBLES: Thank you. I have one
12 question. I think we've rehashed this subject pretty much
13 today, but there is one question I have, and it's for you,
14 Secretary Ginsberg.
15 In the budget request for '96, I understand that
16 there was a $40 million reduction from your '95 level. It
17 went from $120- to $80 million. Is that true?
18 SECRETARY GINSBERG: No, Commissioner, it's not,
19 and maybe I can explain that. The EDA budget, proposed
20 budget proposed by the President last month for Fiscal Year
21 '96, the structure of the budget has changed, and it has
22 changed to accommodate a new initiative, new programmatic

1 initiative which I referred to in my remarks called
2 Competitive Communities.
3 Our intention is that $40 million of that
4 Competitive Communities funding, if it's approved and
5 appropriated by the Congress, would be used as part of our
6 defense adjustment program in defense-impacted communities as
7 actually an expansion of the kind of business assistance and
8 other what we call Title IX assistance that we provided to
9 defense-impacted communities over the last several years
10 through our defense adjustment effort.
11 And that 40 million plus the 80 million that is in
12 the budget under the title of defense adjustment that you
13 referred to a moment ago would yield a $120 million program
14 in FY '96. That's clearly our intention.
15 The structure of the budget doesn't reveal that as
16 clearly as it might, and I think that's what prompted your
17 question, but the intention of the Administration is $120
18 million defense adjust program proposed for '96, which is the
19 same funding that we are undertaking in the current year.
20 COMMISSIONER ROBLES: Okay. Thank you for the
21 clarification. Second question before I yield, Mr. Fields.
22 I think, as you can well imagine, all of us, as Americans,

1 are frustrated with the environmental issue.

2 You can't be against environmental concerns and

3 environmental restoration and cleaning up the environment.

4 That's like going against motherhood and apple pie and a lot

5 of other things.

6 I'll just note an analogy that several years ago

7 that there was a big environmental push in Europe, Germany in

8 specific, the Greens Party, and they came out in a very

9 aggressive program, and pretty soon they lost steam and, in

10 fact, took a giant step backwards.

11 I detect in the national press that there is that

12 level of concern for endangered species and environmental

13 cleanup, and right now it's being debated in the Congress.

14 But I guess the pragmatic fallout of all that is --

15 we didn't get a chance to ask Secretary Gotbaum, but they

16 alluded that they had a recision of about $350 million out of

17 Defense Base Closure account.

18 Well, I happen to know and you know that the Base

19 Closure account is the only repository for environmental

20 cleanup for bases that are being cleaned up. There is no

21 longer a DERA account or any other account.

22 So it seems to me that requirements are growing

1 geometrically. Money is only growing arithmetically, and it
2 doesn't take a rocket scientist to realize we're not going to
3 get from here to there.
4 So is there some proposal to, sort of, get at the
5 true things that have to be cleaned up? I know you talked
6 about easing of the -- or reinterpreting some of the laws,
7 but this is getting worse every year, and it's not going to
8 get any better.
9 And at some point in time we're going to come to
10 gridlock here and have these huge requirements and only a
11 little bit of money to do it, and we're going to stymie the
12 whole process. What is being thought out at your level and
13 certainly in your department?
14 MR. FIELDS: Your concern is a valid one. I'm glad
15 you raised that. It's a real issue. We have been doing a
16 lot of talking about that issue within EPA, and within the
17 government in general.
18 We've been meeting with not only DoD but DOE as
19 well about that topic. We recognize that budgets are being
20 cut, DOE $4 billion over the next five years. DoD's budget
21 is being cut. Our ability to provide oversight is a problem
22 within EPA.

1 Everybody's resources are being reduced. There are
2 not going to be large increases, but the requirements --
3 people are getting more into construction, and the costs are
4 going to go up.
5 We at EPA are reevaluating now in the context of
6 the current agreements that have been signed with federal
7 agencies like DoD where we can be more flexible or how can we
8 make sure that we're dealing with the worst sites first.
9 We're working with DoD on their priority-setting
10 scheme in terms of really defining where are the worst risks
11 that we really need to deal with first.
12 We at EPA obviously recognize that when DoD makes a
13 request and is not appropriated we cannot hold DoD
14 accountable in those instances where they have requested a
15 certain amount of funding but has not been appropriated by
16 Congress.
17 We recognize we then have to look at revising some
18 of our requirements and looking at how we can then look at
19 how we phase things maybe over a couple of years, as opposed
20 to trying to do it all that year. So we at EPA, we recognize
21 there is a reality there, and we have to look at what are the
22 worst problems.

