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OFFICIAL TRANSCRIPT  
PROCEEDINGS BEFORE

DEFENSE SECRETARY'S COMMISSION ON  
BASE REALIGNMENT AND CLOSURE

BUSINESS MEETING

~~NATIONAL SECURITY INFORMATION~~  
~~Unauthorized Disclosure~~  
~~Subject to Criminal Sanctions~~

Washington, D. C.

November 29, 1983

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BUSINESS MEETING

DEFENSE SECRETARY'S COMMISSION

ON

BASE REALIGNMENT AND CLOSURE

8:34 a.m.

Tuesday, November 29, 1988

Room 310

1825 K Street, N.W.,

Washington, D. C.

MEMBERS PRESENT:

HON. JACK EDWARDS, Co-Chairman

HON. ABRAHAM A. RIBICOFF, Co-Chairman

LOUIS CABOT

HON. W. GRAHAM CLAYTOR, JR.

DONALD F. CRAIB, JR.

HON. MARTIN R. HOFFMANN

GENERAL BRYCE POE, II, USAF (Ret.)

GENERAL DONN A. STARRY, USA (Ret.)

HON. THOMAS EAGLETON

DR. JAMES SMITH

HON. RUSSELL TRAIN

ALSO PRESENT:

HAYDEN BRYAN, Executive Director

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DOUGLAS HANSEN, Research Director

RUSSEL MILNES, Counsel

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

1  
2 CHAIRMAN RIBICOFF: The Commission will come  
3 to order.

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

8 Graham, go right ahead.

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

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

17 MR. CLAYTOR: Yes.

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

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

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

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1 this stage of the game, before our final decision, that  
2 Everett ought to go.

3 Hunter's Point we already discussed yesterday,  
4 at San Francisco. That is also a large ship base, and  
5 nothing, not even a contract, is let on that.

6 Then you get around to the Gulf.

7 MR. TRAIN: Well, Hunter's, we have recommended,  
8 then, that that go?

9 MR. CLAYTOR: Yes, that that go.

10 When you get around to the Gulf, there are a  
11 number of small places that are going to be homes for  
12 small ships -- destroyers, frigates, and what-not. I would  
13 let those alone.

14 The important ones are these big ships. When  
15 you put a 5,000 man ship in a new place, you have to have  
16 all kinds of support facilities built ashore, including  
17 a lot of family housing. That is the big problem.

18 When you have smaller ships, it is a vastly  
19 smaller operation, and I think the Navy is going to have  
20 to allocate its small ships around the country, particularly  
21 to the extent for allowing Reserve components from Reserve  
22 areas for the manning.

23 So, when you look at the Gulf, there are two  
24 large ship home ports there. There is Ingleside, which is  
25 in Texas, below Galveston, for a battleship, [REDACTED]

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

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

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

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

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

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

4 CHAIRMAN RIBICOFF: Any further comment?

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

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

13 CHAIRMAN RIBICOFF: Do you have any comment,  
14 Doug?

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

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

1 MR. CLAYTOR: Well, yes and no.

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

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

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

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

20 MR. CLAYTOR: That's right.

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



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

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

8 MR. CLAYTOR: Yes.

9 MR. HANSEN: All right.

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

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

13 MR. BRYAN: May I ask one other question?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 That would be my feeling.

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

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

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

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

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

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1 MR. HANSEN: Well, we wouldn't have it today.  
2 Let's put it that way, sir.

3 CHAIRMAN EDWARDS: Not before long?

4 [General laughter]

5 CHAIRMAN RIBICOFF: We can move on the concept.

6 Is there any objection to the concept, as suggested  
7 by Mr. Claytor?

8 [No response]

9 CHAIRMAN RIBICOFF: It is so voted.

10 MR. HANSEN: If I could take a few minutes maybe  
11 to recap yesterday in other areas, I want to make sure  
12 we are clear on what we all agreed to do, or on what we  
13 agreed the staff would do.

14 With Brunswick, the moving of Brunswick Naval  
15 Air Station to Loring, we would run that through the cost  
16 model to see whether it would pay back. We are looking  
17 at the recruiting depots, again, under the concept of  
18 Orlando as a recruit depot only and Great Lakes as an  
19 A School only, with San Diego being able to close.

20 SENATOR EAGLETON: Excuse me, but what did you  
21 say about San Diego?

22 MR. HANSEN: It would close.

23 We have already discussed the strategic homeports.  
24 We were hoping to get information today on the whole  
25 package, but I think we have just come off that position.

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1 Then we are going to do a broad analysis, maybe  
2 not including payback, just sort of a mission analysis of  
3 whether you could put [REDACTED] into  
4 [REDACTED]

5 Under the Air Force, then, that would be the only  
6 action that they were involved in.

7 Then, in Task Force 6, summing up for Russ,  
8 he is meeting, as we speak, with the principal lab people  
9 from the Army, Navy and Air Force in trying to come up with  
10 something. We are going to run [REDACTED]  
11 through the cost model.

12 I might say that in one thing yesterday that we  
13 did out of order, we discussed Fitzsimmons before we  
14 discussed Letterman. We'll do Letterman today as part of the  
15 Presidio. They really are tied together when it comes  
16 to this graduate medical education. So we probably got  
17 a little out of order, but we could fix it since we are  
18 still discussing [REDACTED] and no decision has been made.

19 That was all I had on the matters from yesterday.

20 CHAIRMAN RIBICOFF: I think, Senator Eagleton,  
21 something was said in looking at Letterman. Shouldn't he  
22 also look at the whole Presidio when he is there?

23 MR. HANSEN: Oh, for sure. They are right next  
24 to each other, sir.

25 CHAIRMAN RIBICOFF: They are practically part of

1 one another.

2 MR. HANSEN: Yes. They are contiguous.

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

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

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

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

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

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

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

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

4 SENATOR EAGLETON: All or nothing.

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

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

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

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

16 SENATOR EAGLETON: Do you have a book on that?

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

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

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

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

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

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

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

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

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

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



1 GENERAL STARRY: 'But the Leader did.

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

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

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

19 MR. CLAYTOR: That's right.

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

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

25 CHAIRMAN EDWARDS: Because the Army is now full,

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

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

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

11 [General laughter]

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

14 MR. CLAYTOR: That's my impression.

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

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

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

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1 Secretary Claytor -- I mean, Senator Goldwater was  
2 supporting Secretary Claytor and Senator Tower was against  
3 supporting the Navy.

4 I am just not sure what has occurred since  
5 then that would mean it is still not feasible.

6 Whiting Field was always, always had plenty of  
7 runways down there and plenty of old hangars.

8 MR. CLAYTOR: Well, it was big enough. It just  
9 didn't have up to date equipment.

10 DR. SMITH: The argument always was that you  
11 gained by consolidation. I don't know what's happened at  
12 Rucker that we make Rucker more crowded now than it was  
13 ten years ago. So it might still be something worth  
14 taking a look at.

15 CHAIRMAN EDWARDS: I think they are actually  
16 acquiring more land right now at Rucker. I don't know  
17 exactly why. But I fly over Rucker at least once a month  
18 on business, and that's what I've been told.

19 COLONEL YANKOUPE: Part of the concept of training  
20 there, sir, is what they have done at Rucker is gone  
21 out and created a number of what are called stage fields.  
22 You are dealing with rotary wing aircraft and their  
23 approach to takeoff really becomes confined in a particular  
24 area. They go out to these remote fields, satellites,  
25 really, and they are set up to do landings and takeoffs and

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

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

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

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

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

21 CHAIRMAN EDWARDS: Yes, totally.

22 MR. HOFFMANN: I'm not surprised.

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

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

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

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

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

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

19 The Subcommittee is Smith, Poe, and me.

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

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

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

All right.

I would like to begin with the Army.

1 COMMISSION DELIBERATIONS: ARMY

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

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

9 [A series of slides was shown]

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

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

19 We have not closed any school posts to date.  
20 We have closed some depots, which helps us get t the  
21 \$155 million in depots. The idea was that the saving  
22 that one can achieve in base operating support through  
23 consolidation in the Army is no quite as high as maybe  
24 in other services.]

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

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

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

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

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



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

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

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

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

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

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

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

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

5 DR. SMITH: Is this then the annual saving?

6 MR. HANSEN: This is the annual saving.

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

9 MR. HANSEN: Yes.

10 CHAIRMAN EDWARDS: Does it include those four?

11 COLONEL YANKOUPE: No, sir, it does not.

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

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

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

22 MR. HANSEN: Three.

23 COLONEL YANKOUPE: There are three right now.

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

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1 CHAIRMAN EDWARDS: At Presidio? -----

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

4 For instance, we have closed three. The average  
5 is right about right -- \$74 million, \$13 million, and  
6 \$0.3 million.

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

10 CHAIRMAN EDWARDS: Okay.

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

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

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

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

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

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

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1 65,000 Army National Guard and Reserve personnel. It  
2 mobilizes 298 Reserve units and almost 11,000 personnel.  
3 It's a training center for intel and electronic warfare  
4 personnel. It's actually a regional training center for  
5 Reserve general hospital units, and, of course, being the  
6 only Army post in that region, it provides PX, commissary,  
7 et cetera, services.

8 We were asked to look at a couple of possibilities.

9 [REDACTED]

10 There were two things that we found out.

11 One is that you can't fire artillery at [REDACTED]

12 [REDACTED] which is a problem,  
13 then, [REDACTED] because then they  
14 would not have any place to fire artillery, except going  
15 all the way to [REDACTED]

16 The second is that a recent referendum in

17 [REDACTED] -- well, this last election -- established  
18 a non-binding moratorium on development on all of [REDACTED]

19 [REDACTED] sits at the beginning of the [REDACTED]

20 [REDACTED] Therefore, the likelihood of being able  
21 to develop this land was slim.

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

25 MR. HOFFMANN: Up from Devens?

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

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

7 The four options are: [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]

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

17 [REDACTED]  
18 There is also a special operations unit there  
19 and an engineer battalion. All of the close options  
20 obviously have that moving out.

21 We can show you the diagrams for where everything  
22 goes.

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

1 if you would, with some other command, into there to  
2 "mitigate" the outcome. That one does not pay back.

3 So, the key then to this whole exercise breaks  
4 down not so much to payback, because the other three  
5 options all pay back, but it breaks down into the regional  
6 presence of Fort Devens as being the only one in New  
7 England, and can we afford to give it up? That's what it  
8 boils down to.

9 CHAIRMAN EDWARDS: I want to be clear on the last  
10 item up there.

11 If we agree that Fort Devens, for whatever reason,  
12 just ought not to be shut down in New England, then I guess  
13 the real question is can you load it up with other things  
14 and maybe save something somewhere else. You show the  
15 ISC to Fort Devens. Are there other things?

16 MR. HANSEN: That realignment is not only the  
17 ISC to Fort Devens; it's actually the intel school out  
18 to Huachuca, backfilling with the ISC.

19 CHAIRMAN RIBICOFF: Where is Huachuca?

20 MR. HANSEN: Huachuca is in Arizona.

21 MR. CABOT: What is ISC?

22 MR. HANSEN: Information Systems Command, sir.

23 CHAIRMAN RIBICOFF: How many people would be  
24 involved in Arizona?

25 MR. HANSEN: You'd actually transfer more in

1 than you would transfer out.

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

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

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

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

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

1 sir.

2 CHAIRMAN RIBICOFF: All right.

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

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

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

12 CHAIRMAN EDWARDS: Okay. You have advocated.

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

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

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

25 MR. HANSEN: Oh, no, sir.



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

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

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

6 MR. HANSEN: Other than the intel school?

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

9 GENERAL STARRY: A communications command  
10 headquarters.

11 COLONEL YANKOUPE: Yes, a communications command.

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

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

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

23 CHAIRMAN EDWARDS: The intel.

24 MR. HANSEN: Just to point out, though, the  
25 other three options -- ~~TOP SECRET~~

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[REDACTED]  
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[REDACTED]

CHAIRMAN EDWARDS: I just don't think we really have that option. I'm impressed with the fact that it's the only facility up there, and if the Commission agrees with my view -- and I'm not trying to sell anybody on it -- then it seems like we ought to make the best effort to fill it up for the proper use and move on.

MR. CRAIB: It has a role to play in mobilization, too, doesn't it?

MR. HANSEN: Yes.

MR. CRAIB: In fact, a very important role.

MR. HANSEN: [REDACTED]

[REDACTED] if we keep it open, the best we can get is one of those. [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
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MR. CABOT: [REDACTED]

[REDACTED]

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at Devens instead of at Edwards?

COLONEL YANKOUPE: [REDACTED]

[REDACTED]

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

COLONEL YANKOUPE: The Guard?

MR. CABOT: Yes.

COLONEL YANKOUPE: Yes, sir.

[REDACTED]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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1 COLONEL YANKOUPE: We are talking I think about  
2 1,700. So it is about a wash with the transition of people  
3 coming out to go to Huachuca. I think it transfers out,  
4 Huachuca transfers out 1,600.

5 DR. SMITH: Does your last option there include  
6 giving the training area to the Guard? I mean, you are out  
7 of the training business. What happens to the Tenth special  
8 forces? Do you leave them at Devens?

9 MR. HANSEN: Yes, sir.

10 DR. SMITH: Do they train much at Devens anyhow?  
11 Don't they train much elsewhere?

12 COLONEL YANKOUPE: They train, obviously some  
13 locally there, but they are highly deployed because of  
14 their mission to Europe. They go all over Europe, and, of  
15 course, they train a lot in Canada, they train at Drum,  
16 and you are quite right, it's pretty dispersed training.

17 DR. SMITH: Under this last option, don't you  
18 generally become a headquarters kind of facility with the  
19 only operation in winter being the Tenth Special Forces  
20 Group?

21 COLONEL YANKOUPE: And the Thirty-ninth Engineering  
22 Battalion.

23 DR. SMITH: Couldn't you then turn the training  
24 area over to the Guard and keep your post complex as the  
25 active fort and get some cost savings out of that?

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

DR. SMITH: [REDACTED]

[REDACTED]

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

[REDACTED]

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

MR. HANSEN: Oh, it changes quite a bit. [REDACTED]

[REDACTED]

then it pays back in four years, and all of the units move out.

[REDACTED]

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1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]

8 The key is if they would not take it for whatever  
9 reason, then the training area is lost. So it's like a game  
10 of bluff, if you will.

11 CHAIRMAN RIBICOFF: How can we get Massachusetts  
12 to do this in the short period of time that we have?

13 MR. HANSEN: You can't.

14 CHAIRMAN RIBICOFF: It can't be a done deal.

15 MR. HANSEN: It can't be a done deal, no.

16 COLONEL YANKOUPE: The way that would work is  
17 through the hierarchy of the property disposal process.  
18 At some point of time, it would be offered to the State.

19 CHAIRMAN RIBICOFF: Well, I mean, you would  
20 probably have to leave Devens alone and say something in  
21 your report to encourage the Massachusetts National Guard  
22 to try to work something out there without closing up  
23 Devens.

24 MR. HANSEN: Well, it's a prediction. But I  
25 think, it seems to me, that in order to achieve \$43 million



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

4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]

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

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

15 COLONEL YANKOUPE: Yes, we do.

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

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

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1 base entirely.

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

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

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

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

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

21 COLONEL YANKOUPE: The Information Systems  
22 Command?

23 CHAIRMAN RIBICOFF: Yes.

24 COLONEL YANKOUPE: Well, we tried that last year.

25 CHAIRMAN RIBICOFF: I know. But now you have

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

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

4 CHAIRMAN RIBICOFF: It's a done deal.

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

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

13 DR. SMITH: Is there not a brand new facility  
14 built for Information Systems Command at Fort Belvoir, for  
15 \$50 million or something like that, in the recent past?

16 COLONEL YANKOUPE: No, sir.

17 There is one program.<sup>ed</sup> It is part of the Belvoir  
18 plan for development.

19 CHAIRMAN RIBICOFF: But it has not been  
20 developed?

21 COLONEL YANKOUPE: Not yet.

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

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

5 GENERAL STARRY: The backfill.

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

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

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

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

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

23 I just wish that we could come up with an option  
24 that would let us do that.  
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1 CHAIRMAN EDWARDS: The ISC option, while  
2 it moves stuff from three facilities, really doesn't close  
3 anything. Does it open up any other space for other  
4 closures?

5 MR. HANSEN: No, sir.

6 The main reason is it is a swap of roughly  
7 3,000 people from Huachuca and we go like this (indicating)  
8 from Devens to Huachuca and back up.

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

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

15 MR. HANSEN: Yes, sir.

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

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

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

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

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

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

9 CHAIRMAN EDWARDS: But it leaves us with about  
10 2,000 or so spaces, if you will, at Fort Devens that we  
11 can use as we look at other facilities, doesn't it?

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

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

17 MR. HANSEN: Yes.

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

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

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

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1 it was killed in the Appropriations-Authorization Bill.

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

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

10 CHAIRMAN EDWARDS: How about [REDACTED] and  
11 Belvoir?

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

14 CHAIRMAN EDWARDS: Yes.

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

18 So, you'd have construction involved there.

19 CHAIRMAN EDWARDS: Now, Doug, you see, we're  
20 sitting here trying to dream up things, and you guys are  
21 the ones who know all the facilities out there. For  
22 God's sake, is there nothing out there that has about  
23 2,000 or 3,000 people in it, in the whole Army, that  
24 you couldn't move into a Devens or a Fort Belvoir and  
25 close something?

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

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

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

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

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

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

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

  
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1 MR. HANSEN: Plus \$950 million in cleanup.

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

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

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

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

13 COLONEL YANKOUPE: Are you talking about  
14 Monroe, sir?

15 CHAIRMAN RIBICOFF: Anything.

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

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

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1 know. We would assume that you know or know where to  
2 find them.

3 I would say that that is a charter that we  
4 are giving you now.

5 COLONEL YANKOUPÉ: Sir, part of the problem in  
6 looking at that is you want to create a better situation  
7 all the way around. That ought to be one of our bottom  
8 lines.

9 CHAIRMAN RIBICOFF: Yes.

10 COLONEL YANKOUPÉ: I understand the idea of the  
11 backfill thing.

12 MR. CLAYTOR: Maybe not, now. If you're no worse, if  
13 you can save money, you can still do it.

14 MR. HOFFMANN: Well, even if you are a little  
15 worse, I get back to the question of what is the objective  
16 here.

17 You know, we are rapidly concluding that,  
18 notwithstanding the Grace Commission and all of this, there  
19 are no birds on the ground out there, that there are  
20 very few birds just sitting on the ground. This means  
21 that you are going to have to induce some discomfort in  
22 order to get savings. The question is do you want to do  
23 that.

24 Now, we have shied away from that, it seems  
25 to me.

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

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

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

16 MR. HOFFMANN: NSA is there, I think.

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

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

1 of that is directly needed.

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

4 But there are thousands of acres at Fort Meade.

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

9 MR. CRAIB: Outside of Baltimore?

10 DR. SMITH: Yes, outside of Baltimore.

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

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

15 MR. CLAYTOR: It is, indeed.

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

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

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

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

22 CHAIRMAN EDWARDS: Holy cow.

23 DR. SMITH: How many people?

24 MR. HANSEN: There are [REDACTED]

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

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

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

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

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

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

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

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

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

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

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

CHAIRMAN RIBICOFF: Is there someone that can

[REDACTED]

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

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

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

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

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

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

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

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

25 Now, we know on the other installations that

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1 we looked at, for example, we know what pays for  
2 itself and what payback is.

3 Now, if we want to trade off on some of that,  
4 what I am saying is I think what you are saying is we  
5 need to think that one again.

6 MR. HANSEN: Sir, what has actually happened  
7 to us is we have taken it down one scale. We have  
8 been looking at whole bases and then, when we got  
9 stuck in the mess with Devens, the first time we went  
10 into parts of bases.

11 CHAIRMAN RIBICOFF: Well, there is nothing  
12 wrong with that.

13 MR. HANSEN: No, there is nothing wrong with it.  
14 It's just that it's a new dimension for us and we  
15 don't have all the numbers we would have to have in  
16 order to do those kinds of calculations.

17 MR. CLAYTOR: It seems to me the big issue  
18 here is what is there at Meade, apart from the NSC,  
19 and what could <sup>we</sup> se do with it.

20 Now, the NSC is just as separate as anything  
21 could be. As he says, there is a double fence around  
22 it. Nobody can get in unless you have all kinds  
23 of names, special named clearances and everything else.  
24 That can stay there. But there is a hell of a lot of  
25 Fort Meade land.

