

DCN: 4902



American Federation of Government Employees
LOCAL 1658
(AFL-CIO)

U.S. Army Tank-Automotive and Armaments Command
Bldg. 230, Room 136 W. • Warren, Michigan 48397-5000
(586) 574-6102 • FAX (586) 574-1940

The Honorable Anthony J. Principi

2005 Base Closure and Realignment Commission

2521 S. Clark Street, Suite 600

Arlington, VA 22202

Dear Chairman Principi:

On behalf of the employees represented by American Federation of Government Employees Local 1658, I take this opportunity to discuss a proposal made by the Department of Defense (DoD) to the Base Realignment and Closure (BRAC) Commission that is clearly not authorized by the BRAC Act.

While people can disagree about whether there should be a BRAC, there is no disputing that the BRAC Act can be used for closures, realignments, and privatizations in place. However, the Supply and Storage Joint Cross-Service Group has proposed that the BRAC Commission approve the contracting out of certain supply and storage functions, an undertaking which is not authorized under the BRAC Act:

"The recommendation disestablishes the wholesale supply, storage, and distribution function for all tires; packaged petroleum, oils and lubricants; and compressed gases used by the Department of Defense, retaining only the supply contracting function for each commodity. The Department will privatize these functions and will rely on private industry for the performance of supply, storage, and distribution of these commodities. By doing so, the Department can divest itself of inventories and can eliminate infrastructure and personnel associated with these functions...Privatization enables the Department to take advantage of the latest technologies, expertise, and business practices, which translates to improved support to customers at less cost...Finally, this recommendation supports transformation by privatizing the wholesale storage and distribution processes from DoD activities."

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[To Do For All That Which None Can Do For Oneself]



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I urge the Commission to exclude this proposal from its own BRAC recommendation and to remind DoD that it is bound by Section 8014 of the FY2005 Defense Appropriations Act, as well as OMB Circular A-76, to ensure that these supply and storage functions are not converted to contractor performance without public-private competitions.

I. ALTHOUGH PRIVATIZATION IN PLACE IS AUTHORIZED BY THE BRAC ACT, THE SUPPLY AND STORAGE JOINT CROSS-SERVICE GROUP'S PROPOSAL IS A TRADITIONAL CONTRACTING OUT.

The Supply and Storage Joint Cross-Service Group is casual in its use of terminology. Although it uses the term "privatization", the arrangement being discussed by the group is the typical contract between DoD and a contractor. DoD's need for these supply and storage functions is not ending. Rather, the group is seeking to have those services provided by a contractor. Indeed, DoD will continue to administer any contracts associated with this contracting out. However, whether the group calls it "contracting out" or "privatization", the BRAC Act does not authorize such an action.

There is only one instance in which the BRAC Act can be used to convert a function performed by DoD civilian employees to contractor performance: privatization in place. It is important to distinguish between the contracting out proposed by the group and privatization-in-place. Once the Commission, President and Congress approve the 2005 BRAC recommendation, the BRAC Act requires the Secretary of Defense to

"carry out the privatization in place of a military installation recommended for closure or realignment by the Commission in the 2005 report only if privatization in place is a method of closure or realignment of the military installation specified in the recommendations of the Commission in such report and is determined by the Commission to be the most cost-effective method of implementation of the recommendation" P.L. 101-510 Section 2904(a), as amended.

Again, this is the only instance in which the BRAC Act references privatization.

II. THE ORIGINS OF PRIVATIZATION IN PLACE SHOW THAT IT IS FUNDAMENTALLY DIFFERENT FROM TRADITIONAL CONTRACTING OUT.

There is no legislative definition of "privatization in place." The Government Accountability Office has defined privatization-in-place as "a concept in which a private sector entity takes over the operations of a facility that was once operated by the government." GAO Report NSIAD-00-23, Military Base Closures: Lack of Data Inhibits Cost-Effectiveness Analyses of Privatization-in-Place Initiatives (December 1999).