1 In the case of base closures, what are the greatest
2 potential sites for reuse, however you decide to set
3 priorities, focus on those and, obviously, recognize that
4 some other things may have been to be put off until a later
5 day, a longer period of time out into the future.
6 And we recognize -- we're working with DoD and DOE
7 and other federal agencies right now in looking at how we
8 might have to be more flexible in these times of reducing
9 dollars available for environmental restoration.
10 COMMISSIONER ROBLES: Thank you, Mr. Fields. Very
11 fine. Madam Chairman, thank you.
12 COMMISSIONER COX: Commissioner Montoya.
13 COMMISSIONER MONTOYA: If there has been a theme
14 today that has been overriding in the hearings, it's that the
15 recipients of our help are pleading for more flexibility and
16 more local control and better coordination at the local
17 level.
18 And I also did not sense those that are here in
19 Washington, at least up to now, any resistance to that
20 notion, that that probably ought to be the case.
21 I know that you three agencies have field offices,
22 and I would ask you a generic question. And that is if I

1 were to reinterview your ultimate customers in the base
2 closure process, who are the communities and the people
3 involved, what would they tell me regarding your agency,
4 insofar as there is enough local authority, local flexibility
5 and responsiveness in the programs that you administer?
6 And I'd just like to hear from each of you in
7 general. Would they be satisfied, and are you satisfied?
8 We'll start with you, Mr. Van Erden.
9 MR. VAN ERDEN: I'll start, I guess. I'm on the
10 left here. I think the answer to that would be that it would
11 be yes and no. I think they are satisfied with many of the
12 things that happened, and there is issues that they would
13 like to correct.
14 One of the main areas that we heard and have heard
15 for some time was the ability to access the money that I
16 talked about in the Secretary's reserve account was a complex
17 process.
18 And I indicated in my testimony that we have now
19 been involved with a federal, state, and local group,
20 including people from BRAC bases in redesigning that process,
21 and we hope to have a very much better, simplified process
22 available by July 1st to do that.

1 I think the other area that we hear mostly that
2 they need is additional flexibility is not necessarily the
3 programs that come out of our -- the dollars that come out of
4 our EDWAA program but dollars that come from various
5 Department of Labor programs, whether it's the Employment
6 Service, the Unemployment Insurance Service or disadvantaged
7 programs, that those are very often are categorical programs.
8 And it gets difficult to mix those at the local
9 level, and so we're constantly hearing a request for waivers,
10 which we have very little authority to give -- we have no
11 legislative authority on waivers -- and, basically, just
12 trying to figure out a way to make those systems work better.
13 The Department has underway, as you may know, major
14 initiatives in one-stop shops. The Department has proposed
15 with the Administration to combine many of our programs into
16 larger adult training programs, youth programs.
17 So a lot of that would be what you would hear, I
18 think, from our local folks. But on the other hand, I would
19 tell you that the customer satisfaction surveys that we have
20 done and some surveys that will be coming out very shortly
21 have basically said that the purpose of this program is to
22 get people back to work.

1 And by and large, the program is working, and the
2 customers are quite satisfied. Our customer satisfaction
3 surveys we found that 91 percent of the respondents
4 nationwide said the program treated them with respect.
5 Over 80 percent felt that they got good services,
6 and they were helpful in getting them back to work. So while
7 we're not, as my boss says, not Nordstrom's, we may not quite
8 be the Postal Service, but we're striving very hard to bring
9 up the ability to serve our ultimate customers, both the
10 local communities and the dislocated workers in those
11 communities.
12 COMMISSIONER MONTOYA: Well, you never know whose
13 feelings are going to hurt. My brother is a regional
14 postmaster.
15 MR. VAN ERDEN: Well, the Post Office is very good.
16 (Laughter)
17 COMMISSIONER MONTOYA: Given his constraints, he's
18 very proud of what he does.
19 MR. VAN ERDEN: That's true.
20 COMMISSIONER MONTOYA: Mr. Ginsberg.
21 SECRETARY GINSBERG: Commissioner, based on what
22 I've seen and heard over the last year and from those within