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I spent six weeks there back in 1939-1940.

You could get lost in the place.

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

MR. CLAYTOR: That's right.

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

MR. HANSEN: Yes.

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[REDACTED]

MR. CLAYTOR: All right, then.

CHAIRMAN RIBICOFF: They don't need that land.

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

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

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

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

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

Obviously, NSA doesn't use the land outside of

[REDACTED]



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

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

6 CHAIRMAN RIBICOFF: It's 13,000 acres.

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

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


16 MR. CLAYTOR: I agree.

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

19 COLONEL YANKOUPE: There are bits and pieces.

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

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

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

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

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

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

7 So you end up with Devens as a total plus of  
8 1,000 or something like that, and it becomes a headquarters.

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

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

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

18 MR. CLAYTOR: Oh, it has ranges.

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

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

24 Does Meade have an impact area, Fort Meade?

25 DR. SMITH: [Nods affirmatively]

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1 MR. HANSEN: The Army has told us that Meade  
2 does have a significant mobilization mission and it's  
3 an annual training and weekend training site for the  
4 Reserve.

5 So that has to be put into the equation.

6 MR. HOFFMANN: I went there for years with  
7 my green beret, driving up in my convertible. That was  
8 the way to live.

9 [General laughter]

10 MR. HOFFMANN: I mean, these era pass by.  
11 Don Starry has more color that he hasn't told us that you  
12 can imagine. But he is willing to put that aside and  
13 move into the future.

14 SENATOR EAGLETON: I think I hear Chairman  
15 Ribicoff saying -- and correct me, Abe, if I am wrong -- that  
16 we would like you to study as promptly as possible moving  
17 the First Army Headquarters from Meade -- is somebody  
18 taking notes -- from Meade to Devens, leaving NSA, of course,  
19 behind its double fences, making the offsetting transfers  
20 that you mentioned, between Huachuca and Devens, and  
21 seeing how much land of that 13,000 acres that is sitting  
22 there, probably half of a county, someone said, and see  
23 if we can't sell about 10,000 acres, or 9,000, and  
24 that's worth another half billion dollars.

25 CHAIRMAN RIBICOFF: That's probably more than

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

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

5 CHAIRMAN RIBICOFF: Yes.

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

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

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

17 MR. HANSEN: We can try.

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

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

24 MR. HANSEN: Yes, we will.

25 CHAIRMAN RIBICOFF: Then why don't we pass it

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1 for the present and go to the next item.

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

4 MR. BRYAN: Yes, I will.

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

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

12 So we will just do them in order.

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

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

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

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

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1 equipment, and you might want to consider whether or not  
2 that investment is worth replicating.

3 These installations, as we have talked about  
4 before, are the history of the Army.

5 The attack on Fort Douglas as a stagecoach  
6 protecting fort means that it also is part of the history  
7 of the Army. Fort Monroe has a moat, but there is the  
8 same thing. And the Army cares about its history.

9 Support for nearby activities -- again, that is  
10 the regional idea. If you are the only thing there, you  
11 collect everything that is regional around you.

12 Again, with regard to Devens, it came up, the  
13 location in relation to centers of expertise, if that is  
14 important, and so forth and so on. Also recruiting  
15 and Reserve support.

16 The Army feels very strongly that in order to  
17 properly recruit in a region, they need to be in that  
18 region, that it can't be done from a fly-in type operation  
19 or on a part-time basis.

20 Classified facilities are sometimes hard to move,  
21 like NSA. And the regional Army commands also have a  
22 civil defense and national emergency missions, which are  
23 also regional.

24 Those, therefore, are the kinds of considerations  
25 that we have with regard to headquarters installations.

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

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

15 What I would like to do, then, is go to the  
16 first installation, which is ~~SECRET~~

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

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

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

3 MR. HANSEN: Yes, sir.

4 [REDACTED] is next.

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

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

16 Again, the warehouses that AAFES have are  
17 2 million-plus square feet.

18 CHAIRMAN RIBICOFF: Please tell me where this  
19 is located.

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

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

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

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

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

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

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

25 I don't think it really would be feasible

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

4 MR. HANSEN: Okay.

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

8 Is there some list of facilities for the  
9 \$500 million -- the \$439.5 million is what I am referring  
10 to.

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

13 MR. HANSEN: Warehouses.

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

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

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

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

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

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1 MR. HANSEN: The 2.5 million square feet of  
2 warehouses -- why just for AAFES alone they almost have  
3 400,000 square feet of admin space.

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

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

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

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

15 DR. TRAIN: Is the Army shipping it there?

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

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

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

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

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

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

10           MR. CRAIB: Are we going to review [REDACTED]

11 [REDACTED] separately?

12           MR. HANSEN: Yes.

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

18           MR. CLAYTOR: I think that's right.

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

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

25           MR. CLAYTOR: That's right.

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

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

5 [REDACTED] is the operational headquarters  
6 for the [REDACTED]

7 [REDACTED]  
8 [REDACTED]  
9 Again, it is well located for the Third Army mission,  
10 primarily because of the transportation hub in the region,  
11 et cetera.

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

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

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

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

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1 beautifully done, and particularly suited for [REDACTED]  
2 headquarters.

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

6 It clearly could be used as an office building.

7 MR. HANSEN: [REDACTED] is considerably  
8 smaller than [REDACTED]

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

18 MR. CRAIB: It seems redundant to have [REDACTED]

19 [REDACTED]  
20 It would seem that there should be some potential to combine  
21 those, particularly when you have an extremely high value,  
22 as at [REDACTED] and something that could be converted to  
23 civilian use in a downtown area, and plenty of room out  
24 at [REDACTED]

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

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1 was using the raw land price, and what we would have to  
2 figure out, if we could, is whether it was usable as an  
3 office. Of course, there is housing there, and all of the  
4 usual things that go with a major post.

5 We would have to take another look at that.

6 MR. CLAYTOR: There are a number of historic brick  
7 buildings that were built in the 1890s that are on the  
8 National Historic Register, that you would probably have to  
9 keep, and it has great tradition. They are very beautiful  
10 buildings.

11 On the other hand, most of the troop housing --  
12 I think they only have housing in those buildings for a  
13 couple of hundred people, barracks spaces. The old barracks  
14 are being torn down. There are old World War II barracks  
15 being torn down. They are going to make a parking lot out  
16 of it.

17 A significant part of the relatively small  
18 area is now a golf course.

19 MR. CABOT: I have not been there, so I really  
20 don't know the picture too much. But what I think I hear  
21 is that they have two bases in the same urban area, and  
22 you guys aren't even thinking about whether you can put  
23 them together.

24 Why haven't you done an analysis to that effect?

25 MR. CLAYTOR: You could clearly put everything

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1 into [REDACTED] except for the fact that you are sacrificing,  
2 I think it is a \$50 million building, that has just been  
3 put up.

4 Had we had this opportunity seven years ago, I  
5 don't think there would have been any question that you  
6 would have put everything in [REDACTED]

7 CHAIRMAN RIBICOFF: Outside that building, how  
8 much land is there in [REDACTED]

9 MR. HANSEN: Sir, let me correct a misimpression.  
10 I will try to answer your question, of course.

11 Unless there was a special case, all of these were  
12 run on the assumption that we would move it to land the  
13 government already owns.

14 Now, it was Base X, and because of the time  
15 involved, we don't have a detailed plan of who is moving where  
16 and we don't have any of these migration diagrams.

17 But, correct me if I am wrong, they were all done  
18 on the assumption that we would move to Base X. The government  
19 already owns this property. So the land purchase costs are  
20 not in here unless it is special.

21 Did the FEMA costs get put in there? FEMA,  
22 having to be in that region, when you close [REDACTED]  
23 we said we'd either have to fence that off or buy new  
24 property for them. But that's only 40 acres. So that is  
25 not a driver in this at all.


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1 MR. HOFFMANN: What is FEMA doing in there?


2 MR. CLAYTOR: They have storage in there for about  
3 300 house trailers that they use for emergency evacuation.  
4 It's a pure storage area.

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

8 MR. TRAIN: What is the land value with   
9  Why is it 103  
10 acres and only \$7 million?

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

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

15 MR. RIBICOFF: Is it 500 acres in the   
16 area?

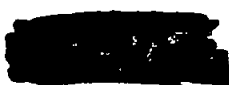
17 MR. CLAYTOR: Yes.

18 I don't see how in the world you could get  
19 \$7.5 million for that. I would think it is more like  
20 \$100 million worth of land, at least.

21 MR. HANSEN: We will also recheck that.

22 MR. CRAIB: Plus the value of the improvements.

23 MR. CLAYTOR: And if you have the office building  
24 used civilian-wise, I think they told me they spent  
25 \$40 million on that building.

  
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1 CHAIRMAN RIBICOFF: Is it a modern building?

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

3 CHAIRMAN RIBICOFF: Is it an office building?

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

5 essentially. Yes.

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

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

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

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

16 MR. CLAYTOR: Yes.

17 MR. HANSEN: We will check that.

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

21 MR. HANSEN: The actual office building?

22 CHAIRMAN RIBICOFF: Yes.

23 MR. CLAYTOR: That's right.

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

25 CHAIRMAN RIBICOFF: They can use it for its

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

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

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

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

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

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

15 CHAIRMAN RIBICOFF: They can keep that.

16 MR. CLAYTOR: And there are barracks for 200 or  
17 300 men, I think they told me, in the old buildings.

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

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

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

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

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

Let's move backwards to [REDACTED]

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

MR. HANSEN: [REDACTED]

[REDACTED]

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

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

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

CHAIRMAN EDWARDS: It is not really a candidate,

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1 is it?

2 MR. HANSEN: Well, it will pay back.

3 CHAIRMAN EDWARDS: If you do what with it?

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

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

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

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

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

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

25 But we can put it up.

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

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

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

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

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

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

15 SENATOR EAGLETON: It has no money in it?

16 MR. HANSEN: No money.

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

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

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

25 MR. HOFFMANN: Well, that's fine.

[REDACTED] UNCLASSIFIED 9

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

4 This is even worse than Devens is.

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

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

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

9 GENERAL STARRY: Are you talking about [REDACTED]  
10 [REDACTED]

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

13 MR. HANSEN: You are not thinking of [REDACTED]  
14 [REDACTED]

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

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

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

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

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

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

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

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

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

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

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

17 DR. SMITH: How many people are at Hamilton?

18 MR. HANSEN: A thousand people.

19 DR. SMITH: What do they do?

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

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

25 COLONEL YANKOUPE: They handle, for DOD, all of

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

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

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

11 DR. SMITH: There are 439 housing units?

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

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

17 MR. HANSEN: If we run this through the model, I  
18 can tell you right now that this would not have a positive  
19 20 year payback.

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

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

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

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1 know where things are going because the model is detailed  
2 enough to know where everything goes.

3 MR. CABOT: Who decreed that the Army has to do  
4 that travel agency function for the whole [REDACTED]

5 COLONEL YANKOUPE: Well, I am sure that DOD did  
6 because it had, at that time, the biggest piece of the  
7 action in [REDACTED] It had the capability to do it because  
8 it was positioned primarily on [REDACTED] with access to  
9 [REDACTED] as well as [REDACTED] That is where most of the  
10 transportation stuff would be going in and out of.

11 GENERAL STARRY: The Army is the executive agent.  
12 The Deputy Chief of Staff of Operations for the Army is the  
13 senior military representative to the [REDACTED] for  
14 the United States. That's why DOD.

15 MR. HANSEN: If it weren't the Army, it would  
16 be the Air Force or the Navy. It just happened to be the  
17 Army that was there. Somebody has to do it. It's that  
18 kind of thing.

19 You won't find a Navy protocol to the [REDACTED]  
20 [REDACTED] or an Air Force protocol. It's only one.

21 COLONEL YANKOUPE: So I am sure that mission, as  
22 far as the installation is concerned, is derivative from  
23 what General Starry has just mentioned.

24 DR. SMITH: Do you have a map of [REDACTED]

25 COLONEL YANKOUPE: Yes.

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1 MR. HOFFMANN: [REDACTED]

2 [REDACTED]

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

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

9 COLONEL YANKOUPE: This (indicating) is the

10 [REDACTED] Bridge.

11 [REDACTED] is on the other end of it.

12 This (indicating) is housing. This (indicating)  
13 is also housing. A [REDACTED] headquarters is in these buildings  
14 here (indicating). I think these are Reserve buildings,  
15 as I recall (indicating), and these (indicating) are  
16 high rise buildings, as well. Housing and offices  
17 are in here (indicating).

18 CHAIRMAN EDWARDS: Anybody have a comment?

19 [No response]

20 CHAIRMAN EDWARDS: Press on.

21 MR. HANSEN: Fort Meade has already been  
22 discussed.

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

25 MR. HANSEN: Fort Meade?

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CHAIRMAN RIBICOFF: Yes.

MR. HANSEN: Yes, sir.

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

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

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

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

NSA is at number one, isn't it?

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

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

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

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

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

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

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

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

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

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

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

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

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

23           MR. HANSEN: Okay.  
24  
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1 of the Army whose mission is CONUS-wide, as far as  
2 installations, plus, of course, the doctrinal part of it.

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

7 The problem with the environmental cleanup is,  
8 as you well know, [REDACTED]

9 [REDACTED] When they had bad ammunition  
10 back in the old days, they used to just bury it. It is just  
11 loaded with buried ammunition.

12 MR. TRAIN: They dumped them in the [REDACTED] around  
13 the fort.

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

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

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

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

25 CHAIRMAN RIBICOFF: How long does that stuff

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1 stay live?

2 MR. HANSEN: It is considered to be live until you  
3 get it out of there.

4 GENERAL STARRY: Let me tell you a little story.  
5 When we last went through this exercise, I had the [REDACTED]  
6 [REDACTED] and we got several hundred rounds of ordnance out  
7 of it, Civil War vintage ordnance, cannon balls. The  
8 work was done by an underwater, a Navy underwater demolition  
9 team.

10 The kids were over there with a big long probe  
11 prying this black powder out of this cannonball. I was  
12 watching this operation and asked what are you doing that  
13 for, because, obviously, you know, it's dead, it's inert.

14 The petty officer who was doing this said, "Let  
15 me show you something, General." Then he takes this tray  
16 of stuff that they had pried out of yesterday's cannonball,  
17 which had been drying in the sun. He stands back and throws  
18 a match in it and it goes up like that (indicating). He  
19 said that that stuff is more volatile today, more explosive  
20 today than it was when it was built a hundred-some odd years  
21 ago.

22 The problem is that it's all over the place.  
23 We ran the metal detectors all over the place and put a little  
24 orange flag down every place we found a piece of metal  
25 in the ground, and it looked like we had grown orange flags

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1 all over the place. It was a supply depot in the Civil War.  
2 It supported the attack on [REDACTED] and  
3 when the war was over, or when the battle was over, obviously,  
4 the general said to the colonel who said to the captain,  
5 let's get rid of all that stuff. And he captain said to the  
6 sergeant, get rid of that stuff. And the sergeant buried it,  
7 as sergeants always do. And there <sup>it</sup> stays to this day.

8 CHAIRMAN EDWARDS: Is it considered a hazardous  
9 duty post?

10 [General laughter]

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

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

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

20 MR. HANSEN: By deeds.

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

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

25 The last point is that it is probably the most



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1 historically significant post in the Army.

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

7 [General laughter]

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

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

11 MR. HANSEN: That's correct, sir.

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

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

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

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

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

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

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

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

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

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

18 GENERAL STARRY: Well, it is 1,500 people,  
19 2,000 at high noon on a busy day, something like that.

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

21 CHAIRMAN RIBICOFF: What do they do?

22 MR. HOFFMANN: It is the [REDACTED]

23 [REDACTED]  
24 MR. HANSEN: It is a major headquarters.

25 MR. HOFFMANN: Let me tell you, with all reference

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

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

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

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

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

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

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1 It is a national historic site. So it goes to the  
2 Park Service, that is, the [REDACTED]

3 [REDACTED] The rest of the land holdings  
4 are in the litigation category, which the lawyers claim  
5 there is no way to really straighten out. This extends  
6 back a good bit of time.

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

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

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

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

18 MR. HOFFMANN: They own [REDACTED] down there.

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

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

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

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1 the Interior Department to operate it as a national  
2 historic site, are we required by law to clean it up first?

3 MR. MILNES: The Federal Government remains  
4 liable for the cleanup, and if it is Department of Interior  
5 that ends up owning it, they probably would insist that the  
6 Department of Defense step up and take care of their  
7 obligations before they took it over. How that precisely  
8 would work would be a matter of negotiation. But I think  
9 they would expect DOD to handle that.

10 Now, you are talking about ammunition, is that  
11 it?

12 MR. HANSEN: Yes.

13 MR. MILNES: Technically speaking, ammunition is  
14 not covered by CERCLA. It's not a hazardous waste,  
15 even though it is definitely a hazard.

16 And so, under that kind of scenario, there would  
17 be some question about what has to be cleaned up. If it  
18 were a Super Fund liability, a real hazardous waste,  
19 as defined by the law, they would have a definite obligation  
20 and I am sure Interior would expect them to take care of  
21 it immediately.

22 This one is more in the negotiable range, because  
23 it is not a hazardous waste by definition.

24 MR. CABOT: The Army could run it as a museum.

25 GENERAL STARRY: Well, there is a museum in the

1 old casement area now.

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

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

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

20 [General laughter]

21 GENERAL STARRY: -- it belongs where it is.

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

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

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

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

14 So I think there is an option that would be  
15 cost effective that says close ( ) and move ( )  
16 headquarters into leased space into the Belvoir area.  
17 I think it would save money and I think it would bring  
18 about efficiencies.

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

21 One is the reversionary clauses that apply to the  
22 three deeds for ( ). Two of them are for the  
23 bulk of the land there, and in those, the land reverts  
24 to the ( ) if it ceases being used  
25 as a military installation.

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

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

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

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

18 MR. HOFFMANN: The old hotel.

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

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

23 GENERAL STARRY: No.

24 COLONEL YANKOUPE: It is privately owned, sir.

25 GENERAL STARRY: We should have bought it a long



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1 time ago, but we didn't.

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

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

11 GENERAL STARRY: That's right.

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

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

22 DR. SMITH: Helicopters don't land?

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

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

3 CHAIRMAN EDWARDS: Okay. What's your pleasure?

4 Let's not beat this to death.

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

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

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

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

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

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

25 GENERAL STARRY: They did, indeed.

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CHAIRMAN EDWARDS: Next.

MR. HANSEN: [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

CHAIRMAN EDWARDS: Does anyone want to argue with that?

MR. HOFFMANN: That is a classic nonstarter.

CHAIRMAN EDWARDS: Okay. Next.

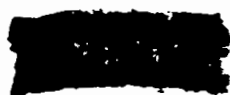
MR. HANSEN: [REDACTED] is next.

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

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

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

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



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1 its reason for being is to support [REDACTED] We  
2 looked at moving [REDACTED] and that doesn't pay back  
3 So, moving [REDACTED] would roughly pay  
4 back in about 11.8 years.

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

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

11 CHAIRMAN RIBICOFF: What is AVSCOM again, please?

12 MR. HANSEN: [REDACTED] a major  
13 command headquarters, a nationwide command type setup.

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

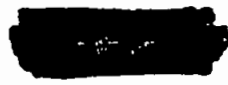
15 COLONEL YANKOUPE: Those are two AMC commands, sir.

16 [REDACTED] is primarily engaged in the  
17 procurement of aviation parts and components and some  
18 end items of aircraft. [REDACTED] is the agency  
19 that is involved in individual soldier equipment items,  
20 as well as tentage and things of that nature.

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

25 MR. HANSEN: It's cheap rent.

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

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

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

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

MR. CRAIB: Like some things at Fort Sheridan?

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

Do you have any candidates?

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

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

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



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

3 MR. HANSEN: Okay.

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

6 MR. HOFFMANN: How many in TROSCOM?

7 MR. HANSEN: It's 1,700.

8 GENERAL STARRY: What did you say was in

9

10 CHAIRMAN EDWARDS: Are they all in   
11 and not in Illinois?

12 COLONEL YANKOUPE: AVSCOM and TROSCOM are.

13  is located over in

14  on the other side of the river.

15 CHAIRMAN EDWARDS: In

16 COLONEL YANKOUPS: Yes, sir.

17 GSA maintains a strategic stockpile of  
18 strategic metals. I think they have some chromite and  
19 things like this that are sitting there on part of the  
20 865 acres that the  sits on.