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In 1995, the BRAC Commission recommended closure of two Air Force bases in California (McClellan Air Force Base) and Texas (Kelly Air Force Base). However, administration officials ordered the Texas and California bases kept open until 2001 so a program termed "privatization-in-place" could be established. The program called for converting work being done by federal employees to private sector performance. In theory, civilian employees would continue working in the same facilities or communities, performing the same or similar jobs and using the same equipment—but for private contractors.

At the time, Defense Secretary William Perry explained the concept: The bases would be closed; however, rather than have their functions transferred to other locations, DoD would *"keep the key skilled workers at those bases there and working, but now under contract to a private contractor, instead of as a government depot."* See also White House News Briefing, July 13, 1995 (*"The work will be done at some place. . . Once we transition the bases and close them, it will be done someplace else in the community. These will be private sector jobs. . . the contracts will be let in these communities for jobs for work to be done in those communities. . . in some cases the community leases back the facility to someone else and they do the work in the same place, do it across the street, they can do it down the street. They point is that they stay in the community."*) (www.defenselink.mil/transcripts/1995/t071495_t0713asd.html).

The BRAC Act was amended in December 2001 within the Defense Authorization Act of 2002, in part, as an effort to curtail any future politicization of the BRAC process. The amendment states:

The Secretary [of Defense] shall --

(3) carry out the privatization in place of a military installation recommended for closure or realignment by the Commission in the 2005 report only if privatization in place is a method of closure or realignment of the military installation specified in the recommendations of the Commission in such report and is determined by the Commission to be the most cost-effective method of implementation of the recommendation. Section 2904(a)(3); P.L. 107-107, Section 3004, 115 Stat. 1347 (Dec. 28, 2001).

Legislative history demonstrates that this amendment was made so that the determination of which bases should be converted to "privatization in place" would be "prohibited" unless made by the BRAC Commission -- not the administration. H.R. 107-62 p. 405; H.R. 107-333 p. 793; see also Cong. Rec. pp. S1626-S1628 (February 27, 2001) (*"This proposed legislation offers a significant change to present law. Under this legislation, privatization in-place would be permitted only when explicitly recommended by the Commission."*)

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Historically, the use of privatization in place has been directed at the privatization of an entire "installation" or "base" in its locale in order to protect community economies and jobs, as was the case with the privatizations in place of Kelly and McClellan Air Force Bases. GAO Report NSIAD-97-13, Air Force Depot Maintenance: Privatization-in-Place Plans are Costly While Excess Capacity Exists (December 31, 1996). An Air Force facility in Newark, Ohio, and two Navy facilities in Louisville, Kentucky, and Indianapolis, Indiana, were also privatized in place. GAO Report NSIAD-00-23, Military Base Closures: Lack of Data Inhibits Cost-Effectiveness Analyses of Privatization-in-Place Initiatives (December 1999).

III. THE CONTRACTING OUT OF CERTAIN SUPPLY AND STORAGE FUNCTIONS IS NOT A PRIVATIZATION IN PLACE.

The current Pentagon recommendation to "privatize" the wholesale supply, storage, and distribution for all tires; packaged petroleum, oils, and lubricants; and compressed gases used by DoD is not a privatization in place. As historically practiced, a true privatization in place would entail the conversion of a DoD installation to a private contractor—thereby keeping the function "in place." As the BRAC Act authorizes no other efforts to convert functions performed by civilian employees to contractor performance, the BRAC Commission should reject the group's contracting out proposal.

IV. THE BRAC ACT IS CONSISTENT WITH OTHER COMPETITION REQUIREMENTS IN LAW AND OMB CIRCULAR A-76.

The BRAC Act must be read to be consistent with the mandates of Section 8014 of the FY05 Defense Appropriations Bill, which requires that functions performed by ten or more employees be subject to formal cost comparisons before those functions can be converted to contractor performance, in all but extraordinary situations. Moreover, OMB Circular A-76 requires that work last performed by federal employees must be subject to a streamlined or standard public-private competition before that work is converted to contractor performance, absent waivers from the Office of Management and Budget.