1 EDA and from our customers and communities around the
2 country, I'd just make a few points in response to your
3 question.
4 I think one of the strengths, and I think it's
5 appreciated by our customers and it's evident in the work
6 we've done and the projects we've funded is the flexibility
7 to mediate statutory authority under our Title IX of the
8 Public Works and Economic Development Act, which gives us
9 very broad flexibility in terms of the ways in which we can
10 use the resources that are made available to us by the
11 Congress.
12 And that flexibility is evident, as I said. I
13 cited some examples of different kinds of things that we've
14 done responding to different needs.
15 I think our customers are pleased by the degree in
16 which what we do is respond to them, by what we do is assist
17 working with the Office of Economic Equipment and the Defense
18 Department, assist in the local planning efforts and the
19 technical assistance at the front end.
20 And the strategies that emerge, you heard me refer
21 repeatedly to local strategies, local needs, local priorities
22 leads directly to specific projects, specific kind of

1 investments that EDA puts money into.

2 So I think in terms of flexibility of our

3 authorities and in terms of the responsiveness of the way we

4 administer them, I think our customers -- I believe that's a

5 strength of EDA, and I think they've had a sense that we're

6 doing what we can indeed to be more responsive.

7 I think one would hear, you would hear, if you were

8 to ask that question, that our customers would like to see,

9 these communities would like to see, if anything, EDA

10 personnel, our field network. I think they'd be supportive

11 of our field network.

12 We have six regional offices. We have what we call

13 Economic Development Representatives at the local level

14 reporting to those regional offices all around country.

15 I think, if anything, these impacted communities

16 would like to see those EDRs, as we call them, involved

17 earlier in the process, and we're working with OEA now to see

18 that that happens.

19 If anything, the kind of base reuse planning that

20 goes on I believe -- and we've gotten positive response to

21 this, and as I said, we're working with OEA on it -- should

22 be expanded at the front end so it really is tied into the

1 broader kind of economic development questions that these
2 communities are facing.
3 And the priorities and strategies and projects that
4 emerge from that can really address the core -- not only
5 reuse of the base but the core economic diversification
6 challenges that these communities face.
7 I think you would hear, if you were to talk to
8 these base closure impacted communities, you certainly would
9 have heard and to some degree you would still hear
10 frustration with EDA's grant processing, the time it takes to
11 push a grant through the process at EDA.
12 We have worked very hard, I have worked very hard
13 on that issue for the last year. It's certainly something I
14 heard when I arrived at EDA a year ago, and we've made
15 substantial progress on that.
16 We've really restructured our organization,
17 Commissioner, to be in a better position to move grants
18 through our process. I've delegated grant-making authority
19 to those regional offices both to eliminate steps in the
20 process and also to get those decisions closer to the field,
21 closer to the communities where these impacts are being felt.
22 We're making good progress. We've committed

1 ourselves very publicly to a goal of processing all completed
2 applications within 60 days and to achieving that goal in
3 Fiscal Year 1995. And to those who know the history of EDA,
4 they would know what kind of substantial progress that
5 represents.
6 And you'll pardon me if I'm beating a dead horse
7 again, but I think another thing you'd hear from our
8 customers, Commissioner, is that there isn't enough money in
9 EDA and in the federal system as a whole.
10 And I think that concern is particularly felt
11 around the kind of infrastructure investments that exist on
12 these closed bases.
13 Even in communities with the best strategies and
14 local leadership that's committed, I think people find --
15 these communities are finding that the scale of the
16 infrastructure investments needed to leverage private sector
17 investment and create private sector jobs is truly daunting
18 and that the resources are there only to tackle those issues
19 one very small chunk at a time, and I think you'd hear that,
20 too. Thank you.
21 MR. FIELDS: Very quickly, I'll just make two
22 points. One is that I think we made a lot of progress in the