21 CHAIRMAN RIBICOFF: Do you know that place,  
22 Tom?

23 SENATOR EAGLETON: Yes, vaguely.

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

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

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

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

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

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

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

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

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

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

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

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

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

25 CHAIRMAN EDWARDS: Where is that?



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1 MR. HANSEN: Just north of Sheridan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 MR. HANSEN: This will pay back --

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

12 MR. HANSEN: That's correct.

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

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

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

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

22 SENATOR EAGLETON: How many people?

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

24 SENATOR EAGLETON: The recruiting command.

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

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

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

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

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

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

14 Do I hear \$63 million?

15 [General laughter]

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

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

22 MR. CRAIB: How about St. Louis?

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

25 MR. HANSEN: Technically, St. Louis is outside

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1 of the area.

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

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

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

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

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

25 MR. HOFFMANN: it is also the Army Finance Center,

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1 isn't it?

2 COLONEL YANKOUPE: Yes.

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

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

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

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

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

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

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

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

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

22 CHAIRMAN EDWARDS: I am inclined to agree.

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

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

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1 accounting and finance center, if I remember right.

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

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

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

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

12 COLONEL YANKOUPE: We would have to build there, sir.  
13 What I would like to offer, though, is that we  
14 probably would want to drill a couple of locations for that.  
15 We might want to look at Fort McCoy, even though I have said  
16 it's at a rather remote location, because it may be that that  
17 turns out to be a better location in terms of the amount of  
18 space at Fort Ben Harrison.

19 Ben Harrison is not a particularly large post.

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

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

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



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1 Minneapolis.

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

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

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

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

10 COLONEL YANKOUPE: Chanute.

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

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

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

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

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

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

21 CHAIRMAN RIBICOFF: What is in East St. Louis?

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

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

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1 SENATOR EAGLETON: It needs every job it can get.  
2 But I know economics is out of this.

3 CHAIRMAN RIBICOFF: Is there an installation in  
4 East St. Louis?

5 MR. HANSEN: Yes --the one we just did the time  
6 before this, that had TROSCOM, AVSCOM, and all of those.

7 If I could make a recommendation, with the Navy's  
8 strategic homeporting, the option was, the Commission said  
9 this is what we want to happen in the Navy, you come back and  
10 tell us how to make it happen. I would recommend that we  
11 allow the Army to do the same thing with Fort Sheridan.

12 CHAIRMAN EDWARDS: I'm sorry, but I couldn't hear  
13 what you were saying.

14 MR. HANSEN: I recommend that we allow the Army to  
15 come back and give us the options for this and not decide  
16 that ourselves.

17 CHAIRMAN EDWARDS: I agree with that, but I think  
18 the Army ought to be told to at least look at Chanute. I  
19 mean, if this property is as valuable, at Sheridan, as we are  
20 all saying it is, then whatever you might have to save at  
21 Chanute might not be that important.

22 MR. HOFFMANN: I think you ought to look at other  
23 facilities within Illinois because you have Scott Air Force  
24 Base that's in Illinois -- is it not?

25 We are not touching that. That is a major facility.

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

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

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

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

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

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

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

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

22 [Ayes]

23 CHAIRMAN EDWARDS: Any objection to that?

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

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

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

5 SENATOR EAGLETON: Can we express to them a pre-  
6 ference that they give high consideration to the state of  
7 Illinois, if feasible?

8 CHAIRMAN RIBICOFF: Well, what is available in  
9 Illinois?

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

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

15 SENATOR EAGLETON: [REDACTED]

16 CHAIRMAN EDWARDS: Oh, no.

17 SENATOR EAGLETON: I'm just teasing you.

18 CHAIRMAN EDWARDS: We don't have any high rise  
19 buildings in [REDACTED]

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

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

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

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

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

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

7 MR. HANSEN: Those ones get more difficult.

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

10 [General laughter]

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

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

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

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

22 GENERAL POE: Let them amaze us with their ingenuity

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

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

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1 the report comes out.

2 CHAIRMAN EDWARDS: All right.

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

5 MR. HOFFMANN: Mr. Chairman?

6 CHAIRMAN EDWARDS: Yes, sir?

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

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

12 [General laughter]

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

15 [A brief recess was taken.]

16 CHAIRMAN RIBICOFF: Okay, Doug. Continue.

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

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

24 Our recommendation is we not close it.

25 DR. SMITH: Where is the [REDACTED]

[REDACTED]

1 located?

2 COLONEL YANKOUPE: [REDACTED]

3 DR. SMITH: How much land is on [REDACTED]

4 GENERAL POE: A bundle.

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

6 [REDACTED]

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

9 [REDACTED]

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

14 MR. CRAIB: Is this near [REDACTED]

15 MR. HANSEN: Yes, near [REDACTED] Near the [REDACTED]

16 [REDACTED]

17 [REDACTED] All the commands are located very close to each other.

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

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

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

[REDACTED]

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

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

11 CHAIRMAN EDWARDS: How much land does it need?

12 MR. HANSEN: Well, it has 600 acres.

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

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

17 CHAIRMAN EDWARDS: Can it go on [REDACTED]

18 GENERAL STARRY: The golf course or the headquarters?

19 [General laughter]

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

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

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1 administrative area and all of that.

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

4 MR. HANSEN: Oh, 5,000.

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

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

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

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

19 MR. HANSEN: By the Army.

20 COLONEL YANKOUPE: The Army is executive agent for  
21 that.

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

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

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1 personnel loading at [REDACTED] military-civilian, et  
2 cetera.

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

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

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

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

18 CHAIRMAN EDWARDS: Does anybody want to belabor  
19 this?

20 [Nays]

21 MR. HANSEN: Fort Belvoir is next.

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

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

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

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

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

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

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

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

1 financing and development, et cetera.

2 The red is the airfield and the safety ranges  
3 around the airfield.

4 CHAIRMAN RIBICOFF: Is there excess land there  
5 for sale?

6 MR. HANSEN: No, there is not.

7 CHAIRMAN RIBICOFF: No excess land?

8 MR. HANSEN: No. The area used in training is  
9 the only area, especially if we start talking about Fort  
10 Meade, the only area where Reserves can train. It's the  
11 only area where the active duty units in Washington can  
12 go down and train fairly close by, et cetera.

13 MR. HOFFMANN: This Camp A.P. Hill, if you get  
14 in a truck at Fort Myer, you might as well go to A.P. Hill  
15 instead of Belvoir.

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

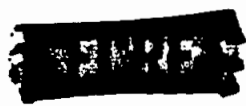
18 MR. HOFFMANN: It is still there. What is the  
19 red, the airfield? Which airfield?

20 MR. HANSEN: Davidson Army Airfield.

21 MR. HOFFMANN: Davidson Army Airfield.

22 CHAIRMAN EDWARDS: Well, don't we look on Belvoir  
23 as a receiving kind of facility, and we are not really  
24 sitting there and thinking about trying to close it, or  
25 any part of it, are we?

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1 Does anybody oppose it?

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

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

10 MR. HANSEN: A thousand acres.

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

13 MR. HANSEN: Put up the next chart.

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

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



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

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

9 Excessing what isolates what?

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

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

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

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

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

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

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

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

4 MR. HANSEN: Yes, 1,000 acres.

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

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

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

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

15 COLONEL YANKOUPE: This area in here (indicating)  
16 is used by one or more of the DOD teams that operate special  
17 mission stuff into the Capital Region, as well as the  
18 29th Infantry Division local. We will run for a number of  
19 years because it is really uneconomical to do anything other  
20 than leave them at Belvoir, an AIT training session which  
21 trains generator mechanics and heavy engine mechanics --  
22 basically in structures over here (indicating). They have  
23 additional training needs in addition to just classroom  
24 instruction, and use this part of the training area (indicating).

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



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

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

15 MR. CRAIB: The DOD school.

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

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

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

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1 too.

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

7 CHAIRMAN EDWARDS: [REDACTED]

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

10 CHAIRMAN EDWARDS: [REDACTED]

11 MR. HANSEN: [REDACTED]

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

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

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

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

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1 I am sure they use them already.

2 DR. SMITH: [REDACTED]

3 MR. HANSEN: Yes, going north, into [REDACTED]

4 But the weekends is what you are really talking about here,  
5 and that is the key.

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

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

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

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

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

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

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

1 tenant. The Army Topographic Lab is in the back, over here  
2 (indicating).

3 MR. HOFFMANN: But all of that space is used up  
4 by those things?

5 COLONEL YANKOUPE: Except for that which is being  
6 looked at for expansion, to handle the Pulaski consolidation.

7 MR. HOFFMANN: No, I don't have any problem leaving  
8 that.

9 I think we may want to earmark it for high density  
10 relief from expensive --

11 MR. HANSEN: We already have, sir.

12 COLONEL YANKOUPE: We already have, and will do that,  
13 sir.

14 MR. HANSEN: Next is the Presidio, of San Francisco.  
15 We have already discussed the Presidio of San  
16 Francisco and made a tentative decision to close it. But the  
17 question was does this mean that we are closing the Letterman  
18 Army Medical Center. The answer that we gave you was not  
19 too clear, I'm afraid, so we put it back on the schedule  
20 again today.

21 The answer is yes, they are inextricably inter-  
22 twined. In fact, most of the operating support costs, a  
23 majority of the operating support costs of the Presidio  
24 are, in fact, to operate the hospital.

25 Mr. Smith points out there is a second hospital

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

5 The Secretary of Defense has recently, within  
6 the last couple of weeks, assigned the Navy responsibility  
7 for the overall regional medical authority there and they  
8 are actively looking at right now, in Health Affairs, in OSD,  
9 what to do about the two hospitals, both of which are  
10 seismically unsound, meaning that an earthquake will knock  
11 them over -- by state standards -- and both need a lot of  
12 work.

13 Now, there are 30,000 active duty military on the  
14 Navy side of the Bay, and there are only a couple of  
15 thousand on the Army side of the Bay. So it doesn't take  
16 too much to figure out when the Navy is in control of this  
17 where the new hospital is going to be built, because it  
18 should be built near where the military are that use it.

19 So, the Letterman, to the Army, it looks like  
20 this is a done deal. It's gone. A new hospital will be  
21 built on the Navy side somewhere. We're not sure where --  
22 that is, it has not been decided where. That will be the  
23 regional hospital for the whole of the San Francisco-Oakland  
24 Bay area.

25 Consequently, for the Army, then, operating

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1 the Headquarters of Sixth Army there, with no hospital  
2 to support anymore doesn't sound like a good idea. It's  
3 not cost effective, it's not efficient, et cetera, and a  
4 good match as far as the Army Headquarters can be made at  
5 Fort Carson, in Colorado, and the recommendation is  
6 to close both.

7 The payback is enormous when looking at the land  
8 value associated with the Presidio and the hospital --  
9 \$555 million. But as we heard two weeks ago, the vast  
10 majority of that land reverts back to the city for the gateway,  
11 that is the Golden Gate National Park and the expected land  
12 proceeds are really \$36 million, which, in fact, involves  
13 the sale of the hospital. That still pays back in two years,  
14 because of the first year steady state saving of \$74 million.

15 The recommendation is that we close both the  
16 hospital and the Presidio, which will result, if you will,  
17 in precipitating action by the Navy and OSD Health Affairs  
18 to decide what to do with the hospital.

19 CHAIRMAN RIBICOFF: I think we ought to defer  
20 that until Tom gets back. He is going to go, before the  
21 next meeting, and look at Letterman. I would assume that  
22 he would look at the whole Presidio, too.

23 Is that right, Tom?

24 SENATOR EAGLETON: Yes, defer at least 1 percent  
25 of the decision.

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1 CHAIRMAN EDWARDS: Okay.

2 SENATOR EAGLETON: [REDACTED]

3 [REDACTED]

4 MR. HANSEN: Yes.

5 CHAIRMAN EDWARDS: I don't want anybody leaving  
6 here assuming that we may reverse it.

7 SENATOR EAGLETON: No. That looks pretty sound.

8 MR. HOFFMANN: I notice on your previous chart  
9 you had it that CHAMPUS picks up a lot of the health care  
10 costs presently being engineered by Letterman. Have you  
11 cranked that cost into your figures?

12 MR. HANSEN: Yes.

13 There are two kinds of CHAMPUS costs that are  
14 cranked into this analysis. The first is the increased cost  
15 in San Francisco by the fact that those that cannot use  
16 Oak Grove would have to go into San Francisco CHAMPUS; but  
17 also by being able to take the doctors, nurses, et cetera,  
18 and assign them to other Army hospitals where there is a  
19 shortage of doctors and nurses, thereby causing CHAMPUS to be  
20 incurred somewhere else. Take Texas -- you will reduce  
21 those CHAMPUS costs in that area, and, in fact, it is a net  
22 gain.

23 The reason is Letterman is not fully used, as we  
24 can tell. The Army and military presence -- again, Letterman  
25 served those on the San Francisco side by the Navy. Well,

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1 there is nothing left. They closed the shipyard. They  
2 are not going to put in a new homeport, et cetera, et cetera.

3 So, the presence on San Francisco itself, by the  
4 Armed Services, has dwindled and dwindled and dwindled and  
5 can't support a hospital there.

6 GENERAL STARRY: What is the status of those three  
7 little coast artillery forts out toward Golden Gate Bridge?  
8 Are they part of Presidio?

9 COLONEL YANKOUPE: They have been returned to the  
10 Golden Gate National Recreation Area. But we have kept  
11 use, through an MOU, of the housing there to house personnel  
12 in the San Francisco area.

13 GENERAL STARRY: Would we get rid of that or  
14 would we leave the memorandum of understanding alone?

15 MR. HANSEN: There is no problem because it all  
16 reverts to that anyway. I guess we would probably try to  
17 keep the houses, yes.

18 COLONEL YANKOUPE: I think we would try to keep  
19 the houses, depending upon what comes out of this  
20 recommendation. When we went through it with the Army,  
21 their recommendation and their thought was we'll take a  
22 look at that when we see the fallout of what happens here.

23 MR. HANSEN: We'll probably keep them to the  
24 extent they need them.

25 Now, there are still recruiters that need to be



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1 housed, other regional San Francisco purposes there that might  
2 have to stay behind.

3 But, for the most part, the command picks up and  
4 moves to Fort Carsor.

5 CHAIRMAN EDWARDS: Any other comment on this one?

6 [No response]

7 MR. HANSEN: That concludes the headquarters admin  
8 drill.

9 DR. SMITH: Did you take a look at [REDACTED]  
10 as a part of this?

11 MR. HANSEN: No. I think we treated that as a school.

12 MR. HOFFMANN: Do we now return to [REDACTED]  
13 Army Hospital for a reprise of the massive hemorrhaging  
14 done --

15 MR. HANSEN: We should, sir.

16 MR. HOFFMANN: -- to the medical training program.

17 MR. HANSEN: Yes.

18 If we close Letterman, subject to finality after  
19 Senator Eagleton returns, that takes out 9 percent of the  
20 residencies available to the Army and, in fact, some of those  
21 can be shifted to the Navy at Oak Grove, because the Navy  
22 also has a teaching hospital. It may not be the right kind,  
23 though.

24 So, [REDACTED] then, adds 11 percent more to that,  
25 which would be a 20 percent reduction in residency for Army

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1 [REDACTED] and I don't think there is a surplus of Army doctors.  
2 So I think that would be damaging.

3 MR. HOFFMANN: But the other issue is how full is the  
4 program and how full can they keep it, and all of that.

5 MR. HANSEN: We will try to get those kinds of  
6 statistics.

7 MR. CABOT: Can Army doctors go to residencies in  
8 civilian hospitals?

9 MR. HANSEN: No, not according to my understanding.

10 MR. CABOT: Or to Veterans Hospitals?

11 GENERAL POE: We'd better be careful here. I think  
12 there is a program that sends them there.

13 MR. BRYAN: I talked to the Assistant Secretary  
14 for Health, and he indicated that was an option. In the  
15 San Francisco area they had some good residency programs and  
16 graduate medical education could take place there.

17 MR. CABOT: I don't think we should be too intimidated  
18 by this issue.

19 MR. HANSEN: The only thing I would mention is,  
20 speaking for Russ on this, accreditation is an asset that is  
21 not easily recreated if you lose it. And, in fact, the AMA  
22 has said they are not even going to look at accrediting  
23 anything until 1992.

24 MR. CABOT: That's because they don't think we need  
25 any more medical schools or hospitals for this purpose.

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1 MR. HANSEN: Yes, or they don't think doctors'  
2 wages are as high as they should be, or something.

3 MR. HOFFMANN: But we haven't solved the question of  
4 can you expand the program at [REDACTED] can you expand the program  
5 at Carson, can you expand some of those programs where you are  
6 presently accredited and do the right thing. You have a  
7 hell of a nice piece of property there at [REDACTED] that  
8 is number one. Number two, it is a lightening rod.

9 MR. HANSEN: Yes, sir. We are going to collect those  
10 statistics.

11 DR. SMITH: I must agree. I don't see how the  
12 training of doctors can have a significant impact on what  
13 your decision is at [REDACTED] There are ways to train  
14 doctors. I mean, you have to put more at Walter Reed and more  
15 at, say, Fort Gordon and Eisenhower Hospital. There are ways  
16 to do that.

17 I can't believe that we would keep that facility  
18 open on the basis of training doctors. It just doesn't hang  
19 together.

20 MR. HANSEN: Well, that is one of the things that  
21 we still owe you for the 13th.

22 CHAIRMAN EDWARDS: That may be a part of the  
23 justification, but, if it's a large part, I would sure agree.

24 MR. CABOT: What do you mean by the words  
25 "lightening rod?"

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1 MR. HOFFMANN: It's a chestnut. It's been out  
2 in the public view for so long as being closable that you're  
3 damned if you do and you're damned if you don't. But you're  
4 really damned if you don't.

5 MR. CABOT: You mean more damned if you don't?

6 MR. HOFFMANN: Probably.

7 CHAIRMAN EDWARDS: It's certainly going to draw  
8 attention.

9 Where are you now, Doug?

10 MR. HANSEN: I would like to start into Fort Dix-

11 [REDACTED]  
12 CHAIRMAN EDWARDS: Okay.

13 How many installations are you going to talk about  
14 in the schools field?

15 MR. HANSEN: Sir, just these two -- Dix [and

16 [REDACTED]  
17 CHAIRMAN EDWARDS: Okay.

18 MR. HANSEN: Where we were when we broke down  
19 two weeks ago, if you will, was we were trying to figure  
20 out whether or not using these options was a good deal.

21 What we discovered or thought we'd discovered then  
22 and have confirmed, is that what this chart had on it was  
23 apples and oranges. So what we have done is drill the whole  
24 thing again, and we would like, if you will, to just start  
25 with a clean slate and try to make this right.

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1           These numbers are not good, so please don't  
2 focus on them. I just wanted with this chart to show you  
3 where we were before.

4           One of the things we have discovered is that  
5 these are the active Army accessions by year from 1977  
6 and primed out through 1993.

7           As you can see, they are cyclical. They work on  
8 about a three year pattern of up-down-down, up-down-down,  
9 up-down-down, and so forth and so on. They are declining  
10 as the Army has declined in size -- I'm sorry, as they  
11 are getting better troops and retaining them longer.

12           But the key is they are up-down-down and up-down-down  
13 and so on.

14           Now, we started our analysis last time based on the  
15 capacity available in 1991, which, as you can see on this  
16 chart, was at a low point, a dip, and, therefore, we had the  
17 highest excess capacity.

18           Now, there is nothing wrong with that. But if  
19 you're making decisions based on your valley, you're not  
20 going to be able to support your peaks.

21           Therefore, what we would like to do now is to  
22 take a look at what one could accomplish using the peak  
23 as the excess capacity, and there is still excess capacity  
24 at the peak for training.

25           This chart shows 1990, the capacity available

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1 at all of the various posts that do basic training and one-  
2 station-unit training.

3 The total excess capacity, not counting the summer  
4 surge, is 6,600. The summer surge amounts to about 2,000.  
5 So, therefore, we are talking about 4,600 surge -- I mean,  
6 excess capacity out of peak.

7 What this chart shows, then, is where the excess  
8 capacity is, which is at Dix, Jacksonville, Leonard Wood and  
9 Benning and Sill. It's spread out, and we would have to  
10 have quite a lot of movement around in order to meet the  
11 fill. But no one post, other than Knox, Sill, and the special  
12 schools, if you will, are down to the levels of that surge  
13 themselves.

14 So, the problem becomes how do you make this work,  
15 as far as making the push arounds.

16 The answer that we have come up with is that it is  
17 very difficult to close [REDACTED] Dix [REDACTED] if we use  
18 this analysis of what the Army needs at this peak.