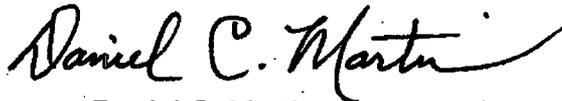
In summation, the BRAC Act does not authorize DoD or the BRAC Commission to endorse privatization of a commercial activity currently performed by federal employees with the intention of continuing to perform these functions indefinitely. If DoD wants to consider privatizing these functions, it has to conduct privatization reviews/cost comparisons. Additionally, the proposed privatization of the Defense Supply and Storage services doesn't further any of the goals of BRAC— adding military value, eliminating excess capacity, saving money. To determine whether or not the money saving aspect exists, an A-76 cost comparison must be performed.

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Again I urge the Commission to delete the group's contracting out proposal from its BRAC plan and to remind DoD that it is bound by Section 8014 of the FY2005 Defense Appropriations Act, as well as OMB Circular A-76, to ensure that these supply and storage functions are not converted to contractor performance without public-private competition.

Thank you for your consideration of our view. Please contact me at 586-574-6102 or our Legislative Director Ed Klein at 586-574-7468 if you should have any questions.

Sincerely,



Daniel C. Martin

President

AFGE Local 1658

DCN: 4902

MACOMB COUNTY BOARD OF COMMISSIONERS

ADMINISTRATION BUILDING

ONE SOUTH MAIN

MOUNT CLEMENS, MICHIGAN 48043

Phone (586) 469-5128

Fax (586) 469-5993

macombcountymj.gov/boardofcommissioners

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June 17, 2005

The Honorable Anthony J. Principi
Chairman2005 Defense Base Closure and Realignment Commission
2521 S. Clark St., Ste. 600
Arlington, VA 22202

Dear Chairman Principi:

On behalf of the Macomb County Board of Commissioners, I am writing to thank you for this opportunity to submit our comments regarding the 2005 round of Base Realignment and Closure. Overall, we are pleased with the recommendations made by the Department of Defense as they regard the Detroit Arsenal and Selfridge ANG Base. We believe the enhancements planned for these installations are in line with the transformation of the U.S. military and reflect the effectiveness and efficiencies that Secretary Rumsfeld has indicated are national priorities for the future.

As the Army Garrison at Selfridge serves all branches of the military, including the Army, Air National Guard, Air Force, Navy, Marines, Coast Guard, and Border Patrol, it is our opinion that the decision to disband this perfect model of jointness would be regrettable. *Attachment A.* We respectfully wish to draw to your attention the fact that many active and retired members of the military – in addition to their families – could be left without a wide array of services if the Army Garrison at Selfridge were to close. *Att. B.*

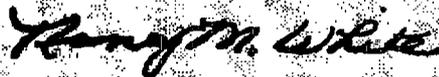
By our most conservative estimates, more than 14,000 individuals a year utilize these services, which include medical, prescription drugs, dental, child care, recreation and housing to name just a few. *Att. C.* With the current difficulties being experienced by all branches of the military meeting their recruitment goals in Michigan and around the country, it is our opinion that closing the Army Garrison and discontinuing these services would be an additional detriment to the military's recruiting and retaining efforts.

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Should you agree with the DoD that the site is not suitable as an Army Garrison, we suggest that the facility be realigned as an Air Force Garrison to ensure the continued availability of the many vital human services provided for thousands of military members throughout southeast Michigan. We present for your consideration another suggested use for that land developed by the Long Range Planning Committee of the Selfridge Base Community Council, an organization that has been studying base utilization issues for the past 15 years. *Att. D.*

In conclusion, we thank you for your time and consideration in this matter. We respectfully await your decision and urge you to contact me or Peggy Mazzara, President of the Macomb Foundation, at 586-751-3939 should you wish for more information on the Army Garrison and its role in the lives of thousands of enlisted, reserve and retired military personnel and their families in southeast Michigan.