1 last year. We've worked -- DoD has to be commended for
2 establishing the restoration advisory boards at all of the
3 major closing bases that involve 20-person citizen groups,
4 local government officials, states, EPA and others in that
5 process of getting input into how cleanup and reuse decisions
6 are made at closing bases.
7 That has occurred in the last year and a half, and
8 that's a major step forward, and many more people are
9 involved in the process now at the local level.
10 I think, however, there are still a ways to go.
11 There are two areas we need to address, I believe, for the
12 future. We need to better integrate the local governments
13 into this process.
14 We've got a team that is made up of EPA, the state
15 and the DoD at the cleanup level, team level, but we really
16 haven't integrated effectively what the local government role
17 ought to be in that process, how they can provide more
18 effective input into the decision-making process as well as
19 their involvement on the restoration advisory boards. That
20 needs to be worked on and defined.
21 And lastly, there was an issue of environmental
22 justice that some of the low income and minority communities

1 around some of these bases don't feel they're full enough
2 connected.
3 So we're working on some of those initiatives, look
4 at things like job creation, local hires of people in
5 communities, making sure that everybody has had a chance to
6 be a beneficiary of base closure or reuse in that community.
7 So we're still working on it. I think a lot of
8 progress has been made, but at least those two areas -- local
9 government involvement and the environmental justice
10 question -- still need to be dealt with a little more.
11 COMMISSIONER MONTOYA: Just a yes or no answer.
12 Can you do whatever it is you have in mind you want to do
13 more of within today's statutory scheme, Mr. Fields? Yes or
14 no. Can you do what it is you want to do? Can you, or do
15 you need legislation? I just want to know yes or no without
16 explaining.
17 MR. FIELDS: Yes.
18 COMMISSIONER MONTOYA: Mr. Ginsberg?
19 SECRETARY GINSBERG: Yes with one exception, which
20 is authority to provide loans and guarantee loans as part of
21 an expanded business assistance network. I think in the end
22 that would prove extremely valuable in the economic

1 adjustment process, but I would point out for the record that
2 we're not currently seeking that authority.
3 MR. VAN ERDEN: I would say yes with one exception,
4 and that's waiver authority on legislation would be very
5 helpful to us at the local level.
6 COMMISSIONER MONTOYA: Okay. Thank you. Thank
7 you, Madam Chairman.
8 COMMISSIONER COX: Commissioner Montoya. Secretary
9 Ginsberg, I wonder if you might provide for the record, there
10 is no need to go over it now, you mentioned that EDA's budget
11 for 1996 was 120 million, roughly a third of EDA's budget
12 overall.
13 I wonder if you would provide for the record all of
14 the funding -- and I'm not going to say this in the right
15 budget term so I hope you'll help me out and get the right
16 answer -- all of the funding that you all have been involved
17 in for BRAC in each year since 1990 and your projections for
18 what kind of funding you would need in the next five years,
19 the budget cycle.
20 And by that I mean not just the grants but the
21 personnel and administrative costs and travel, sort of
22 everything that you're doing to help on the BRAC process or

1 help reuse these or build a future for some of these
2 communities, whatever that might be, maybe a comparison to
3 the 120 million in 1996 but how has that, sort of, started
4 off.
5 I assume it started off fairly low and has gotten
6 higher and probably will get higher for the next couple of
7 years as this process, sort of, comes to a head and comes on
8 down. But if you could give us those numbers and
9 Administrator Van Erden, if you wouldn't mind doing the same
10 thing for your agency and Mr. Fields as well.
11 Some of yours are a little bit different. I'm not
12 looking for the actual cleanup costs but the process that you
13 all go through on reuse and developing the data, et cetera
14 would be very helpful.
15 Secretary Ginsberg, what is the current time frame,
16 is there an average time frame for EDA to complete the review
17 of the funding applications?
18 SECRETARY GINSBERG: It's difficult to extrapolate
19 averages, as I said. The difficulty really comes from the
20 fact that we have a very interactive process with our
21 grantees during both the first stage, which leads up to a
22 preapplication, and then during the second stage, which leads

1 finally up to a completed full application.

2 In simpler projects without complexities, the time

3 frame can be relatively short. Sometimes they can get drawn

4 out by a whole series of things, and many of these projects

5 are complex and protracted by their very nature.