19 Other considerations for these posts are, while  
20 they are training posts, they are also potential candidates  
21 for stationing of units coming back from overseas, [REDACTED]  
22 [REDACTED] such as anything that might come back  
23 from Europe, such as Secretary Carlucci was talking about  
24 today. Or there are also future expansions, mobilizations,  
25 bases, et cetera.

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1 One of our original charts showed how much these  
2 posts are required to support mobilization. The mobilization  
3 load at Dix is 18,000, as compared to the 6,000 or 7,000  
4 on here, and at ( ) it is 25,000, as compared to the  
5 10,000. So, they're talking about 2.5 times the load  
6 at these -- plus, all of the others have similar increases;  
7 plus, your division posts -- ( )

8  
9 So, the system has some excess capacity. It  
10 also is loaded with split functions, much in the sense of  
11 Huachuca and Devens. It has split functions around.

12 And so, there are some benefits to be gained out  
13 of consolidating these split functions.

14 So, our recommendation is that overall Army  
15 readiness, meaning their ability to train plus their  
16 ability to mobilize, would be degraded if we closed either  
17 Fort Dix ( ) and there is absolutely no way you  
18 could try to do both.

19 The other part of the equation, and correct me if  
20 I am wrong, Roger, which has not been factored in is, as the  
21 cohort changes or becomes much smaller, the prediction is  
22 the standards will have to be dropped in order to get enough  
23 people into the Army. History shows that, when that  
24 happens, you get more drop-outs and, therefore, you have to  
25 have more trained in order to meet the hit. We learned

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1 you had a 20 percent drop-out rate just at the Marine Corps  
2 recruit depot alone, and that is with high school graduates  
3 coming in -- 100 percent high school graduate, if I am  
4 not wrong.

5 So, the flexibility wasn't there. Our conclusion  
6 is that Fort Dix [REDACTED] need to be retained.

7 However, what we would like to show you now is  
8 where, basically, we were two weeks ago, and that is that  
9 there are some significant realignments that could occur  
10 that would benefit the Army and pay back.

11 MR. HOFFMANN: Now wait a minute, wait a minute.

12 The press was on to close Fort Dix, and you are  
13 saying that you don't want to do that?

14 MR. HANSEN: That's correct.

15 MR. HOFFMANN: Now, before we go skipping off to  
16 what you do want to do, let us just examine the Fort Dix  
17 exercise a little more thoroughly.

18 Fort Dix is another lightning rod type operation.  
19 It's fairly valuable land, isn't it?

20 It's impacted by encroaching civilization.

21 MR. HANSEN: Yes.

22 MR. HOFFMANN: It is not a maneuver type post.  
23 In other words, there are far preferable alternatives if you  
24 bring back a division to putting a division there. You  
25 couldn't put a division there.

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1 MR. HANSEN: You might be able to put a light  
2 division there.

3 MR. HOFFMANN: How many acres do you have?

4 MR. HANSEN: Acres and land values are two  
5 questions. Do we have an answer to that?

6 [Pause]

7 MR. HANSEN: This has clearly not been totally  
8 thought out, but one thought was that you might be able to  
9 get a light division in the base. You clearly could not  
10 get a heavy division in there.

11 MR. HOFFMANN: Well, I'll tell you. We fooled  
12 around with that in the old days.

13 MR. HANSEN: It's \$170 million -- the estimate  
14 on the land value.

15 MR. HOFFMANN: Whether or not you have the excess  
16 capacity to do it, there are clearly other places where  
17 you can expand your basic training capability.

18 You know, you've got a bunch of classic arguments  
19 for leaving everything open -- mobilization, Reserves,  
20 et cetera, et cetera.

21 Now, if you are looking at Army posts, camps and  
22 stations of the quasi-divisional character and you've decided  
23 you can't stomach Devens, because of the geographic thing,  
24 you've got no geographic pull with respect to Dix, or  
25 at least it is attenuated -- right? You've got a

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1 mobilization mission. That's not saying you couldn't  
2 put them somewhere else if, in fact, you're going to  
3 mobilize.

4 Doctor General Starry will give us the approximate  
5 chances of our having to mobilize in the next 20 years  
6 on a scale that would involve Dix. But that is a post,  
7 very frankly, that's about the next logical one, if you  
8 don't do Devens.

9 So, the extent to which there is any give in the  
10 system out there at all, this is it..

11 Mr. Smith, do you disagree with that?

12 DR. SMITH: No.

13 I think if you closed Fort Dix tomorrow, the  
14 rest of the training bases could absorb that training  
15 road without skipping a beat. They'd have to move  
16 some equipment, perhaps, but you saw the excess capacity  
17 on all of those training bases.

18 CHAIRMAN EDWARDS: How many acres are at Dix?

19 DR. SMITH: About 14,000.

20 CHAIRMAN EDWARDS: What does General Starry say?

21 GENERAL STARRY: Well, I went back over this  
22 last night in great detail, after we talked yesterday  
23 afternoon. My impression of this was that we could afford  
24 to do without it, and, when we did this analysis ten years  
25 ago, if you remember that chart that you had on this

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1 side (indicating), we had a lot larger training loads than  
2 we have now, and at that point we had concluded that we  
3 could do without it.

4 The last time we studied this and went over the  
5 base closure was in the 1978-1979 period, and we took a point  
6 about half-way up between the 1978 low and what became the  
7 1979-1980 high. [REDACTED]

8 [REDACTED]  
9 [REDACTED]  
10 I need not point out that the trendline is down,  
11 even though the 17-21 year old cohort is declining and we  
12 may have to make some changes in the recruiting standards,  
13 and so on.

14 It is difficult to see how it is going to get  
15 back up to where it was in 1978-1979.

16 As I read all of this -- and Jack Marsh, by the  
17 way, has been over this in great detail, personally, so  
18 what I am telling you is what I know of his argument -- it's  
19 the flexibility to accommodate to, one, mobilization, and,  
20 two, the chance that we bring forces home from Europe or have  
21 to under some conventional arms agreement.

22 If we bring forces out of Europe, they are heavy  
23 divisions, and there is no way to station a heavy division  
24 here. So a heavy division would go to [REDACTED] or  
25 even the [REDACTED] and you would backfill

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1 the light division bobtailed into a place like Dix.

2 As far as the second argument for mobilization, the  
3 mobilization training loads are based on an assumption --  
4 actually, they were based on the DPQ, the Defense Planning  
5 Questionnaire, which we send every year into NATO, which says  
6 that we will provide the SACEUR with the [REDACTED]

7 [REDACTED] The fact of the matter is, with the  
8 transportation means available, air and sea, we can provide  
9 him with [REDACTED]

10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]

14 So, the mobilization requirements are based on the  
15 assumption that you can move the troops as rapidly as we  
16 had agreed to move them in the Defense Planning Questionnaire.  
17 The fact are, though, that we cannot do that.

18 So the mobilization argument, I am as "iffy" about  
19 that as I am about the need to keep this place open because  
20 we might have to bring forces back from overseas.

21 So you could argue both sides. [The Secretary]  
22 has elected to argue this on the basis of flexibility and  
23 expansibility of this training base, going forward, and  
24 for mobilization, and for the contingency of having to bring  
25 forces out of Europe. I really believe that the training

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1 loads could be accommodated elsewhere in the system.

2 So, you could argue both sides of the argument.

3 CHAIRMAN EDWARDS: Any other comments?

4 [DR. SMITH: Are there numbers available on a  
5 close and sell Dix versus a close and retain Dix in  
6 caretaker status?

7 MR. HANSEN: The close and sell, if I am reading  
8 this Option B-2 right, the close and sell was a two year  
9 payback.

10 MR. HOFFMANN: Is there a slide on that?

11 MR. HANSEN: I don't have a slide on close and sell.

12 COLONEL YANKOUPE: Why don't we try and make one.]

13 MR. HANSEN: This chart is the chart on the 1990--  
14 that is the low point. This 6,600 gets eaten up by  
15 the 2,000 summer surge, which means in reality that it is  
16 4,600.

17 The difficulty becomes you've got 7,000 -- I'm  
18 sorry -- 1,400 in excess capacity at Dix if you are looking  
19 at this. So there are a lot of push-arounds that are  
20 occurring.

21 MR. HOFFMANN: But these people are coming from  
22 somewhere to go to that basic training facility. So you  
23 would not really require them to go to the railroad station  
24 at Dix and then go to Fort Jackson because at Fort Jackson  
25 you are not really pushing them around in that sense.

1 You are redirecting them from their point of origin to their  
2 point of training.

3 MR. HANSEN: I was not referring to people, sir.  
4 I was referring to the fact that you are not even voting  
5 at each of these posts. It's in the 6,000 range, except for  
6 the specialty places at Knox and Sill, McClellan and Bliss.

7 MR. HOFFMANN: Then a relevant point is what are  
8 you training at Dix?

9 COLONEL YANKOUPE: Basic training, sir, plus  
10 special.

11 GENERAL STARRY: At Dix?

12 MR. HOFFMANN: Yes.

13 GENERAL STARRY: Common specialists.

14 MR. HOFFMANN: It's common specialist basic  
15 training.

16 GENERAL STARRY: Cooks, mechanics, and so on.

17 MR. HOFFMANN: So, when you are talking about  
18 spreading that around, obviously some goes to Fort  
19 Jackson. But is Leonard Wood engineer basic?

20 GENERAL STARRY: Yes, that is engineer basic.  
21 The bulk of your common specialist training in the Army  
22 is split between these two places -- Jackson and Dix.  
23 So, the logical thing to do would be to expand. If you  
24 close Dix or drew down on Dix, it would be to expand  
25 Jackson's capability to take the common specialist training,

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1 and that can be done.

2 CHAIRMAN EDWARDS: Well? It's a tough one.  
3 Does anybody have a proposal?

4 MR. TRAIN: Do we have any answer on the payback  
5 or on the closing and keeping it?

6 COLONEL YANKOUPE: This first one is close and sell.

7 MR. HANSEN: A two-year payback. The value of the  
8 land is good.

9 CHAIRMAN EDWARDS: What did you say about the  
10 value of the land?

11 MR. HANSEN: It's \$170 million. This is not the  
12 way we would normally display it, but it's \$170 million.  
13 It's in the middle of the chart. The steady state is  
14 \$37 million, which is what comports with what we were talking  
15 about at the beginning of this morning.

16 MR. HOFFMANN: The one hooker in this thing is I  
17 think this is clearly a place where you are talking about  
18 the concept of a swap, where you are talking about taking  
19 a tract of land on the East Coast that is heavily impacted,  
20 you know, the ratio of usability, the value of that land  
21 is pretty, and what we really ought to do is take the proceeds  
22 from that and add to the National Training Center out in the  
23 West and extend the sweep of that land up there.

24 Now, if you had a way of doing that, you could sell  
25 anybody on it. I mean, these contingency arguments, we have

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1 to have it on the shelf for mobilization, we have to do  
2 this, we have to do that, you know, when the troops comes back  
3 I mean, that makes assumptions. The thing that bothers me is  
4 when you've got the troops coming back from Europe, you have  
5 got a dramatically changed world, and the notion that you are  
6 going to be able to hold those divisions is a real question mark  
7 in my mind, the same as those carriers.

8 GENERAL POE: They are going to give them a  
9 ruptured duck and pat them on the back and send them home.

10 GENERAL STARRY: Some, at least, of them would  
11 come out of the structure.

12 MR. HOFFMANN: The problem is demobilization, not  
13 mobilization. I think a trade today for more training area  
14 out West would just make this an absolute zinger.

15 GENERAL STARRY: And if we couch it like that, it  
16 would be a lot more palatable.

17 MR. HOFFMANN: If we couch it like that, it would  
18 be a lot more palatable, yes. And if we can couch it like  
19 that --

20 GENERAL POE: That would be a sell and buy.  
21 Physically, I don't think you could work a trade, could you?

22 MR. HANSEN: No. We could not.

23 MR. HOFFMANN: Well, I think you ought to talk to  
24 the State of Nevada, but I don't think you could do that.

25 CHAIRMAN EDWARDS: Could you address the subject in

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1 the report in a way that it is very strong?

2 MR. HANSEN: Yes. We had already planned on doing  
3 that anyway.

4 The bottom line is that much of the proceeds of  
5 this, the sale of Fort Dix, will go to the requirements to  
6 move and build -- not much but some of the proceeds will  
7 go to the moves, if you will, and any construction that is  
8 required to make it happen. I am not sure that these  
9 are mutually exclusive arguments.

10 Built into this whole question of if you were  
11 not going to close Fort Dix or (██████████) there were some  
12 things that you could do by moving around schools within  
13 that and specialty areas, and make money there, too.  
14 So perhaps there is even a bigger picture of how do I eat  
15 up the excess capacity by closing Dix and pushing around  
16 some stuff and still have it pay back, and, therefore, the  
17 benefit grows. Maybe the total saving diminishes slightly,  
18 but the benefit grows to the Army.

19 GENERAL POE: The first priority is paying what  
20 you are going to have to pay to get the moves. But then  
21 I think you can address the range business as multi-service,  
22 money saved in all three services, for a national range,  
23 for extension of a national range.

24 COLONEL YANKOUPE: There are two other items about  
25 Dix that we have not talked about this morning. One of them

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1 is that Dix and McGuire are contiguous. McGuire Air Force  
2 base and Dix share a common boundary.

3 We train at Dix about 7,000 air base ground defense  
4 people for the Air Force annually. That latch-up works very  
5 nicely because it affords the opportunity and it suits the  
6 guidance in selecting a location at each air base ground  
7 defense, and developing the agreement with the Air Force as  
8 to how we would do that, in that the Dix-McGuire latch-up  
9 was clearly the most ideal that we could come up with.

10 GENERAL POE: Let me comment on that.

11 The Air Force was directed to have the Army do that  
12 training. I don't think they fought it very much, but the  
13 Army decided to do that training. That training was done at  
14 Bullis for a long time, at San Antonio. I would anticipate  
15 the Army would continue to do it somewhere. It could do it  
16 at Pope.

17 We're not talking about very many people, are we?

18 COLONEL YANKOUPE: About 7,000.

19 GENERAL POE: How many at one time?

20 COLONEL YANKOUPE: Base ground defense, officers,  
21 NCOs, and enlisteds.

22 GENERAL POE: It is a very important course, but I  
23 am not sure that it requires McGuire. You have air bases  
24 at a number of other Army installations.

25 COLONEL YANKOUPE: Yes, sir. But I think the most

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1 desirable thing about Dix was that it was a training base  
2 dealing in some of the fundamental techniques, such as  
3 marksmanship, riflery, and soldier kinds of skills that are  
4 a large portion of that training, POI, as opposed, let's  
5 say, to Fort Bragg and Pope Air Force Base, where Bragg is  
6 an operational base.

7 MR. HOFFMANN: How about Fort Bliss? Don't we  
8 have an Air Force Base contiguous to Fort Bliss?

9 GENERAL STARRY: On the base.

10 MR. HOFFMANN: Fort Bliss, when you look at that  
11 basic training, and you want to go somewhere with basic  
12 training, Fort Bliss has all kinds of area there.

13 GENERAL POE: I would be inclined to let the Army  
14 and the Air Force figure that out, and I would think they  
15 would be able to.

16 [GENERAL STARRY: You know, we almost put that  
17 training at Bliss when we started this thing up.]

18 GENERAL POE: You teach people to shoot down airplanes  
19 at Bliss.

20 [CHAIRMAN EDWARDS: Do you want to close Dix?

21 MR. HOFFMANN: Yes, sir.

22 CHAIRMAN EDWARDS: Do you want to close Dix?  
23 Are you marginal, or where are you on that?

24 GENERAL STARRY: I am sort of on the fence. But  
25 if we had to vote for it, I would vote to close it.]

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1 CHAIRMAN EDWARDS: Okay.

2 Are there any objections?

3 [MR. TRAIN: I vote to close Fort Dix.

4 CHAIRMAN EDWARDS: If this is our conclusion, then  
5 what are we saying to Doug and the Colonel -- to come back  
6 and tell us where to put it?

7 MR. HANSEN: Yes. That would be the best for the  
8 Army, to give them a chance to think about the best options  
9 for that.

10 CHAIRMAN EDWARDS: Any objection?

11 GENERAL STARRY: May I suggest that we add the  
12 training area notion that Commissioner Hoffmann raised with  
13 us; in other words, try to use at least some of the proceeds  
14 for this particular maneuver range capability in the Western  
15 part of the United States.

16 MR. HOFFMANN: To expand immediately the joint  
17 service, you know, specifically at the National Training  
18 Center.

19 GENERAL STARRY: Right.

20 MR. HOFFMANN: If that means taking, saying that  
21 we are not going to take credit for a saving here because  
22 we intended to be investing, I would be for doing that.  
23 In other words, if we net out some bucks --

24 MR. HANSEN: Net out at six years, with the  
25 remainder going to the National Training Center -- is that

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1 the idea?

2 MR. HOFFMANN: Yes. Or if you net out in two years,  
3 obviously we would like the balance to go -- well, we'd have  
4 to take a look at that to see if that excludes a lot of  
5 things.

6 What we have seen here, particularly in the last two  
7 meetings we have had, is the tremendous compression of maneuver  
8 area, the tremendous compression on air space, and the  
9 practice ability and all of that, and I think we need to make  
10 that point very strongly. It is a realignment. I guess that's  
11 what I am talking about, a realignment into open spaces and  
12 usable maneuver capability.

13 COLONEL YANKOUPE: There will be a bill, sir, and  
14 replacing that training capacity is going to require some  
15 construction, plus we are dealing with an installation that  
16 has I think we said 14,000 acres earlier. That is outside of  
17 the impact areas necessary to run ranges. You've got 37,000  
18 acres total at Dix.

19 MR. HOFFMANN: Now it can be told. They suddenly  
20 found a lot of acreage out there and an impact area.

21 COLONEL YANKOUPE: Well, the figure I gave you  
22 before had the maneuver area. That was a maneuver area  
23 factor without the range impact areas on it.

24 CHAIRMAN EDWARDS: So we are really talking about  
25 even more?

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1 MR. HANSEN: No. The value at close is the same.

2 COLONEL YANKOUPE: I read off the maneuver acre  
3 summary over here, for maneuvering. That was all.

4 CHAIRMAN EDWARDS: Okay. Let's look on this as a  
5 heartburn item for the Army and move on.

6 MR. HANSEN: Next I would like to answer the questions  
7 of the Commission regarding the Area Oriented Depot System.

8 As we learned two weeks ago, there are three  
9 designated Area Oriented Depots in the Army -- Sharpe on the  
10 West Coast, New Cumberland on the East Coast, and Red River  
11 in the heartland.

12 Sharpe's duties involve Western states plus  
13 Pacific; New Cumberland, the Eastern states plus Europe;  
14 and Red River, the Midwestern states plus any SOUTHCOM  
15 responsibilities.

16 In essence -- do we have the other map?

17 Here are the customer major posts that Red River  
18 serves as a depot.

19 The Army, as part of the buildup, the Reagan buildup,  
20 and it will continue, I hope -- they hope, anyway -- through  
21 on this into a very large force modernization program which  
22 generates a large volume of materiel in the supply system.

23 Besides that, the Department's policy regarding  
24 disposal of property has been restricted quite a bit, mostly  
25 in concern with the GAO charge that we were selling property

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1 at the same time we were buying it, the same things.

2 So there has been a large increase in the supply  
3 requirements for all the services, and the Army is not any  
4 different.

5 The Area Oriented Depot modernization program  
6 advantages were a 20 percent productivity increase. This is  
7 basically taking World War II type storage retrieval systems  
8 and bring them into modern conditions. There's \$65 million  
9 in annual operating savings and a one-time cost avoidance  
10 of \$57 million.

11 Three AODs are required, as I said before, because  
12 of insufficient storage and warehousing capability at  
13 Sharpe and New Cumberland. Transfer of the Red River mission  
14 to both of those would increase in-transit time by two days  
15 and have an additional cost of three and a half man-days.  
16 Also, a two depot concept --meaning the two Coast depots --  
17 would result in a 25 percent depot deficit in lines shipped  
18 and received during mobilization, which means that people  
19 don't get things when they are supposed to.

20 Consequently, our conclusion is that the Army  
21 should be proceeding with the third Area Oriented Depot.

22 GENERAL POE: I think, in fairness, you ought to  
23 say, too, that you have to watch the Air Force customers.  
24 There is a good deal of multi-servicing in these things,  
25 because, in its wisdom, the Congress has cut the air log

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1 a number of times in some of our other systems of movement.  
2 The cost of movement is very important; when you start moving  
3 things all the way across the country, you get some problems.