Respectfully yours,



Nancy M. White
Chairperson
Macomb County Board of Commissioners

Enclosures

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*Attachment A***U.S Army Garrison-Michigan
Units/Organization Supported by USAG-M****SELFRIDGE**

- 127th Wing, Michigan Air National Guard (MIANG)
- 927th Air Refueling Wing (ARW), Air Force Reserve
- Marine Wing Support Group (MWSG) 47
- Naval Reserve Center (NARCEN) Detroit
- Coast Guard Air Station Detroit
- Border Patrol
- 75th Ordnance Company
- F/425th Infantry (Michigan Army National Guard)
- 337th Regiment (U.S. Army Reserves)

SEBILLE MANOR

- U.S. Army Garrison Housing (for All Services)
- U.S. Army Garrison Youth Center (for All Services)

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Attachment B**U.S. Army Garrison-Michigan
Installation Management Services (provided by USAG-M)**

- Public Works
- Child and Youth
- Recreation
- Community Activities
- *Business Operations (Golf, Bowling, Lodging, Dining, Catering)
- Religious Support
- Logistics Plans and Operations
- Supply and Services
- Transportation
- Police
- Force Protection
- Fire Protection & Prevention
- Safety
- Housing
- Information Management

*Funded by Non-Appropriated Resources

**U.S. Army Garrison-Michigan
Other Support and Services (provided by tenants hosted by USAG-M)**

- Medical Facility (U.S. Army Medical Department Activity, Ft. Knox)
 - Army Building
 - Coast Guard and Army Personnel (USAG-M ICW Ireland Army Hospital, Ft. Knox, KY)
 - 927th ARW (weekend only)
- Dental Services (U.S. Army Dental Activity, Ft. Knox)
 - Naval Equipment
 - MIANG Bldg (Army Provides Janitorial Support)
 - Staffing (2 Army Personnel, 1 Contract Dentist)
- Veterinary Services (U.S. Army Allegheny District Veterinary Command, PA)
 - MIANG Building (permitted to Army; Army provides all operating support)
 - Staffing (1 Army, 1 Contract Veterinary)
 - Food Inspection Services
- Commissary (Defense Commissary Agency)
- Army / Air Force Exchange Service (AAFES)
 - Post (Main) Exchange
 - Shoppette / Gas Station
 - Military Clothing

ORGANIZATION	ACTIVE	RESERVISTS	CIVILIAN	TOTAL
127th Wing	135	1231	646	2012
NAVRESCEN Detroit	32	904	1	937
927th Air Refueling Wing	5	759	243	1007
US Army Garrison	4	0	216	220
Co. F, 425th Infantry	3	173	0	176
US Army Health Clinic	5	0	10	15
Defense Commissary Agency	0	2	62	64
MWSG-47	23	30	0	53
Civil Air Patrol	0	3	1	4
TARDEC	0	0	2	2
2-337, 3rd BDG. 85th	13	82	1	96
DLAD/DMO	0	0	6	6
Army Aviation Support Facility 2	0	92	16	108
Border Patrol	0	0	20	20
Post Office	0	0	1	1
Starbase	0	0	8	8
Central Macomb Credit Union	0	0	5	5
AAFES	0	0	68	68
75th EOD	16	0	0	16
NMCB-26	6	120	0	126
US Coast Guard-Detroit	93	4	2	99
TOTALS	335	3400	1308	5043

ACTUAL UTILIZATION OF SELFRIERGE SERVICES FOR FISCAL YEAR 2003 - Chart B

	ACTGRD	ACTIVE	ACTRES	GUARD	ING	IRR	RESRET
A.F	703	149	88	2071	0	322	1295
ARMY	2800	541	874	5345	18	1209	2621
C.G.	0	1249	25	0	0	21	66
M.C.	0	279	317	0	0	176	125
NAVY	0	214	113	0	0	183	943
NOAA	0	0	0	0	0	0	0
P.H.	0	15	0	0	0	0	0
TOTAL	3503	2447	1417	7416	18	1911	5050

	RET	SELRES	STDBY	TOTAL
A.F	8033	948	309	13918
ARMY	9794	2407	13	25622
C.G.	986	178	2	2527
M.C.	1655	942	14	3508
NAVY	6673	1313	27	9466
NOAA	1	0	0	1
P.H.	28	0	0	43
TOTAL	27170	5788	365	55085