6 So it's difficult to extrapolate. I can get you

7 information on that as well. What we are seeking to do, and

8 I think the frustration I referred to in my previous answer,

9 was on how much time it takes EDA to process an application

10 once it's complete. once that dialogue, if you will, is

11 completed and we have a completed application and the

12 applicant is waiting for a yes or no.

13 And that's the process where we are committed to

14 averaging 60 days or less and to getting there this year, and

15 we're making very substantial process on that not only by, as

16 I said, by changing the process but indeed by restructuring

17 the entire organization to achieve that.

18 COMMISSIONER COX: Thank you. Mr. Van Erden, the

19 Conference of Mayors made a number of recommendations on

20 reuse issues, but one of them that they and other groups have

21 taken up is calling for an enterprise zone designations of

22 bases that have been closed. Has the Department taken a

1 position on this?

2 MR. VAN ERDEN: I am not aware. I'd have to get

3 the answer for you on that.

4 COMMISSIONER COX: All right. I wonder if you

5 might give us any thoughts you might have personally on

6 whether that would be helpful as you went through this

7 process.

8 MR. VAN ERDEN: Well, I think our role in any kind

9 of economic development issue would be that we provide the

10 services to retrain workers to be competitive in what the new

11 economic environment might be.

12 So I think anything that would be supportive of

13 creating a new economic environment, enhancing job group or

14 anything like that we would be in favor of.

15 COMMISSIONER COX: Okay. Thank you. Mr. Fields,

16 we've had a number of discussions not just today but over a

17 variety of hearings and in 1993 about the cost of cleaning up

18 closed bases versus the cost of cleaning up open bases.

19 And the general answer, which makes perfect sense,

20 is, gee, we have to clean them up anyway, and so it doesn't

21 really matter because we have this obligation.

22 On the other hand, nonetheless, it's something that

1 keeps coming up again and again. Is there a difference in
2 the cost of cleaning up an open base or a closed base in
3 either dollars or time?
4 MR. FIELDS: We're trying to collect some data now
5 on that topic. I think there are some things that may make a
6 difference. It may, in fact, be, in some cases, cheaper to
7 clean up the closed facility because there is a real
8 incentive to move it along and get it done faster.
9 We have a real commitment to try to get cleanup
10 done so we can turn that facility over to economic reuse.
11 We're looking at land use options. We're doing some
12 comparisons now.
13 We don't really have good -- we're early now in the
14 Fast Track Cleanup Program, but through the expedited process
15 we're going through, the efforts we're making to accelerate
16 cleanup, because there is a real incentive to turn those
17 bases over to people in the community, we may, in fact, and I
18 would say we're probably moving faster in the cleanup of some
19 of those closing facilities than we are in some of the
20 operating facilities.
21 COMMISSIONER COX: Is that more expensive, like
22 trying to finish -- like if you try to build a house faster,

1 it costs you more than you're willing to --

2 MR. FIELDS: No. I think because in doing early

3 actions you avoid the contamination getting worse longer. In

4 the overall Superfund program, for example, that I also

5 administer, we're finding that by doing more early actions

6 and getting in there quicker and controlling the groundwater

7 we are saving money because we're causing the problem to be

8 dealt with faster rather than having to pay more later on as

9 contamination worsens.

10 COMMISSIONER COX: Right.

11 MR. FIELDS: So I don't have real data. We're just

12 beginning to assess the question you're raising. I think

13 it's a real good one.

14 I'm only conjecturing now, but I think that

15 because, as I've seen in other facilities we're cleaning up,

16 by moving faster and using early action removal authorities,

17 we're actually saving money because we're avoiding long-term

18 costs of greater contamination by waiting.

19 COMMISSIONER COX: Right.

20 MR. FIELDS: So my conjecture would be that you're

21 ultimately are going to save some costs.