4 I'd throw in with the Army on this one.

5 CHAIRMAN EDWARDS: Are there any problems?

6 [No response]

7 MR. HANSEN: Also, I might add Red River is not  
8 a closure. Red River is a multi-function depot. It has a  
9 maintenance function also. Some supply would be required  
10 for that. So the key was whether you'd want to spend the  
11 money on the area of the depot.

12 DR. SMITH: Did you do any analysis of those Army  
13 numbers that you were just given?

14 MR. HANSEN: Well, they are clearly Army numbers  
15 that we got, but that was what the justification before  
16 Congress was.

17 DR. SMITH: I was just asking whether anybody  
18 looked at those numbers to see if they made sense.

19 COLONEL YANKOUPE: The extent to which I looked  
20 at the numbers amounts to saying how do you get \$65 million  
21 worth of annual savings, productivity increases, and  
22 satisfy myself that there is some analysis behind that that  
23 is explainable in the time that I had available to do it.

24 DR. SMITH: The analysis leads me to think that  
25 you are better off with five depots than you are with three.

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1           What was the number you showed us, the additional  
2 cost of three and a half something per day?

3           MR. HANSEN: That's man-days.

4           No, I'm sorry. It's \$3.5 million a day. I'm sorry.

5           DR. SMITH: So, if my arithmetic is right, that is  
6 \$1.2 billion a year as the increased transportation cost.

7           Is that a good figure?

8           GENERAL POE: It is transportation and pipeline.  
9 You see, when you increase the pipeline, I forget the  
10 Air Force figure, it is a shocking figure when you add it to  
11 the pipeline. I don't know what it is for these guys,  
12 but if you are talking about overseas pipelines in certain  
13 circumstances, it's high.

14          DR. SMITH: So it's \$3.5 million per day increased  
15 cost by going to two depots, just in transportation?

16          CHAIRMAN EDWARDS: I thought that was 3.5 million  
17 man-days, or something.

18          Put that chart back up.

19          MR. HANSEN: It is an inventory cost.

20          DR. SMITH: That's what I thought, \$3.5 million a  
21 day, which is \$1.2 billion per year.

22          GENERAL STARRY: It may be man-days, Jim. Wait  
23 a minute.

24          MR. HOFFMANN: You know, it's going to be \$7 million  
25 a day, even better than \$3.5 million, because you are doing it

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1 by two-day figures.

2 MR. HANSEN: No. It increases the pipeline by two  
3 days at a cost of inventory of \$3.5 million a day. It's a  
4 billion dollars more in inventory costs.

5 CHAIRMAN RIBICOFF: For the interest of everyone  
6 involved, Mitchell was elected the Democratic Majority  
7 Leader.

8 CHAIRMAN EDWARDS: And he sent us word to close  
9 Loring.

10 [General laughter]

11 MR. HANSEN: In general, in response to Dr. Smith's  
12 question, we had ten days to not only develop the questions and  
13 let the services work them, come back, and analyze them, and  
14 that is why we keep saying that everything is tentative,  
15 until we can check it out.

16 GENERAL POE: I wouldn't believe it in transportation,  
17 Jim, but let me give you an example.

18 When I got a cut in air log, I had to buy more  
19 track breakers for the F-111 at a quarter million dollars  
20 apiece. You know, I buy an awful lot of air lift for  
21 a quarter million dollars apiece for track breakers. It's  
22 just that the pipeline will kill you.

23 MR. HOFFMANN: What is a track breaker?

24 GENERAL POE: It's a thing when a guy is trying  
25 to kill you, you turn his stuff off (indicating).

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1 CHAIRMAN EDWARDS: Anything else?

2 MR. HANSEN: Do you mean anything else on this one?

3 CHAIRMAN EDWARDS: On this one.

4 MR. HANSEN: No, sir.

5 CHAIRMAN EDWARDS: Okay.

6 SENATOR EAGLETON: May I ask, do we have any other  
7 things that are possible closures? Do you have something  
8 close to the line, or is everything off the mark, as you say?

9 MR. HANSEN: Actually, you are not going to be too  
10 happy to hear this, but the next topic is bad news.  
11 It is not bad news on closure. It is bad news on a couple of  
12 ones we have already made. After that, there are some  
13 recommendations that we would like to suggest the Commission  
14 delve into on some areas of property sales that we think we  
15 could make a little money out of.

16 SENATOR EAGLETON: I have to go away this afternoon.  
17 Can we do the bad news one now? Does anybody care about the  
18 order?

19 CHAIRMAN EDWARDS: No.

20 Let's move on.

21 MR. HANSEN: I would like next to give you a brief  
22 discussion of chemical demilitarization, of chemical weapons.

23 The Army has eight sites in the United States  
24 which store chemical weapons. Demilitarizing these chemical  
25 weapons is about as hot a topic as you can get.

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1 Congress has required the Army to dispose of these  
2 chemical weapons, or, in fact, they are required by treaty,  
3 I think, to dispose of them. But the public law has extended  
4 the deadline, primarily because nobody can agree not only  
5 on where to do it, but how to do it.

6 GENERAL POE: Excuse me, but did you say that  
7 we are required to demil by treaty while the Soviets are  
8 still building the stuff?

9 MR. HANSEN: I think it is a treaty.

10 GENERAL POE: I don't think it is a treaty.

11 MR. HANSEN: By law, then.

12 GENERAL POE: This is unilateral disarmament,  
13 so I don't think it is a treaty.

14 MR. HANSEN: These are not the binary ones; these  
15 are the unitary ones, or whatever the word for them is.  
16 You know, get rid of the old stuff that leaks, et cetera,  
17 and it is volatile because it is put together as one  
18 package.

19 In February, 1988, the Under Secretary of the Army  
20 mandated on-site disposal, primarily because of the  
21 intense political pressure over the movement of this  
22 stuff to one site and, not only that, nobody could decide  
23 where the one site would be. Nobody wanted it.

24 MR. HOFFMANN: I thought it was in Tooele.

25 MR. HANSEN: That's where they were going to put it

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1 because that's where most of them are.

2 Now, the problem we have is that the chemical  
3 demilitarization time extends past the Commission's 1995  
4 deadline. The other problem we have is Congressional  
5 notification is required before we can move it, although the  
6 decision right now is not to move anything.

7 The two problems are the time deadline and the  
8 fact that we can't isolate chemical demil and draw a fence  
9 around it and deal with other properties.

10 So, we have on-site disposal selected at five of the  
11 eight states, or at five of the eight sites, because five  
12 states would agree to allow the chem demil to be done in  
13 their state. Three won't allow it to be done there, won't  
14 allow it to be moved. I'm not exactly sure what they expect  
15 to happen to it.

16 But, right now, it is such a hot political issue  
17 that they can't resolve it.

18 Two of the sites, for these construction funds  
19 have been requested, at Umatilla and Pueblo. The reason we  
20 are mentioning these two is because they are on our closure  
21 list. However, we are not going to get the chem demil done  
22 in time. Clearly, we can't move the chemicals out of those  
23 two posts, and, therefore, it falls back to the issue of --  
24 first-off we thought can we separate closure from disposal  
25 of the property. The answer is that legally we can do that.

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1 Legally we can separate them. So, it falls back to can we  
2 physically separate chem demil from the rest of the site. In  
3 some cases we might be able to do that, but in others we'd  
4 have difficulty.

5 The other problem is that we have a chem demil  
6 mission at Umatilla or Pueblo and you have to have an  
7 infrastructure to support that. This means electricity,  
8 power, and so forth and so on.

9 Also, I would opine that I'm not too sure which  
10 American developer would buy land right next to a place where  
11 chem demils are going to be disposed of.

12 So, the problem we have is we have two closure  
13 candidates that we think have to be dropped from the list.

14 MR. CABOT: Do we have to drop them completely  
15 just for this reason?

16 MR. HANSEN: Yes, sir.

17 Now, they are not ones that were going to be big  
18 ones anyway. Umatilla was going to net us \$7.2 million in  
19 steady state savings, and Pueblo was \$6.7 million. So we  
20 are talking \$13 million.

21 CHAIRMAN EDWARDS: Is there a way, accepting for  
22 the moment what you say, that we can address these two and  
23 propose them for closure conditionally, that such and such  
24 a thing can happen with the time?

25 GENERAL POE: You don't want to give anybody the

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1 excuse of using these to throw the whole thing out.

2 MR. HANSEN: What we might be able to do is by  
3 the 13th run to see if we can make the realignments that  
4 we are planning and keep the post open just for the chem  
5 demil, so it would be a realignment as opposed to chem demil.  
6 Clearly, it will not pay back as well because, like I said,  
7 some infrastructure will have to remain to support chem  
8 demil, and then, just say once the chemicals are destroyed,  
9 this installation would be a likely candidate for closure.  
10 But we'd have to separate it from all or none, I think.

11 That's feasible. But it depends, really, basically,  
12 on how the numbers work out. The Army would like to make  
13 the realignment, but we are not sure whether it would pay  
14 back.

15 MR. HOFFMANN: Do you know what the particular  
16 problem is in Pueblo, Colorado? They just flew the last  
17 of the gas two years ago out of Rocky Mountain Arsenal.

18 MR. HANSEN: I'm not sure.

19 MR. HOFFMANN: They just put it on a C-141 and  
20 flew it the hell out of there.

21 MR. HANSEN: This is the wierdest thing I've  
22 ever seen. Next year, at Johnston Atoll, they're going  
23 to have the first chem demil plant set up. These things  
24 are like \$400 million or \$500 million apiece -- sorry,  
25 \$40 million apiece -- plus the operating costs. It seems

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1 to me that we could, like you say, load them up on planes  
2 and send them to the Johnston Atoll. But that idea was  
3 thought of and dismissed. You know, Congress is heavily  
4 involved in this.

5 MR. HOFFMANN: You would just have to send it to  
6 Tooele.

7 MR. HANSEN: That didn't work, either. In fact,  
8 we have a requirement to take some of the stuff out of  
9 Germany and no place to take it to, because you can't transport  
10 it over any state.

11 GENERAL POE: It took six years to get rid of the  
12 Agent Orange, and it's not anything like this kind of problem.

13 MR. HANSEN: If I could make it even more complicated,  
14 now Congress and the Army can't even decide what method they  
15 are going to use to destroy this stuff.

16 COLONEL YANKOUPE: There was a programmatic EIS  
17 completed in January, upon which Mr. Ambrose made his  
18 decision that we would destroy it in place, obviating the  
19 argument of moving it between states.-- a continuing battle  
20 that we have been unable to solve for five years, backed up  
21 against a deadline in the law that was extended by two years,  
22 to give some flex. Even moving out the way we are, with the  
23 first two plants, it would probably see us getting the first  
24 destruction out of the way in about 1996. For these two  
25 depots over here, it would put us over the time limit of 1995.

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1           The feeling is that negotiating any kind of  
2 movement is highly unlikely, with the Army having come on  
3 line and saying this is how we are going to get rid of the  
4 stuff, and announced the decision to take transportation out  
5 of the discussion.

6           MR. HOFFMANN: Do we get any savings at all out  
7 of realigning and cutting down the overhead in this?

8           MR. HANSEN: We will have to look at it.

9           COLONEL YANKOUPE: That is what we want to look at.

10          MR. HANSEN: The paybacks on full closure of Pueblo  
11 and Umatilla were four and two years, so my gut reaction is  
12 probably yes.

13          CHAIRMAN EDWARDS: Does anybody want to argue that  
14 we have little choice?

15          MR. HOFFMANN: If we can't waive the laws of  
16 Congress about transporting the gas, I don't think we have  
17 any choice. We could get our own 141, get the staff into  
18 fatigues, and just get out there and do it one day.

19          [General laughter]

20          CHAIRMAN EDWARDS: Let Russ Train fly the plane.

21          MR. TRAIN: Oh, yes, sure.

22          [General laughter]

23          CHAIRMAN EDWARDS: Then I guess the suggestion is  
24 that you guys will put it together the best way you can.

25          MR. HANSEN: Yes, we will do the best we can, sir.

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MR. TRAIN: Is this any different from a base where we have a bad hazardous waste site?

MR. HANSEN: It is certainly more volatile as far as emotion goes, and these gases, if they get out or if something goes wrong with their destruction -- am I wrong didn't we gas all of the sheep out in Dugway with something like this?

MR. HOFFMANN: No, no. That was totally different. The Air Force did that.

GENERAL EDE: Well, you know, we only got blamed for it. There is no question about who did it.

MR. HOFFMANN: They have demilled this stuff very safely at Tooele. They demilled a whole bunch of it at Colorado.

One of the problems is that the stuff is in the weapon. It is in a projectile.

MR. BRYAN: In an M-55 rocket.

MR. HOFFMANN: Then you have to have a special enclosure in case the thing blows up while you are taking it apart -- you know, because it is rusted and things have become volatile. It just has not been well managed.

MR. HANSEN: They are leaking. There is a long legislative history on it.

MR. HOFFMANN: That's what it was, the WETEYE bombs that we flew out of there.

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MR. CABOT: What did you mean by doing the best you can?

CHAIRMAN EDWARDS: Well, to see if they can carve out pieces of it and still make it viable.

MR. CABOT: Make it a realignment, rather than a closure?

CHAIRMAN EDWARDS: If possible.

MR. HANSEN: Well, a realignment with a sort of side-bar closure, once the chem demils take place.

MR. HOFFMANN: You could argue in the case of Pueblo that if there were no mission there to rationalize and if the only thing holding that up from becoming available to the community for this, that, or the other thing, was the disposition, that would put some pressure on the other way. But I don't know how realistic that is.

Unlike Colorado Springs, Pueblo is not in a boom environment. It's a pretty tough operation.

MR. MILNES: Mr. Chairman, I think another element, to answer the further question about the differences between this and some other hazardous waste situation is in a demilitarizing operation, for this chemical demilitarization, there is a lot of infrastructure that is tied in with that which is in place or will be built right there at the site which requires support

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1 personnel to accomplish. So you are really leaving the  
2 base largely intact or in place; and, maybe, through this  
3 realignment option there are ways to move other things off  
4 that make it cost effective, but it is really a different  
5 kind of problem.

6 GENERAL POE: A lot of these things require a lot  
7 of people. You have to have a non-working guy with a  
8 check list, you have to have a two-man policy on certain  
9 things so that you are absolutely safe and some guy doesn't  
10 make a mistake.

11 MR. HOFFMANN: It may be in the fullness of time  
12 that it's going to be such a marginal reward and raise a lot  
13 of other questions that we should just footnote it and  
14 say that these things certainly were candidates, except  
15 for this other problem, which is another problem that the  
16 Executive and the Congress have not figured out how to solve,  
17 either. Nobody has.

18 COLONEL YANKOUPE: One thing that would probably  
19 help a great deal, sir, is being able to provide some  
20 leverage that the Army could use down the road to facilitate  
21 closing when it got to the point where it could. Both of  
22 these are example of things that it is difficult maybe  
23 to pull them off.

24 MR. HOFFMANN: See what you can come up with.  
25 See what they want to do.

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1 MR. HANSEN: The Army would like to see them closed,  
2 but there is just no way around the chem demil problem.

3 MR. HOFFMANN: Well, then that's fine. But what  
4 I'm saying is let's not break out pick over something that  
5 is, you know, another area of intransigence by the rulers  
6 of the country, the elected and appointed representatives.

7 Okay, what is next?

8 MR. HANSEN: Moving on to more "good news," the  
9 issue of GOCOs was deferred to this time around. I am sorry  
10 to report that there really has not been any successful  
11 resolution. The letter from Secretary Taft basically said  
12 go ahead and give me a charge to look at GOCOs, but don't  
13 mention any names.

14 So, we really would not recommend it.

15 MR. BRYAN: I would say, for the record, that the  
16 letter was never sent actually. They were about to send the  
17 letter, and I advised them that it didn't really help us to  
18 have a letter, and if we did this, it would tie the  
19 Commission in with one more string. And if we were to go  
20 ahead and assume that we wanted to do the GOCOs here, we  
21 didn't need a letter telling us that we couldn't do it. We  
22 already understood that, and it was up to the Commission  
23 whether they would care to chance putting them in there and  
24 come up with a different interpretation of the law, different  
25 from the OSD General Counsel.

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1 CHAIRMAN EDWARDS: The problem is we are stuck  
2 with the General Counsel's view that they are not properly  
3 before us, and if we take them up, and there are some  
4 candidates in the group, we run the risk afterward of  
5 being called to task on that in some court, somewhere, or  
6 in the Congress, or wherever. That was the purpose of my  
7 conversation with Carlucci, and later Taft, two weeks ago,  
8 to try to see if we couldn't resolve it, so that we could  
9 go forward. That was the genesis of the effort to try to  
10 get a letter moving back and forth.

11 Nothing ever came of it that was something we  
12 could put our arms around. And so, unless somebody likes  
13 to tempt fate, I guess we really need to leave the GOCOs  
14 alone.

15 MR. HANSEN: That, then, concludes the Army.  
16 What is left on the plate is six brief analyses, general  
17 type studies. For example, there is an analysis of  
18 chestnuts.

19 GENERAL STARRY: Excuse me. May I ask what  
20 we are going to do about the labs? Did we make a decision?

21 CHAIRMAN EDWARDS: That is coming up.

22 GENERAL STARRY: Oh, it is? I'm sorry.

23 MR. HANSEN: Well, then, if we are having a  
24 briefing on labs, that will make seven things.

25 We need to be flexible here. There is an analysis

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1 of chestnuts, the National Capital Region leased space,  
2 Fort Holabird, GSA Property Surveys Analysis, High Value Opera-  
3 tional Bases, and availability of lands and selected bases.  
4 Finally there is the labs.

5 So, I guess we should proceed.

6 CHAIRMAN EDWARDS: Does anybody have anything  
7 else before we get into these things?

8 MR. HANSEN: We do have a rough-up Fort Meade  
9 map on land use, if you would like to look at it.

10 COLONEL YANKOUPE: This is the Meade complex. I  
11 apologize for the roughness of the diagram. Basically,  
12 you've got two portions. You've got the NSA piece up here  
13 and a large part of the base support operations, the  
14 headquarters, and so forth. You have an airfield located  
15 in here (indicating), an area which is used by the USAR for  
16 their field training, absent firing and so forth with  
17 this large blue area over here (indicating) being an  
18 impact area for weapons firing around firing points around the  
19 outside that have been firing in there. If it has been used as  
20 an impact area for anything other than small arms fire,  
21 we'll have a problem in there environmentally.

22 CHAIRMAN EDWARDS: You said "if it has?"

23 COLONEL YANKOUPE: If it has, yes, sir.

24 The airfield piece is over here (indicating), and  
25 there is a sanitary landfill, which is being used over here

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1 (indicating), some laboratory structures in here (indicating)  
2 and the support area, including such things as power  
3 generation and so forth are there (indicating).

4 MR. HOFFMANN: What labs are there? Who do they  
5 belong to?

6 COLONEL YANKOUBE: Isn't there <sup>B-1</sup> ~~SECRET~~ lab there?  
7 There is the Walter Reed Army Medical Center animal  
8 environmental studies lab and there is a dental lab there  
9 also, which means probably that they do some manufacturing  
10 of braces, crowns, whatever, as well as dental research.  
11 The U.S. Claims Service operates out of there as a tenant.  
12 There's a lot of housing for Army families assigned to  
13 the Walter Reed Army Medical Center. They use housing  
14 there for compassionate reasons in the Washington area, too,  
15 evidently.

16 There are several lake areas on the past, and  
17 some 20 cemeteries, evidently, and a large amount of  
18 warehouses.

19 CHAIRMAN EDWARDS: Do you know lake areas and the  
20 cemeteries? Which side of the highway are they on,  
21 Highway 31, or 32, whatever that is?

22 COLONEL YANKOUBE: The indication was not where  
23 they are. I know a couple of them were shown on a  
24 previous picture that we had up here in this area (indicating)  
25 but I am sure some of them must also be down in this area

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1 here (indicating).

2 CHAIRMAN EDWARDS: If you were going to break this  
3 out into something we could deal with or not deal with,  
4 would you draw the line at the highway?

5 COLONEL YANKOUPE: Yes, sir, but I would want to  
6 look and see what the impact of this area was here  
7 (indicating) -- who trains there for Reserve centers. I  
8 would want to know what the character of this area in  
9 here is (indicating).