DEMOGRAPHIC REPORT FOR THE STATE OF MICHIGAN - Chart A

DOD STATISTICAL REPORT ON MILITARY RETIREES,
OFFICE OF THE ACTUARY - Chart C

DOD	Retirees	Survivors
Michigan	26,249	2,803
Ohio	41,903	4,860
Indiana	22,057	2,725
TOTALS	90,209	10,388

Individuals eligible to use services at Selfridge Army Garrison

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*Attachment D***Position Statement of the Long Range Planning
Committee for the Selfridge Base Community Council**

The position of the Long Range Planning Committee (LRPC) for the Selfridge Base Community Council (SBCC) after thoughtful and careful deliberation is to strongly recommend that the property now owned and occupied by the Department of the Army be deeded to the United States Air Force and the Air Force assume ownership of the property.

We believe this will preserve the property to enable the planning and enhancement of present and future military missions, including homeland security, for the various joint military occupants using the base.

The LRPC of the SBCC is strongly and unequivocally opposed to any commercial development of the property as we believe such to be an encroachment which would jeopardize both the security of the base and its future as an air base. We also believe the departure of missions supported by the reserve forces will hamper recruitment and training and in the long run is not good for America.

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LAW OFFICES OF
GLIME DAoust
PROFESSIONAL CORPORATION
25 NORTH MAIN STREET, SUITE 100
MOUNT CLEMENS, MICHIGAN 48043-5613

TELEPHONE (586) 469-5000
FACSIMILE (586) 469-3464

RAYMOND G. GLIME

June 17, 2005

2005 Defense Base Realignment and Closure Commission
2521 South Clark Street, Suite 600
Arlington, Virginia 22202

Re: Selfridge Air National Guard Base, Michigan

Dear Commissioners:

Thank you for the opportunity to submit this letter as part of the official record at your June 20, 2005 regional hearing in St. Louis, Missouri. We would also like to express our appreciation to Senator Carl Levin for his assistance in setting up this opportunity to make our views known.

The Selfridge Air National Guard Base Community Council's Long Range Planning Committee, a group of supportive local citizens focused on ensuring a positive future for the base, after careful consideration has decided not to oppose the 2005 BRAC decision to close the Army Garrison at Selfridge. While not endorsing this action, we are concerned that no action be taken which would diminish the value of Selfridge, its inherent jointness, its strategic homeland/international border location, and its formidable political/community support.

Our Committee strongly recommends that upon closure of the Army Garrison, all of the attendant Army property be transferred to the Department of the Air Force as a means to guarantee that such property is used in a manner consistent with the important missions of Selfridge's myriad military/governmental units and any future military/governmental activities at Selfridge, including those related to homeland defense. Since Selfridge has been and is projected to remain a very active air base, it is imperative that the property to be vacated by the Army Garrison not be subject to commercial development as this would risk encroachment and a degradation of perimeter security.

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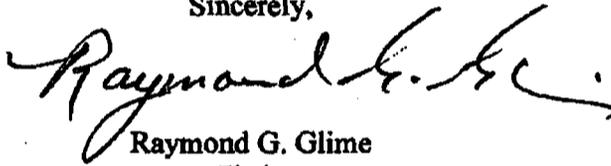
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Because of our close relationship to the joint military community at Selfridge and our understanding of the role the Air National Guard and the Air Force Reserves fulfills in our national defense, we are concerned with the treatment of Guard and Reserve forces in the BRAC round and the impact these decisions will have on future training, recruitment and operations.

In the event a member of your Commission visits Selfridge ANGB, we would welcome the opportunity to meet you personally and reinforce Team Selfridge's contribution to national defense.

Your consideration of our Committee's position is appreciated.

Sincerely,



Raymond G. Glime
Chair,
Long Range Planning Committee
Selfridge Air National Guard Base Community Council

cc: Governor Jennifer Granholm
Senator Carl Levin
Senator Debbie Stabenow
Congresswoman Candice Miller
Chair Nancy White, Macomb County Commission
Peggy Mazzara