22 COMMISSIONER COX: I think the, sort of, general

1 feeling, at least among the communities is because when a
2 base is open you really don't have to clean it up as quickly,
3 or you don't have to clean it up to as high a standard, that
4 it's actually cheaper to leave the base open.
5 MR. FIELDS: But I think in terms of some of our
6 recent policy we're issuing now, on the land use policy
7 coming out in April, we're making it very clear that
8 industrial land use is acceptable. You don't have to clean
9 up everything to residential use.
10 COMMISSIONER COX: Can you do that
11 administratively? There was some talk earlier that that was
12 in the Superfund bill, and that would be very important.
13 MR. FIELDS: Right.
14 COMMISSIONER COX: But you could do that --
15 MR. FIELDS: We can do that administratively as a
16 policy matter. We have the authority to do it. It would,
17 obviously, help to have a specific mandate in the law.
18 Congress did not address that question at all in the 1986
19 amendments.
20 We think we have the authority, our attorneys tell
21 us, to address it administratively. That will help a lot to
22 have clarity. Right now our regions are using different

1 policies sometimes.

2 Some are cleaning up things to residential, others

3 to industrial. We want to have one consistent set of

4 framework. We believe that will save a lot of money.

5 COMMISSIONER COX: I see.

6 MR. FIELDS: Let me just run back to two questions

7 ago.

8 COMMISSIONER COX: Okay.

9 MR. FIELDS: I just want to tell you on a question

10 you posed about the dollars, we have $8.4 million we spend on

11 base closure all comes from DoD. DoD provides all the

12 funding that EPA spends on the -- they give us 100 positions

13 a year, and that's where our dollars come from for base

14 closure activities.

15 COMMISSIONER COX: Okay. And maybe you'll just

16 give me a history on that.

17 MR. FIELDS: I'll send you something in writing.

18 COMMISSIONER COX: Great. Thank you. You

19 mentioned -- and I think maybe you've answered this question,

20 but let me try it anyway -- that one of the things several of

21 the people mentioned, why do we have to clean it up to a

22 residential basis when we're not going to residential; we're

1 going to have an industrial site?

2 How do we avoid or should we worry about the fact

3 that the reuse plan says we're going to have, I don't know,

4 an airport, and that's an industrial site, and therefore we

5 only need to get to a certain thing.

6 Ten years later that turns out to be a total

7 disaster, nobody wanted to fly there, and the next thing the

8 community does is tear down the airport and build condos.

9 Now who is responsible for the new environmental

10 cleanup? Do we come back to the Department of Defense? Is

11 there a way to avoid that? Should we avoid it?

12 MR. FIELDS: Yeah. I think we can avoid it.

13 That's one of the things I made in my written testimony is a

14 recommendation as to how we can improve and avoid the problem

15 that you point to.

16 I think that that's a real problem we have now.

17 We're not connecting -- in my opinion, we're not connecting

18 fast enough with the people who are involved in cleanup with

19 the reuse authorities.

20 We need to make sure that those two groups are

21 brought together quickly so people who are involved in reuse

22 planning are integrally involved in looking at the options

1 and impacting the options that the people who are involved in
2 cleanup are looking at.
3 So that when we are thinking about taking part of a
4 military base and converting it to an airport or to a golf
5 course or to some residential property areas that the reuse
6 and the cleanup people have worked together as a team.
7 And so that there is some greater assurance that
8 the land use assumptions that are in the remedy selection
9 component are consistent with what the reuse planning
10 committee has agreed to for long-use operation of that
11 facility and all pieces of that facility.
12 That is an area that is really not, in my view, as
13 well connected as it ought to be, and we need to fix that
14 problem to avoid the problem you point to where we clean
15 something up and think that that is what it's going to be
16 used for, but in five years down the road we find that there
17 is another use, and then we find that we may have to clean it
18 up to a greater extent.
19 COMMISSIONER COX: Right.
20 MR. FIELDS: Go back and do the cleanup over again
21 because the cleanup we did five years ago was not adequate
22 for the use that it now wants to be put to.