10 We did not look at Fort Meade in any detail.  
11 We looked at the installation in terms of relevance to the  
12 National Capital Region functions that it performs as a  
13 whole. I don't know too much about this airfield right  
14 now (indicating).

15 MR. HANSEN: But we will do that. That just  
16 gives you a sense of things.

17 MR. HOFFMANN: March on with that one.

18 MR. HANSEN: Thank you, Roger.

19 If you recall, we have been asked to look at  
20 what would have been called "chestnuts." Last time, we  
21 took them off the list of all the bases that had appeared  
22 on any lists, on any of the last four lists, and did  
23 an analysis of those.

24 CHAIRMAN EDWARDS: Tom, are you getting ready to  
25 leave?

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1 If so, before you go, I would like to get just a  
2 feel of what we have left hanging with you and the Colonel,  
3 Doug.

4 MR. HANSEN: Yes.

5 My list includes taking a look at -- well, certainly,  
6 to fill up Devens. That may mean that some of the moves out,  
7 the intel school out, which is a good idea, perhaps even  
8 the special operations, whatever, out, but then fill it back  
9 up so that it is maintained as a viable post.

10 One of the options was to put the First Army flag  
11 there and other options have come up in the interim. Of  
12 course, we still have the information command option, et  
13 cetera.

14 We are looking at filling up [REDACTED] to the  
15 extent we can, and we are going to check the cost figures  
16 for construction, and moving [REDACTED] just as a validity  
17 check.

18 We want to relook at the land value of [REDACTED]  
19 to be sold as developed, as opposed to as raw land, and  
20 then look at whether or not it could be put into Gillem  
21 primarily.

22 We're going to do a capacity analysis for doctors  
23 at Letterman [REDACTED] and also run that through the model.

24 We're going to close Fort Dix and do the best we  
25 can to move everything around, hopefully leaving some proceeds

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1 for the National Training Center at Fort Irwin.

2 We're going to close Fort Sheridan, look at moving  
3 it, at least the flag remaining inside the five or six  
4 state area that it controls, with a special emphasis on  
5 Illinois.

6 That's it.

7 All the rest are just movement options for  
8 activities.

9 CHAIRMAN EDWARDS: Is that okay with everybody?

10 [No response]

11 CHAIRMAN EDWARDS: All right, then.

12 MR. HANSEN: We are also going to look at the  
13 realignments associated with chem demil.

14 MR. HOFFMANN: And at the two, Umatilla and  
15 Pueblo, made intractable by the chemical situation.

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2 SPECIAL STUDIES:

3 CHESTNUT ANALYSIS; NCR LEASED SPACE; DIS PERSONNEL  
4 INVESTIGATION CENTER; GSA PROPERTY SURVEYS; HIGH VALUE  
5 OPERATIONAL BASES; AVAILABILITY OF LAND (SELECTED  
6 BASES); AND LABORATORIES.

7 MR. HANSEN: Going back to our analysis of chestnuts,  
8 what we did was analyze -- what, how many?

9 MR. URBAN: The 1985 notional list and the 1978-1979  
10 studies.

11 MR. HANSEN: Kevin Urban is here from the Defense  
12 Logistics Agency and he will join me in this analysis.

13 Of the four previous lists, the 1978, 1979, and  
14 1985 and 1986, if you will, 27 installations appeared on that  
15 that we either didn't discuss in detail for some reason or  
16 were doing some analysis of and we've talked about it in the  
17 last day and a half. So there are still installations that  
18 we could talk about.

19 They really fell into two lists, the 1985 list  
20 and then the 1978 and 1979 lists.

21 I'd like to talk about those bases that were on  
22 the 1985 notional list. These are the 22 installations that  
23 Senator Goldwater and Secretary Weinberger put together.

24 The list was illustrative of potential savings, and  
25 as I mentioned earlier, was one of the ways the Department  
was trying to downscale the expectations over what you

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1 could achieve in base closures.

2 They concluded that, of the 22 bases on this list,  
3 and you will recognize many of the names -- they are  
4 mixtures of small sites, large sites, et cetera -- it would  
5 cost you \$2.5 billion to move in order to save \$500 million  
6 a year in steady state saving.

7 So, in essence, we are at a stage where we are going  
8 to spend \$750 million a year in order to save \$500 million,  
9 \$600 million, or \$700 million. So we are doing a lot better  
10 than even those expectations.

11 MR. TRAIN: Did you say \$750 million a year you  
12 were going to have to spend?

13 MR. HANSEN: No, sir -- one-time.

14 MR. TRAIN: Oh, one-time.

15 MR. HANSEN: I will leave this list up for you.

16 On the next chart, of the 22 bases on the list,  
17 four of them we have closed. Four of them we covered in  
18 briefings today -- Fitzsimmons, Fort Devens, the Great  
19 Lakes, and Camp Smith, or actually yesterday.

20 One base, the Jefferson Proving Grounds, was  
21 reviewed in detail during Phase II analysis by Russ Milnes,  
22 but did not have an acceptable payback, and that was briefed  
23 to you two weeks ago.

24 Four of the bases on the list, as best we can  
25 tell, were not ever intended to be total base closures. They

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1 were realignments within that base. But, by the time it  
2 got to the press, it became a closure, and, therefore,  
3 we would not pursue -- in fact, we've talked ~~SECRET~~  
4 today and it is one of the three Area Oriented Depots.  
5 The Letterkenney Army Depot is a major depot. We analyzed  
6 it significantly in Phase I. The same with the Naval Air  
7 Rework Facility. But the Philadelphia Support Activity is a  
8 small activity that we have not done too much with, to be  
9 honest.

10 The shipyard, of course, we addressed quite  
11 significantly during our previous deliberations.

12 Next you see the bases that are slipping through the  
13 cracks and need discussion. Fort Ruger was originally  
14 a 600 acre ceded land, but all of those acres, 8 acres, have been  
15 returned to the State of Hawaii. Consequently, this looks  
16 just like an error. In fact, the eight acres -- this is  
17 on the backside of Diamond Head in Hawaii -- support an  
18 officers club and there are a bunch of antenna there. That's  
19 all it is.

20 The Naval Regional Medical Center we spoke again  
21 of earlier today. It now has expanded responsibilities  
22 as the Joint Military Command Health Affairs point in the  
23 San Francisco area.

24 Chicago's O'Hare appeared on the list as an  
25 example of a single mission Air Force installation for the

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1 Reserve. However, they have very small operating costs.  
2 You don't save a lot of money. Again, they have to be  
3 located where the Reservists are. They have grown slightly,  
4 by two tankers, in size, and I would not recommend pursuing  
5 it any further than that.

6 Again, the W.K. Kellogg Regional Airport is a  
7 Reserve site, another single mission Air Force base, but,  
8 you know, it's not much, not a base. Here we have another  
9 increase in the total number of planes serving the area,  
10 indicating continued viability as a Reserve site.

11 Blytheville Air Force Base, which is now Eaker,  
12 I believe -- or is it the other way around, with Eaker now  
13 Blytheville -- no Eaker, was another example in 1985 of a  
14 single mission base. There were 16 tankers, 14 B-52s.  
15 Today there are 13 tankers and 16 B-52s. But it's also  
16 a candidate for the rail garrison missiles, if that option  
17 is developed. It's also centrally located, which heightens  
18 its pre-launch survivability, et cetera. Therefore, it is  
19 valuable and with a lot of military value array, it would  
20 score highly as a valuable base.

21 McConnell Air Force Base used to be tankers and  
22 fighters. It now has the B-1. That is a significant  
23 change of mission from the time it was on the list. Again,  
24 I point out that this list is notional, anyway.

25 The Naval Air Development Center in Warminster,

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1 Pennsylvania, that mission has not changed since 1985. It  
2 R&Ds stuff like this. Perhaps Russ might be interested  
3 in that as far as his study goes. We didn't get much  
4 more information on that, other than that it is a very, very  
5 unique location, with one of the most seismically quiet  
6 sound spots in the nation. It's built on bedrock. That  
7 may be important to the Navy.

8 Finally, the Naval Air Station South Weymouth  
9 is a Reserve naval air station whose mission has not  
10 significantly changed since 1985.

11 Other than bases we have already listed, that  
12 was the 1985 scenario.

13 MR. CABOT: What do you mean by that, about  
14 South Weymouth, that it hasn't changed since 1985?

15 MR. HANSEN: That is when it was on the list.

16 MR. CABOT: Then why is it still on the list?

17 MR. HANSEN: Well, the list of Reserves -- I don't  
18 know, perhaps Russ can speak to that. Russ handled the  
19 Reserves. But the Reserve stations, again, they are just  
20 demographically located. To be frank with you, I don't  
21 know why it was on the list. The list was not a closure  
22 list. It was a notional, illustrative list. But I also  
23 don't know much more about it than they knew back in 1985,  
24 and it's the same as it was. It's a Reserve base.

25 MR. CABOT: Is it the only Reserve base in

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1 Massachusetts or something, or in New England? Why do  
2 you need it? Why can't they go and do it someplace else?

3 MR. MILNES: Sir, we would have to go out and  
4 get the specific information on that, which we can do.  
5 But, when you go back to some of the points that Mr.  
6 Hansen made about the construction of this particular list,  
7 when Senator Goldwater asked the Secretary of Defense to  
8 produce a list, he was looking for a real list of recommende  
9 candidates for closure. He was also looking for a change  
10 in the statute.

11 The statute that they were working with,  
12 10 U.S.C. 2687, has set forth a whole series of  
13 requirements that you have to go through to close a base.  
14 Basically, the Secretary of Defense, Secretary Weinberger,  
15 said that until the laws were changed -- and he did  
16 propose a change, which was to waive all of the restrictions  
17 he was not prepared to present a recommended list of  
18 closure.

19 However, he wanted to demonstrate to the  
20 Congress what might be saved if they went into this kind  
21 of analysis, that it was worthwhile.

22 So, what he attempted to do, at least as we s  
23 understood it, was to put together a list of bases that  
24 represented the kinds of categories that should be looked  
25 at. And so, you see most of the categories that we have

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1 talked about throughout our discussions are represented by the  
2 notional list -- everything from shipyards to Reserve centers  
3 and also to show the kinds of savings that go along with these.  
4 Some of them paid back very quickly; others did not.

5 So, there really was no substance behind that, and  
6 when you read the actual letter that Secretary Weinberger  
7 sent forward, he had very little analysis to back that up and  
8 nothing further when the Committee is trying to get further  
9 information.

10 MR. CABOT: There is no substance to closing South  
11 Weymouth and using some other facility, then?

12 MR. HANSEN: We can't say that at all, sir.

13 MR. MILNES: No, we can't say that.

14 MR. HANSEN: We asked the Navy to tell us as much  
15 as they could about it, and they came back and said it had the  
16 same mission as it had in 1985, and that was it. That  
17 is a kind of brief response, and, if you would like us to, we  
18 could pursue that.

19 MR. CABOT: It's not a big deal. But it just sort  
20 of represents to me the doubletalk of not getting an answer.

21 CAPTAIN SZUTENBACH: Sir, if I could characterize  
22 that a bit, I hate to put the Navy in a bad light, but  
23 we did not ask the Navy for an analysis of the naval air  
24 station at South Weymouth. We said has there been a change  
25 in the mission since then or are they continuing with their

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1 mission as they have had it. They came back and said they  
2 still have a mission. That was not intended as a closure before  
3 and it had not been analyzed as such.

4 Quite frankly, I didn't ask for much on that  
5 particular one, other than for what we really got. One of my  
6 thoughts are that these are Reserve centers, again, and we  
7 had captured those in a different analysis that was run by  
8 Mr. Milnes, and Reserve centers were generally in locations  
9 where you needed to have them demographically.

10 So, when you look at the independent information  
11 that we had, beyond what was there, it didn't appear there  
12 was much to go after at South Weymouth. It was more than  
13 what we got back from the Navy. We had other information,  
14 other categories and other ways. We didn't think we needed  
15 to pursue that.

16 CHAIRMAN EDWARDS: Does anybody have any comment  
17 on any of the chestnuts?

18 MR. HANSEN: I'm sorry, sir, but there is more  
19 to go. That was just the 1985 list.

20 CHAIRMAN EDWARDS: Okay. Then keep moving.

21 MR. HANSEN: On the 1978 and 1979 lists, there were  
22 five bases that we had not done any detailed discussion of  
23 in front of the Commission. So we thought we'd tell you about  
24 it.

25 First is [REDACTED] The property is

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1 owned by the State of Pennsylvania. The Army leases it. The  
2 lease expires in 1991. Our recommendation is that we let  
3 the Army decide in 1991 whether they are going to allow that  
4 to revert back to the state or attempt to lease it  
5 continuously.

6 We clearly would not get any proceeds out of  
7 this one and it is a large mobilization center for the Army.  
8 ~~SECRET~~ we have, in fact, talked  
9 about because of its being a sub-post of Fort Hamilton. It  
10 is the largest Reserve center in the nation. It is extremely  
11 important to New York City, where there are a lot of  
12 Reservists.

13 We would recommend that it stay open.

14 Vint Hill Farms is a very similar place to  
15 Fort Ritchie in the sense that it has a lot of classified  
16 communications type facilities, which are inextricably tied  
17 to activities here in the nation's capital. I would not  
18 recommend that.

19 MR. HOFEMANN: Well, yes and no.

20 What has happened at Vint Hill is that was a  
21 candidate for closure back before that, in 1973, 1974, and  
22 1975, as well. What happened there?

23 MR. HANSEN: Well, it has two things. The greatest  
24 two things are its ~~SECRET~~ <sup>B-1</sup>  
25 information facility, which is not easy to replicate. I mean,

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1 it is costly to replicate. It has six square miles of  
2 antenna field. This is an antenna relay. It looks to me like  
3 a communications relay type of activity.

4 CHAIRMAN EDWARDS: Is that the place that is  
5 built on the side of a mountain?

6 MR. HANSEN: No, sir. I think you are thinking  
7 of headquarters SAC in Offut. This is down near rolling  
8 foothills, near Warrenton, in the rolling foothills of  
9 Virginia.

10 MR. HOFFMANN: Who is the author is that last  
11 sentence on the chart, "a detrimental impact on the Department  
12 of Defense [REDACTED] B-1

13 MR. HANSEN: The Army.

14 MR. HOFFMANN: Are they tenants down there?

15 COLONEL YANKOUPE: Sir, we have about four  
16 reasons that we can't really discuss in any detail that  
17 attest to the value of [REDACTED]

18 MR. HANSEN: In other words, we are talking about  
19 classified information [REDACTED] B-1

20 [REDACTED] B-1  
21 MR. HOFFMANN: Well, my God, I am cleared for the  
22 bizarre.

23 [General laughter]

24 CHAIRMAN EDWARDS: Well, you were.

25 MR. HOFFMANN: The thing here is I cannot

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[REDACTED]

1 imagine that the antenna farm down there is, you know, that  
 2 you couldn't put it somewhere else, and you have all kind  
 3 of secure facilities at [REDACTED] B-1 which we are preserving out of the  
 4 kindness of our hearts [REDACTED]

[REDACTED] B-1

6 Have we really taken a hard look at this? That's  
 7 a valuable piece of property.

8 There are farms right there -- as a matter of fact  
 9 they modified an old barn and a silo, [REDACTED]

[REDACTED] B-1

11 CHAIRMAN EDWARDS: Let me just say something  
 12 off the record for a moment.

[Discussion off the record.]

14 MR. HOFFMANN: They are on the verge of building  
 15 a [REDACTED] B-1 headquarters down there to replace an  
 16 accumulation of shacks, hasty shelters, jiffy-rigged packing  
 17 boxes, and other things they inhabit down there. So this is  
 18 the last chance to take a hard look at [REDACTED]

That is very valuable land.

20 MR. HANSEN: The answer to your question of who  
 21 wrote the last sentence is that was run through the Army,  
 22 through the Secretary of the Army.

23 GENERAL POE: Perhaps a couple of members that  
 24 have the clearance ought to take a look at it.

25 MR. HOFFMANN: I think the Commission needs to

[REDACTED]

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1 continue to bristle a bit as we go down to our waning days  
2 here. I would suggest that we bristle at the [REDACTED]  
3 and ask the Secretary of Defense if he is removing that from  
4 the list of closure candidates.

5 I would make that into a motion or whatever you need

6 CHAIRMAN EDWARDS: I'm sorry, but I didn't hear  
7 the motion.

8 MR. HOFFMANN: What we have is a suggestion from  
9 the Army, who is the landlord of a number of these folks  
10 down here, that we cannot look at this because it is so  
11 highly classified and sensitive and that it would have a  
12 detrimental impact. I think we need to ask the question is  
13 the Secretary of Defense taking this off the list because  
14 it is so sensitive. You know, if it is that important, it  
15 should not be in this kind of hasty, rigged shelter type  
16 operation down there. If they are going to build a  
17 [REDACTED] facility, and we have Belvoir and various other  
18 places that we are going to redevelop, that might be a  
19 nice thing to put in there, and the land is very valuable.

20 CHAIRMAN EDWARDS: That is a fair question.  
21 Let the Secretary respond. He doesn't have to tell us anything  
22 except yea or nay.

23 Who is going to ask him?

24 [General laughter]

25 CHAIRMAN EDWARDS: Get him on the line.

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1 MR. HANSEN: We might very well be able to  
2 write him a letter.

3 CHAIRMAN EDWARDS: We don't have time for that.  
4 See if you can get him on the telephone.

5 MR. HANSEN: You could hand-carry it.

6 [Pause]

7 CHAIRMAN EDWARDS: Are you through with this?

8 MR. HANSEN: We have one other chart, sir.

9 If Homestead is all right, the explanation of  
10 Homestead that you see on the chart, Homestead is a quite  
11 heavily used air base, with excellent access to its  
12 training facilities, et cetera.

13 GENERAL POE: It is also covered up with DEA  
14 aircraft and acquisitions at the point of a gun. So it is  
15 a pretty busy place.

16 MR. HANSEN: Yes.

17 The last two on the list are two Defense DLA  
18 depots -- Ogden and Tracy. The best we could tell about  
19 that one was in the 1978-1979 timeframe there was a study  
20 of the entire departmental materiel distribution system  
21 which concluded excess capacity existed. However, no one  
22 ever recommended any actual base for closure. So this may  
23 have been caught up in the studies.

24 As we mentioned in the Army's depot system, the  
25 same thing has happened to DLA. The increased stockage

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1 levels -- yesterday's excess is today's shortage. DLA is  
2 actually leasing storage space now.

3 So I don't think this would be a viable candidate.  
4 We grilled DLA in our system. They did not slip through  
5 any cracks.

6 So we have already done this.

7 That concludes that briefing, with six more  
8 to go and the pizzas are available.

9 I wonder what the Commission would like to do.

10 CHAIRMAN EDWARDS: Does anybody have any  
11 comments on those remaining chestnuts?

12 [No response]

13 CHAIRMAN EDWARDS: It is kind of the bottom of  
14 the barrel, isn't it?

15 MR. HANSEN: Yes, sir. We have covered a lot  
16 of them in great detail with the Commission.

17 CHAIRMAN EDWARDS: Okay, then.

18 CHAIRMAN RIBICOFF: Why don't we break for  
19 lunch.

20 [Whereupon, at 1:05 p.m., a luncheon recess  
21 was taken.]  
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## AFTERNOON SESSION

(1:37 p.m.)

CHAIRMAN RIBICOFF: Okay, Doug, continue.

MR. HANSEN: Next, Admiral Don Connor has joined us to discuss what we have learned about the overall National Capital Region leased space.

Our primary source of information for this was a study done by the Department of Defense and submitted to Congress -- this (indicating) is the study here -- on May of 1988, concerning, and the title of it was "DOD Administrative Space Planning for the National Capital Region."

I'd just like to highlight it for you. I think we can perhaps help out the Department in this regard.

This is just in general the areas that we are talking about. All of these bases for the most part we have already discussed.

This chart is a depiction of the projected payments to GSA for space from today out through 1997.

The interesting thing here is no matter whether the GSA leases space for the Department or actually owns the building and we use it, we pay, in essence, the fair market rate for it.

So, to the Department of Defense, it doesn't matter. It's leased space at the going rates pretty much.

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1                    Now some of the leases that the study shows are  
2 quite old. And, in fact, for those of you who are in town,  
3 you probably read regularly about how the lease costs are  
4 going to double and triple. This report estimated that lease  
5 costs would double very soon, within the next few years, and  
6 that is part of the reason for the increase.

7                    Oh, I'm sorry. This does not include that. This  
8 is with status quo. So it's going to go up that much anyway.

9                    So, the main thrust of the report was the  
10 Department has to get out of leased space. This is the plan  
11 they developed. Without much change in personnel, you can  
12 see a large increase in the owned space for the Department  
13 versus that owned by GSA, no DOD leases, and a decrease in  
14 GSA lease space. Again, the total square footage doesn't  
15 change. It's just a matter of how you pay for what you get.

16                    The goals of the study were to reduce costs  
17 through increased ownership, consolidate facilities, and  
18 therefore put activities that are fragmented in many different  
19 areas together, which is a benefit that you cannot measure  
20 in dollars, improve security, et cetera.

21                    Some components were going to move out of  
22 Washington and administration procedures would improve.

23                    Now, what makes this worthy of briefing to you  
24 is that the study, even though it was done in May, basically  
25 is a year old at least and it already does not include

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1 things [like, the Fort Belvoir part in the Army plan did not  
2 include the proving grounds, while the Navy activity in  
3 the Navy Yard is pretty much ongoing, although there is some  
4 talk about the GSA portion of that not going.]

5 The study is less than totally accurate today.  
6 But it is only based on, they probably didn't even realize  
7 how much land they had. Part of the plan included commercial  
8 development on the Eisenhower Avenue corridor.

9 Anyway, if we just have the status quo lease  
10 costs, which are expected to double, even so, we can save  
11 over ten years \$2 billion. Some of the savings involve  
12 other types of savings, meaning not having to improve buildings  
13 or stuff like that.

14 So it's an extremely good idea, but it's been  
15 blocked.

16 [ Part of this plan involves the Pentagon South,  
17 the Pentagon Annex, and that was blocked by Congress. This  
18 is a very volatile political issue. Obviously, you are talking  
19 for the Army alone, 3 million square feet. You are talking  
20 a ton of square footage going to commercial entities, which  
21 will, over the long run, pay well for the Department to be  
22 out of, using Bolling, Belvoir, and all those places.

23 So, our recommendation is that we can't get  
24 our arms around it in the time available to us, much like  
25 we couldn't get our arms around the engineer proving grounds.

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1           The most innovative ways to deal with this  
2 problem sometimes require special legislation, like the  
3 proving ground. The proving ground itself, a simple sell  
4 and build, you could only build, if you recall, 1.2 million  
5 square feet of space, whereas they estimate that by changing  
6 the zoning in conjunction with Fairfax County and getting  
7 private development in, and so forth and so on, they can  
8 get 3 million square feet out of it. So you have to be  
9 innovative nowadays to really make money.

10           So our recommendation here is that we strongly  
11 support the concept of getting out of leased space and  
12 getting into land, and that we recommend the study be  
13 updated to include land that we already know about that was  
14 not included in their study.

15           CHAIRMAN EDWARDS: Is there any comment?

16           MR. CABOT: Leased space has to do with buildings.  
17 Getting into land has to do with land.

18           MR. HANSEN: We already own the land, sir.

19           MR. CABOT: So what you are really saying is  
20 getting out of leased space and building our own buildings?

21           MR. HANSEN: On our own land.

22           MR. CABOT: The thing that really drives that is  
23 the assumption that everything is going to go up by 4.5 to  
24 5 percent a year. If that's true, I mean, if you really  
25 believe that forever, why it is better to own hard assets

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1 than it is to own money, or to lease.

2 MR. HANSEN: We also have a situation where the  
3 average lease cost for the whole Department today is \$17 a  
4 square foot, in Washington, that is, and the commercial  
5 going rate today in this town is \$30 to \$35.

6 CHAIRMAN EDWARDS: And up.

7 MR. HANSEN: Yes, and up.

8 Of course, the Department does not come to K  
9 Street very often.

10 MR. CABOT: Then again, it is apples and oranges.  
11 You are comparing renting space in Washington versus having  
12 space in a low rent area, somewhere out in the country.

13 MR. HANSEN: Well, it's not that far out. It's  
14 Fort Belvoir, just outside the Beltway.

15 MR. CABOT: I know. But at least you can rent  
16 commercial space out there cheaper than you can in Washington,  
17 D.C.

18 MR. HANSEN: Yes, it is different, but not  
19 dramatically so. Most of our leases are, in effect, out in  
20 that area. The Hoffman Building is right on the Beltway.

21 CHAIRMAN EDWARDS: The what building?

22 MR. HANSEN: The Hoffman Building.

23 GENERAL POE: He left his mark on it.

24 CHAIRMAN EDWARDS: Is it a memorial?

25 MR. HANSEN: It is a single "n" Hoffman Building,

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1 not quite as old as the family.

2 CHAIRMAN EDWARDS: They probably couldn't afford  
3 but one "f" either.

4 [General laughter]

5 MR. HANSEN: The idea there, sir, is all the  
6 leases were negotiated pretty much at the same time,  
7 during the large expansion of the government. They are all  
8 coming due within three to five years. They are all being  
9 currently negotiated.

10 If nothing else, having a nice strong recommendati  
11 like this in this report on the street might dampen some  
12 of the private developers' need for doubling their rates,  
13 if nothing else.

14 Timing is good on this. The idea is good, it's  
15 sound. I personally have experienced it in my old office  
16 in the Hoffman Building. That was a lousy, ratty building  
17 to be in, and then, when they started negotiating the lease,  
18 the first thing they did was to come in and spruce up the  
19 whole thing. They painted every office, they painted every  
20 hallway, they put out new carpets, and so forth and so on.

21 CHAIRMAN EDWARDS: Any opposition to this  
22 recommendation? Any concern about it?

23 DR. SMITH: Mr. Chairman, I have a concern.

24 I think it is a very strong statement for us to  
25 make because in a lot of cases it may be smart for the

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1 Defense Department to lease, rather than to buy, depending on  
2 the nature of how long they are going to be there, what their  
3 mission length is, and that sort of thing.

4 I think that the proposal on the engineering  
5 proving grounds, just for the Army to lease that space --

6 MR. HANSEN: That is a trade-off.

7 ADMIRAL CONNER: To let the developer use that space  
8 and then, in turn, he would build a building which the Army  
9 would use.

10 MR. HANSEN: It essentially splits the property.

11 DR. SMITH: My understanding was that we would  
12 lease the building back from him for a fixed rate over the  
13 life of this thing.

14 ADMIRAL CONNER: I think there was a different  
15 quirk to it.

16 DR. SMITH: You know, we are all for private  
17 enterprise. I am not going to go out and buy buildings  
18 for my business. I am going to lease them because I  
19 know I have a corporation that is something you want to look  
20 at over time, and you may want to change that.

21 The concern I have is putting ourselves in a  
22 position of prejudging what is in the best interest of the  
23 Department on a case-by-case basis.

24 MR. CABOT: And it is not exactly what we are  
25 here to do.

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1 DR. SMITH: That's right.

2 I sympathize totally with GSA ripping off the  
3 Defense Department. They have done it for years. The  
4 Defense Department has paid rent for the Pentagon forever, and  
5 the Defense Department has never gotten one nickle out of  
6 that rent.

7 That rent, excess rent, is supposed to go into  
8 a building fund to be used to build facilities. GSA has  
9 never built a thing for the Defense Department, despite  
10 the rent they got. I don't know, they were paying what,  
11 \$25 million a few years ago, for rent for the Pentagon,  
12 annual rent for the Pentagon, and the cost to GSA was  
13 \$5 million or \$6 million. So they were making \$20 million  
14 a year in profit off the Pentagon for rent of the Pentagon.

15 The Pentagon never got a nickle of that back.

16 MR. HOFFMANN: What were they doing with it?

17 DR. SMITH: It goes into the GSA Building Fund  
18 and its' used to build the [Tip O'Neill] Post Office in  
19 Massachusetts and other buildings that the GSA builds  
20 from time to time.

21 MR. HOFFMANN: That seems to be a rather  
22 prominent example to use.

23 I would assume a certain wisdom on the part of  
24 the gentlemen, which I don't have.

25 MR. HANSEN: Well, perhaps the recommendation

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1 is too strongly stated. But I think it would be appropriate  
2 for the Commission to note that they have found properties  
3 where this could be done and has chosen not to excess them,  
4 which is part of our charter, because this is a good idea and  
5 we ought to pursue it.

6 DR. SMITH: Well, supposing your engineer proving  
7 ground, that it turns out from a tax point of view the  
8 developer wants to lease that building to the Army and he  
9 will lease it to you for \$1 a foot for 20 years. That lease  
10 deal there is a hell of a lot better than building.

11 I just don't want to prejudge what is in the best  
12 interest on a case-by-case basis here.

13 I think it is appropriate for us to say that we are  
14 made aware of the lease costs and the lease costs are  
15 going to be exhorbitant and the Defense Department ought to  
16 be looking for alternatives to paying the high lease costs.  
17 But to become an advocate for one option, ownership, I think  
18 is a little strong.

19 I may be overly sensitive to this, Mr. Chairman,  
20 but I think that is a little out of our charter.

21 CHAIRMAN EDWARDS: Any other comment?

22 [No response]

23 MR. HANSEN: With your concurrence, sir, we  
24 will draft something a little less strongly worded for  
25 your final report, subject to your approval.

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1 CHAIRMAN EDWARDS: All right. Do that.

2 Mr. Smith is on the Drafting Committee and he  
3 can take a look at what you have done.

4 DR. SMITH: I will be quiet.

5 [General laughter]

6 CHAIRMAN EDWARDS: Thank you, Don.

7 MR. HANSEN: Next we would like to talk about  
8 Fort Holabird.

9 If you recall, two weeks ago we were discussing  
10 this recommendation, that we basically close all of Fort  
11 Holabird, which would primarily affect the Defense Investigative  
12 Service Personnel Investigation Center because the other  
13 part of Fort Holabird, which is physically dislocated across  
14 a couple of streets from each other, was already in a planned  
15 move to Fort Meade. But at the time, we had issues concerning  
16 loss of specialized workforce, et cetera.

17 What we discovered was that, what we did was we  
18 ran the move of the Army Criminal Records Center through the  
19 model and it paid back in 4.3 years because their construction  
20 costs at Fort Meade were going to be less. They were going  
21 to renovate an old commissary. However, there were not  
22 two old commissaries, so, therefore, we didn't have a home  
23 for DIS, and to build new facilities for the Defense  
24 Investigative Service on Fort Meade did not pay back.

25 Now, I might point out that since Fort Meade is

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1 in a comprehensive analysis right now, this may change. It  
2 wouldn't change the Defense Investigative Service part of the  
3 equation. But wrapping Fort Meade up into a much larger  
4 comprehensive study of ins and outs, it might. But, given  
5 the time we have, I don't want to accept any more work than  
6 I need or that I can handle.

7 So, I am not sure what we could do with this  
8 Defense Investigative Service. But we ought to support the  
9 move of the Criminal Records Center to Fort Meade. I think  
10 that is in the contonement area. So it would not hinder  
11 excessing the other land at Meade, if that is a good idea.

12 So, our recommendation is to leave the Defense  
13 Investigative Service where it is right now for want of a  
14 payback option that would work for us.

15 CHAIRMAN EDWARDS: Any comment?

16 [No response]

17 MR. HANSEN: By the way, for the Recorder, that  
18 was Kevin Urban from DLA away.

19 At your tables, you should find a two-page  
20 summary that we left with you over lunch regarding properties  
21 that the GSA has on their excess list. Again, just to  
22 refresh your memory, let me describe how properties end  
23 up on GSA's excess list.

24 The first way is the easy way for the Department.  
25 If the Department decides it's excess, it turns it over to

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1 GSA for disposal. We have no problem with that system.  
2 We don't wish to do anything about it.

3 The second part, though, is GSA has an active  
4 survey team which goes out to installations and does surveys  
5 of whole installations and recommends things for excess.

6 We had a long computer list collected on these  
7 types of surveys, many of which the Department or the service  
8 involved disagrees with. And so, what I have asked Karen  
9 Chase to put together is an analysis of these, and the  
10 criteria we used was any parcel that GSA recommended for  
11 excess that was either 500 acres or more or represented  
12 50 percent or more of the actual installation. This  
13 should be a somewhat exhaustive list of all of those that  
14 met those criteria.

15 You will recall things like the GSA would go out  
16 and survey 109,000 acres at Fort Knox and recommend 12  
17 acres for excess. Well, we didn't follow up on those kinds  
18 of things.

19 What we followed up on were ones that were  
20 either the whole installation, which would met our criteria,  
21 or a significant amount of an installation.

22 The first list of properties is shown. In  
23 general, we think the Commission could concur with the  
24 GSA and take credit, since they have not been officially  
25 excessed, and say we have also discovered these properties

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1 which should be sold. The only problem we have is you will  
2 note that four or five of these are involved with the National  
3 Guard, and things get a little delicate when dealing with  
4 properties the National Guard is using.  
5

6 So our recommendation would be that the Commission,  
7 much as it has in other cases these last few days, target  
8 these, subject to anyone finding a legal impediment or other  
9 impediment that would stop us, if you will, in the next  
10 two weeks.

11 MR. HOFFMANN: What would you do, refer those to  
12 the Guard Bureau?

13 MR. HANSEN: I would refer them to the Army  
14 National Guard, or whatever. [The Navy happens to control the  
15 Salton Sea Test Base, of which 6,700 acres of it is the Salton  
16 Sea, or part of the Salton Sea.

17 CHAIRMAN RIBICOFF: I am just curious. What do you  
18 do with land that is under water?

19 MR. HANSEN: Well, you can build marinas on it.  
20 The Salton Sea is actually developing --

21 GENERAL POE: They sell it to people.

22 MR. CRAIB: There is always low tide.

23 [General laughter]

24 MR. CABOT: What will they do with the other  
25 6,000 acres?

MR. HANSEN: That is the value of the plot.

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1 MR. CABOT: Do they have something going on there?

2 MR. HANSEN: No, they are not using it.

3 MR. BARRETT: There is one thing. It almost falls  
4 under the list. It is a possible contamination, a minor  
5 contamination, problems from some underground storage tanks.

6 MR. HANSEN: The second list, as Charlie Barrett  
7 mentioned, is also candidates for excessing, although they  
8 all have toxic problems that either need to be cleaned up or  
9 that need to be identified, whether they are there or not.  
10 But, again, subject to the cost being less than the value,  
11 they might be good candidates.

12 At this stage, we would not be able to come up  
13 with the cost of cleanup. We would only be able to come up  
14 with a rough estimate of the value.

15 We have not come up with any values on any of  
16 these so far.

17 The second page is a list of actions which we  
18 would recommend. The properties are excess and either they  
19 are in the last stages of being finally reported as excess to  
20 GSA or there is good reason for them not to be excessed.

21 The biggest one that I would like to point out to  
22 you there is the two areas in [REDACTED]  
23 [REDACTED] I guess that stands for  
24 Army National Guard Base, or, rather, Air National Guard Base.

25 Quite a few acres are there. The Air Force is

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1 negotiating with the State of Colorado on property exchanges  
2 for those, and those usually work out very well, to the benefit  
3 of the Department. They are always based on fair market  
4 value and equal trades and, you know, the Department not getting  
5 messed up. I would recommend that the Air Force be allowed  
6 to continue those types of negotiations.

7           The final lists are those where the staff, using  
8 information provided by the Service, disagrees with the  
9 GSA on whether or not these are in excess. Dillingham  
10 Military Reservation -- the GSA did not consider that it was  
11 used at night. They only appeared to measure it during the  
12 daytime and didn't find much going on and said this is excess.  
13 There is a heavy night vision goggle flight training usage there

14           MR. HOFFMANN: A nine to five investigator, right?

15           MR. HANSEN: Yes, a nine to five investigator.

16 The Navy Outlying Field at Imperial Beach is excellent.  
17 The Imperial Beach, California air base is heavily used by  
18 helicopters for landing. It is just south of San Diego,  
19 right near the Mexican border. I wouldn't be surprised if we  
20 would find there is quite a bit of ground based Customs  
21 work going on there, too. It would be good to have a buffer  
22 zone, if you would.

23           Miramar is another one where it could be exchanged,  
24 but we put it on this portion of the list because no active  
25 negotiations are going on right now.

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1 Whidbey Island is another one which was a mistake.  
2 In essence, the vast majority of this is encumbered by ammunition  
3 storage. Apparently, GSA didn't understand explosive arcs.

4 The other one is a complete outlying field, heavily  
5 used by the Marine Corps Air Station at Cherry Point for  
6 training. Maybe they had their midnight investigators doing  
7 that one, I don't know.

8 Our recommendation is that we pursue the ones on  
9 the first page to see if there are legal impediments or  
10 environments that would be show-stoppers, and, if there are not  
11 to include them in our recommendations.

12 CHAIRMAN EDWARDS: Any problem with that?

13 [No response]

14 CHAIRMAN EDWARDS: Okay, that was page one.

15 Page two?

16 MR. HANSEN: For page 2, our recommendation is  
17 that we not pursue that.

18 CHAIRMAN EDWARDS: Any problem with page 2?

19 [No response]

20 MR. HANSEN: Thank you, Karen.

21 I think this was done Sunday night, between  
22 10:00 and 1:00.

23 MR. CRAIB: What kind of testing do they do down  
24 at Salton Sea?

25 MR. BARRETT: They don't do anything any more.

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It was originally a nuclear testing site. That's why there is some question about contamination. It has not been in use for almost 15 years.

There is some question about the land value put out by GSA, \$1,000 an acre for sand and sagebrush.

MR. CRAIB: And at 112 degrees.

MR. HANSEN: I was going to say if you go to San Diego a lot, you would fly over it. You can see the development down there. It is sort of recreational development

MR. CRAIB: Down at the end of the lake the fish glow just a little bit.

[General laughter]

GENERAL POE: There is another test area that was very nice, where you could get higher speeds because you were below sea level. So you'd test certain things, especially water vehicles, for high speeds.

MR. BARRETT: That is why a part of the acreage that includes this was a part of that, you know, drop zones, instrumentation, things like that.

MR. HANSEN: This next analysis was an analysis that I think Mr. Claytor asked us for. In a sense, it was a portion of the high value properties, but it was the operational base portion..

We were asked to look at high value operational bases and only look at their value as far as land goes,

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1 which may or may not be of interest to the Commission, to say  
2 something like we looked at 20 such properties with a value  
3 of billions of dollars which some future commission might  
4 consider swapping for needed training land, or something.

5 We chose, in general, the 20 largest metropolitan  
6 areas and did the best we could -- the highest cost areas --  
7 and did the best we could to find a military installation  
8 in them. If you will note, in Seattle we had a hard time  
9 finding anything big there that was not already considered  
10 because we had Sandpoint already on our list.

11 This is now not Seattle-Puget Sound; this is just  
12 Seattle itself.

13 CHAIRMAN EDWARDS: Is Bayonne in California?

14 MR. HANSEN: It is in New Jersey. That is supposed  
15 to be New Jersey up there.

16 CHAIRMAN EDWARDS: I thought so.

17 GENERAL POE: It seems to me that I sailed out  
18 of there one time.

19 MR. HANSEN: If we could have the next chart,  
20 this is operational bases, and also the next one, the Marine  
21 Corps chart. We tried to be balanced, if we could, for a  
22 number of things.

23 That is a billion dollars for the Marine Corps.

24 Our recommendation on these is, while we may be  
25 able to save the analysis we did and talked about, to mention

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1 these bases would be severely detrimental I think to their  
2 continued operations. We clearly don't have any idea of  
3 where we'd put them.

4 The Naval Air Station Miramar, we know that is  
5 targeted by the FAA; we wouldn't want to highlight that, that  
6 we were even half-way considering it.

7 This needs to be treated very delicately.

8 GENERAL POE: You have "Lake" up there. That is  
9 supposed to be "Luke" in Phoenix.

10 CHAIRMAN EDWARDS: Any time we mention a base,  
11 we create a problem over on the Hill, and if we mention one,  
12 even if we are not going to close it, it just puts up a  
13 cautionary flag. I would just as soon not mention anything  
14 that we are not going to actually deal with.

15 MR. HANSEN: I would certainly concur with that.

16 Do we have a sense that we would like maybe to  
17 incorporate this, the values of these that we have  
18 collected at all, even without mentioning the bases? Or  
19 what are we going to do with this, if anything? It's not  
20 that I need any more work, of course.

21 CHAIRMAN EDWARDS: I doubt if it serves a purpose.

22 MR. CABOT: You are not changing your view about  
23 what you said yesterday, that there ought to be some things  
24 which we don't close which we ought to say why we didn't  
25 close.

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1 CHAIRMAN RIBICOFF: Oh, I think there should be  
2 examples.