1 COMMISSIONER COX: Can you fix it by sort of
2 saying, "That's it. Once you all signed off, not our
3 problem"?
4 MR. FIELDS: Well, EPA and DoD and BRAC bases that
5 have been signed up to date, the ones that we made remedy
6 selection decisions on we've always been able to agree. We
7 scream and holler at each other, and we fight, but we're able
8 to work it out.
9 We've not had a situation where we've had a
10 disagreement that one party could not agree. So we generally
11 have been able to reach consensus, try to reflect the views
12 of the community and local authorities and make sure that
13 we're making a decision that reflects the land use and the
14 long-term plan for that property on that base.
15 Keep in mind that the Fast Track Cleanup Program is
16 only 20 months old. We're kind of early in this process.
17 The kind of circumstances that you're describing five, ten
18 years down the road, they could happen, but we've not had to
19 face that problem to date.
20 COMMISSIONER COX: Okay. And then lastly, and if
21 you would just do this for the record, you all each mentioned
22 a number of things that you think could be helpful, statutory

1 waivers, other things like that.

2 I would appreciate your providing for the record,

3 let's say, your top three recommendations for change, whether

4 they are legislative or administrative -- probably more

5 likely legislative. If they're administrative, I assume

6 you're doing them anyway -- that you would recommend to us.

7 Because we are going to be making a recommendation

8 as part of our report as to what changes we think are needed

9 in the reuse process, and that would be very helpful for us

10 to have that in, sort of, a priority order from you all.

11 Thank you very much. Mr. Montoya?

12 COMMISSIONER MONTOYA: I have a final question.

13 COMMISSIONER COX: Of course.

14 COMMISSIONER MONTOYA: And then I'll be done. And

15 Mr. Fields, fill in the gap for me historically. This is a

16 California-specific question, but it might be generic.

17 The double jeopardy under NEPA issue that has

18 arisen in the past with respect to federal facilities in

19 California where one did a federal action under NEPA, and

20 then the state, to further its own agenda, would impose SEQA,

21 a SEQA process on top of that with a different result at

22 times.

1 The BRAC process is subject to the NEPA process, as
2 we know. Are there any issues around the states regarding
3 state NEPA programs where there are administrative issues
4 raised by those statutes?
5 MR. FIELDS: Yeah. There are administrative issues
6 raised. They're generally able to be resolved. We look at
7 NEPA as a part of a facility. For example, when a closing
8 facility is impacting another facility in another location,
9 in terms of material going there, there is a requirement
10 under NEPA that we look at the environmental impact of our
11 action there.
12 So we always consider NEPA as we're looking at the
13 whole issue of closing of facilities. It does not cause a
14 big problem to date, in terms of us being able to reconcile
15 the BRAC requirements with NEPA, but we do consider that, and
16 we're looking at it.
17 I'm not familiar with the specific situations
18 you're pointing to in California and the examples you're
19 citing there. I'm not as familiar with those situations, but
20 it is something that we're looking at.
21 There is a problem in terms -- broader than NEPA,
22 environmental requirements in general, there are oftentimes

1 issues -- I think Sherri Goodman mentioned some of those
2 earlier today -- where we're having to deal with NEPA. We're
3 having to deal with RCRA authorities, CERCLA authorities.
4 And sometimes we do get into situations where we
5 have to make a judgment. If something is being dealt with
6 under what authority, what is the connection and does it make
7 sense for us to impose a new authority?
8 Like Superfund, for example. If someone is already
9 cleaning up a facility under state authority under the
10 Resource Conservation and Recovery Act, do we want to then
11 bring in Superfund authorities to look at a new track, and
12 how do those authorities get integrated?
13 And that's the same thing with NEPA. We need to
14 look at how NEPA gets integrated with the BRAC process, and
15 that's being done in our base closure teams.
16 COMMISSIONER MONTOYA: You are looking at that?
17 MR. FIELDS: Yeah. Yeah.
18 COMMISSIONER MONTOYA: Okay. Fine.
19 COMMISSIONER COX: One last thing, if you all
20 wouldn't mind. There are a number of questions I think that,
21 for a variety of reasons people weren't able to get to, and
22 at this hour we'd rather let you go home.

1 We'd like to submit those to you in writing and
2 would appreciate your agreement to answer them in writing as
3 if you were answering them here orally and under oath.
4 MR. FIELDS: Yes. Absolutely.
5 COMMISSIONER COX: Thank you very much. Thank you
6 very much for all of your helpful testimony.
7 (Whereupon, at 4:30 p.m., the hearing was
8 adjourned.)
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