3 CHAIRMAN EDWARDS: But I am not sure they ought  
4 to be in the report.

5 MR. HANSEN: But we could prepare defenses for  
6 those examples. To put them in the report is to mark them.

7 CHAIRMAN EDWARDS: What I meant to say yesterday  
8 was that those of us who are going to have to defend the  
9 report need to be prepared with some additional information  
10 as to why we did not do certain things. But I wouldn't put  
11 those bases by name in the report.

12 MR. BRYAN: Let me just say that every time you  
13 mention a base in the report, whether we actually get to  
14 close it or not, it irritates someone and perhaps helps  
15 to create a critical mass of votes against this report in  
16 Congress. So we probably ought not to do that.

17 MR. HANSEN: I have only one left before I  
18 turn the floor over to Russ.

19 We were asked in particular bases, it was  
20 mentioned specifically to look for some excess property.  
21 The bases were [REDACTED]  
22 [REDACTED] the middle  
23 ground there, are all tied up in the National Capital Region  
24 area, with very small land, if any, to build on. Whatever  
25 could be carved out of there, even if it is not quite  
zero, would be a candidate for getting out of leased space or

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1 something like that. So I would not recommend anything there.

2 But we do have some analysis of [REDACTED]  
3 and DLA Depot.

4 [REDACTED] is an Air Force Base of 349 acres. It was  
5 surveyed by the GSA in 1983 in the same type of survey. They  
6 found a ten acre parcel; a lighted softball field and a  
7 picnic area was declared excess by GSA. But they couldn't  
8 find a way to relocate it at all.

9 As you can see, it kind of gives you a sense for  
10 this.

11 CHAIRMAN EDWARDS: Are there two [REDACTED] I  
12 thought [REDACTED] was in [REDACTED]

13 GENERAL POE: It is, and that chart is wrong.

14 GENERAL QUINN: This is to the [REDACTED]

15 You are exactly correct.

16 MR. HANSEN: No, not San Antonio.

17 DR. SMITH: [REDACTED]: Which is to the East of  
18 San Antonio, too.

19 [General laughter]

20 MR. CABOT: Was the problem that they could not  
21 find a way to relocate the picnic area or the softball field?

22 MR. HANSEN: They could have relocated it,  
23 but they would have gotten \$100,000 for the land and  
24 would probably have spent \$200,000 to relocate it.

25 GENERAL POE: There is something else to say about

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1 that, too.

2 We have a noncommissioned officers academy for the  
3 Air Force there, and I would think they would probably like  
4 to play softball once in a while. That is my reaction.

5 Maybe they have two softball fields, but I just  
6 know the GSA and the way they look at things.

7 MR. CABOT: For GSA to pick out ten acres for a  
8 softball field someplace is really nit-picking.

9 GENERAL POE: That's right. You see, the guy  
10 has to justify the TDY, the ticket and the hotel room,  
11 all of that.

12 MR. HANSEN: Now [REDACTED] does say that they could  
13 probably perhaps build on as much as 35 acres. The ability to  
14 build on land and the ability to excess land are two entirely  
15 different things. I think you will see that when you get  
16 to the DLA Depot and Brooks.

17 GENERAL POE: The problem with this, Mr.  
18 Chairman, is I think if somebody could do an exhaustive study  
19 over time, say of the area university down there, you would  
20 probably figure a way to move these activities over there.

21 But it is so complex and it is one of those  
22 things you do not want to screw up because we have tried it  
23 before and we have some other things going at [REDACTED] now,  
24 like the people who have determined what kind of computer  
25 programs you should use for the whole Air Force and all of

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1 that.

2 But I just have the gut feeling that you could  
3 do it. But I don't see any opportunity at all for the staff  
4 or ourselves or the Air Force to do it now.

5 MR. HANSEN: Okay.

6 ~~\_\_\_\_\_~~ Air Force Base is 1,310 acres west of  
7 ~~\_\_\_\_\_~~

8 [General laughter]

9 CHAIRMAN EDWARDS: And how about San Antonio?

10 [General laughter]

11 MR. HANSEN: It was also surveyed by GSA and they  
12 figured all land was essential to the Air Force mission.  
13 However, the Air Force has told us that they perhaps could  
14 find 400 acres of land to build on there at ~~\_\_\_\_\_~~ but, in  
15 accordance with GSA, they could not excess it out.

16 GENERAL POE: That's my service. They want to  
17 give us a radiological burial site.

18 [General laughter]

19 MR. HANSEN: This was late-breaking news. Brooks  
20 does have planned growth. In fact, it turns out that the  
21 excessed property at Brooks is the old runway area. They are  
22 planning to build 150 houses in there between 1987 and 2001.  
23 Obviously, they do long-range planning in the Air Force.  
24 There are R&D facilities, et cetera, et cetera.

25 So, there may not be a total of 400 there, but

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1 the area has been built on and built upon.

2 I see these circles around here (indicating).

3 The circles tell me there might be buildings in the center of  
4 them which might mean some ammo or something there that is  
5 hazardous. Those are the kinds of drawings you get on maps  
6 like that.

7 Finally, we have the Defense Depot, [REDACTED]

8 DR. SMITH: So your recommendation is to do nothing  
9 at [REDACTED]

10 MR. HANSEN: Yes. It is to leave it, in an  
11 area like San Antonio, as large as that is, to leave it for  
12 future flexibility. I mean, it can't be carved out. That's  
13 the problem.

14 It's not excess. It is capable of being built on.  
15 But it is pockets here and there.

16 If you can't excess it -- and GSA couldn't even  
17 excess it, and they are mean -- then what?

18 DR. SMITH: Would you put the map back up again?

19 That confirms my recollection. You have all of the  
20 runway area, the lower right side of that. So it looks to me  
21 like it could be sold off.

22 You've got plans to put Air Force housing in, but  
23 that could go at [REDACTED] or any of half a dozen Air  
24 Force bases. Aren't there about half a dozen or so?

25 GENERAL POE: Well, now, don't overstate it.

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1 It's about a quarter of a dozen.

2 MR. HANSEN: The biggest circle there is centered  
3 around something called a "Directed Energy Lab." I don't  
4 know what that is.

5 GENERAL POE: I think that is laser technology.

6 MR. HANSEN: Well, if you want to sell it, you  
7 obviously would have to move the lab. That is what I mean,  
8 <sup>W</sup>wether you could move the lab.  
9 <sup>A</sup>

Sanitary landfill is in here, too.

10 Next is Defense Depot ~~TOP SECRET~~ There are a total  
11 of 1,139 acres. It was surveyed by GSA in 1984, and they  
12 recommended small, little parcels be declared excess, but  
13 DLA disagrees.

14 Now, the 750 open acres was reported to us in  
15 Phase I analysis by DLA, and the best we can tell is that that  
16 was a mistake. We'll put a map up to try to show you what  
17 we have here.

18 This is a huge depot surrounded by rail lines.  
19 All of these lines in here (indicating) are railroad lines.  
20 All of these squares (indicating) have been built in as  
21 storage, and all of these (indicating) are open. So, you  
22 could make the depot bigger for storage and use the rail  
23 lines and all that sort of stuff, but you can't make much  
24 else use of it.

25 All of this property above here has been excessed

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already and the property that GSA was talking about is right down in here (indicating), alongside the railroad lines. They have 1989 and 1990 plans to build on that. So I think the 750, if it is a 750, it is pockets like that. I don't think we could do much other than make [redacted] bigger.

So, again, I would say when the Department needs more storage space, instead of leasing it, we might consider putting it there.

But, actually, Ogden is not the best place to have a depot either, so that probably is why it hasn't been done.

That concludes the property there. Our recommendation is there is nothing more the Commission could do in that area.

CHAIRMAN RIBICOFF: Thank you very much.

MR. HANSEN: There is one more topic. Russ has a briefing on his morning meeting on labs.

MR. MILNES: Mr. Chairman, when you asked me to go into my room to think about this, I definitely took your suggestion to heart, and I didn't do it alone.

I had a meeting this morning with the senior leadership of the military departments -- Army, Navy, and Air Force -- the senior research, development, test, and evaluation people. We met for about two and a half hours.

I would have to say that the meeting was a

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1 heart to heart talk about the laboratory system in general  
2 and development tests as well, but with the emphasis on the  
3 labs.

4 I basically explained to them that the Commission  
5 felt that this area was one that warranted further examination  
6 and that this was their window of opportunity to participate.

7 After they reflected on that a bit, their  
8 reaction was -- and this was each service reporting in  
9 turn -- that in their professional opinion, there really was  
10 no excess capacity or candidates for closure.

11 They gave some reasonable arguments about that,  
12 which I would be happy to go into. But, before I do so,  
13 if the Commission would like to hear of those, it really  
14 leaves us with only a few options at this point, based on  
15 the military departments' view that they are as low as  
16 they believe they can go in the RDT&E area.

17 One of the options that we can take is to request  
18 the same kind of detailed analysis that we have, in fact,  
19 requested on the other functional areas. The problem with  
20 that, I think, is that no matter how carefully we craft that  
21 analysis or how carefully we ask those questions, we will  
22 end up with the same answers at the end of ten or 15 days.

23 I think we will end up with incomplete information  
24 at best and that same conclusion.

25 That really leaves us with the only option that I

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1 believe is viable at this point: with 20 days left before  
2 our report has to go to the printer, that we follow the  
3 policy recommendation, as we talked about yesterday, that  
4 we recommend to the Secretary that he perhaps direct the  
5 Joint Director of Laboratories, which is a joint group, to  
6 look at this issue, to develop a uniform set of standards.  
7 to measure the laboratory functions, with an eye toward  
8 enhancing the overall technology base of the Department,  
9 especially with a joint service, or cross-service.

10 I think that is the only viable option, at least  
11 in my view. I would be happy to go over the points that  
12 they made this morning.

13 MR. CABOT: Are you proposing that we give  
14 up the idea of closing Watertown?

15 MR. MILNES: No, sir.

16 In the way we developed the approach to this  
17 particular category, we asked them to identify early-on  
18 either where there was a defect in mission or -- well, not  
19 a defect, but, rather, a decrease in mission or something  
20 where the mission was going away -- or excess expense in  
21 the cost to rehabilitate a facility to make it functional.

22 Watertown came up on that particular review,  
23 and I think that we are still well advised to recommend  
24 closure.

25 But it did not produce any other candidates.

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1 That's what we went back to the military departments this  
2 morning to ask: what else was there that could be done,  
3 based on the framework of this Commission and its approach.

4 I would say it was a very candid discussion,  
5 one where we left no question unanswered.

6 MR. CABOT: Who was candid besides you?

7 MR. MILNES: Well, I called in the senior leadership  
8 of the military departments. We had Major General Williams  
9 from the Army; Brigadier General Malcolm O'Neill from the  
10 Army as well. He represents Technology Management and Planning  
11 for the Army Materiel Command, which is the major  
12 function area for the laboratory area. We had Major General  
13 Thomas Ferguson, Headquarters, Systems Command. Systems  
14 Command is the major arbiter of RDT&E functions within the  
15 Air Force. We also had Mr. Ed Tunstall, who is the Director  
16 of Navy Laboratories, which represents the bulk of the Navy  
17 lab system.

18 We told them ahead of time -- this was something  
19 that we said last time -- that we expected them to come over  
20 here and be able to speak for the Department.

21 So, I believe that they were candid. However,  
22 it is not totally clear that they were. I guess what I am  
23 saying is that, given that they have identified no further  
24 labs for review, there is probably no way in which we can  
25 develop an analysis that can get at this issue in less than

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1 20 days.

2 If we had to do this over again, beginning back  
3 in May, we perhaps should have gotten outside experts who  
4 could have helped us in this particular area.

5 But I think we have really run out of time.  
6 At least that is my opinion at this point.

7 MR. CABOT: Well, I think if we are going to  
8 make any recommendation other than to close Watertown,  
9 rather than talking about a uniform system of evaluation or  
10 something like that, we also ought to consider maybe  
11 proposing some kind of peer review process, like is used in  
12 the rest of the scientific community. I think that is where  
13 they would flock.

14 I don't think you would learn anything if they set  
15 up their own system of evaluation. You might learn something  
16 if you got the National Science Foundation or somebody to  
17 do something, the way they have done in some of the other  
18 labs in the Energy Department, et cetera.

19 MR. MILNES: In our analysis, in our discussion  
20 with other people in the scientific community, that point  
21 has also been raised, that a peer review certainly sorts out  
22 the good labs from the bad labs.

23 So I would agree that we could add that in the  
24 recommendations, that that be one of the bases that the  
25 Secretary could use for evaluating the RDT&E area.

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MR. CABOT: Well, I would prefer that to the other way.

DR. SMITH: That is done now to an extent. The Army Science Board does peer reviews at the Army labs. I have sat on two of those at Belvoir, and at the Engineer Topo Labs. I think over the last couple of years, probably every Army lab has had a review of outside scientists, if you will, who have come in and evaluated the quality of the people, the quality of the programs. There is a fairly structured approach, and some of those have been very critical.

CHAIRMAN EDWARDS: Are you saying that that is working?

DR. SMITH: I'm saying the reports are there and some of those reports are critical. Whether or not it is having any influence on the labs I think is a function of whether or not the Army is paying any attention to it.

MR. MILNES: I would add that apparently things are working in that area.

CHAIRMAN EDWARDS: Was that are or are not working?

MR. MILNES: They are working. The Air Force has said that they have regionalized their laboratories and co-located them with production functions. I will just give you an illustration.

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1                   The Wright Aero Labs is co-located with  
2 Wright-Patterson Air Force Base. Now that is not the way it  
3 always was. But in the recent past, in the last ten  
4 to 15 years, the Air Force has gone through a major effort  
5 to close labs and consolidate next to their production  
6 facilities.

7                   The Navy reiterated today that they had gone  
8 from something like in the last 15 years from something  
9 like 20 to about 15 labs, and down to 10 labs in 1978, and  
10 now down to seven labs. So they have also been involved  
11 in this consolidation.

12                   They brought up some other points as well.  
13 For example, 50 percent of the RDT&E dollars in the  
14 tech base area is really going to outside contracts for  
15 execution. So they are already working quite a mix between  
16 universities and other contractors.

17                   So they seem to have a system in place that  
18 may not be perfect, but that certainly incorporates some  
19 of the points made this morning.

20                   GENERAL POE: I can confirm that the Air Force  
21 was very disturbed with labs on my watch. For example,  
22 one of our highest costs of ownership of an airplane is  
23 when an airplane leaks. I found they were testing the  
24 tanks in the lab that did that with water, instead of  
25 fuel. This, of course, makes a big difference on things  
like the sealifts and the rest of it.

1 We found one lab that was working on grasses  
2 for airfields. We asked the FBI if they could do that if  
3 we ever needed to do that again, and they agreed.

4 So there has been a condensation. They have  
5 worked that problem to some extent. How much good has been  
6 done in savings, I don't know. But the functions have been  
7 looked at in the last ten years, at least to some extent.

8 CHAIRMAN EDWARDS: Okay.

9 Are we satisfied with Mr. Cabot's approach?

10 MR. HOFFMANN: Well, I am not sure that that  
11 really answers the question. It does something. But I think  
12 if you take the Navy at face value and say we are going to  
13 co-located these things and we are going to shrink them down,  
14 you are going to wind up in this laboratory area with some  
15 potential savings. We get back to an analysis of whether or not,  
16 as in the Natick Lab situation, if you don't have a lab that  
17 well, you could do the work anywhere, and it's sitting on a  
18 valuable piece of property.

19 Mr. Chairman, incidentally, this is having read  
20 through now the draft of the report, something we are going  
21 to have to grapple with as to exactly what our mission is.

22 If our mission is just to look around and see  
23 if things are unused, as the report says, if bases are  
24 unnecessary, then that is one thing. But if our mission is  
25 to go in there and find some savings, in the grossest kind of

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1 setting, you know, really cost benefit types of savings,  
2 even if it induces a little pain and discomfort on the part  
3 of the service, then I think the labs come in for the same kind  
4 of treatment.

5 Now the Army has produced a very interesting  
6 document here. Under my friend, Doctor General Starry's  
7 guidance, they have put together a list of the labs and  
8 they indicate which are free-standing. Then they have given  
9 us an analysis of what they do. From that we have gotten  
10 our scrutiny down to about four free-standing labs, where  
11 you could make a difference if you closed it, because that  
12 lab is a free-standing lab and it owns a piece of real estate.

13 Now, that is the Army, in which we have some  
14 rather immediate expertise. But it seems to me like the least  
15 we should do -- and, again, maybe I am looking too hard to  
16 keep us prickly in our latter days -- but the least we  
17 should do is get that same information from the other services  
18 and find out where the free-standing labs are, find out  
19 where there is some potential that we can review in a gross  
20 way.

21 I am not sure that we have satisfied the glowing  
22 language we have in our report as to our analytical process  
23 by going in and asking the services what they think. Okay?

24 That's number one.

25 Number two, I would far rather have a little

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1 interview with the Assistant Secretary for R&D on the  
2 political side, rather than the military side, and say hey,  
3 you've got to haul in your belt here. You want to keep  
4 this laboratory base in a state of some turmoil, you know,  
5 to provide them an incentive to keep on their uppers, and  
6 where can we zap us a lab. Okay?

7 What is a lab you would like to close because of  
8 a consistent failure in being able to deliver the goods  
9 for the customers? Okay? Where can we make some savings,  
10 because that is really what we are about as a Commission,  
11 I think. That is a little over-simplification, I think,  
12 but it sounds gutsy and do-able.

13 CHAIRMAN EDWARDS: I think that request, in a  
14 sense, has already been made to the Assistant Secretary for  
15 R&D and did not produce any response.

16 MR. HOFFMANN: Oh, no, no.

17 DR. SMITH: We haven't gone to him and sought  
18 a response. Your suggestion I would take a step further  
19 and say that we come up with our own list of three or  
20 four and say these are the ones that we intend to take,  
21 do you have any problem with that, or do you have another  
22 recommendation to make as a substitute.

23 MR. HOFFMANN: Well, you see, the problem is, in  
24 the case of the Army, you know, my brother Starry and I  
25 have done that. But in the case of the other services, it is

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1 not so clear.

2 Now I suspect if you have the equivalent list  
3 in the Air Force and the folks could look at that, you could  
4 look at that and say aha, I remember them, they were making  
5 square wheels for airplanes and doing things like that,  
6 and they ought to be closed. They didn't satisfy many  
7 customers - whatever it is.

8 GENERAL POE: I am not sure that we have any  
9 free-standing ones.

10 MR. MILNES: We have some, in the Air Force,  
11 that is, but they fall into development centers.

12 I should clarify the fact that we do have  
13 the level of information that you are asking about,  
14 Mr. Hoffmann, from the other services. So we can make  
15 that kind of comparison.

16 But one of the things we find is, and I think  
17 it was well put, that the laboratory function responds  
18 to the customer, to the service customer and to the  
19 corporate board structure of any of the services. When  
20 they are out of phase with the services, they hear about  
21 it in a hurry. Just based on the dynamics here, they  
22 depend on the customer for their funding. So that is  
23 one way that keeps them reasonably honest.

24 The other thing is that the level of funding  
25 in this area is not as high as some people might expect.

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1 The pure tech base, the basic research base, the kind of things  
2 that we really have been talking about, is under 2 percent of  
3 the Defense Department budget. It down in the general weeds  
4 area.

5 MR. CABOT: That's a lot of billion dollars,  
6 though.

7 MR. MILNES: Yes, sir. But when you spread it  
8 across the entire functional area, it's a small percentage.  
9 I do not mean that to depreciate the value. But the fact  
10 is when you are down that low, the Defense Department has to  
11 husband that very carefully because it is not money that they  
12 can throw away frivolously because the Congress doesn't give  
13 them too much. Frankly, the technology area is an important  
14 one, especially in the Air Force, but also in the Army and  
15 Navy. So I think there is some internal, at least from a  
16 staff point of view, some internal mechanism to keep the  
17 ship aright in this particular area.

18 I think there is some danger to taking the approach  
19 of recommending certain ones for closure and then waiting  
20 for the Department to react because they may well just let  
21 us carry it right on into the report. I think we would be  
22 hard-pressed to come up with the justifications for those  
23 particular elements if they put us to the test.

24 MR. HOFFMANN: But you are not saying to close them  
25 and do away with the function. You are saying, like any other

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1 installation, here it is, it is a valuable piece of land in  
2 an urban area and if you were required to move this, where  
3 would you put the pieces? How can you align this to make  
4 more sense out of it?

5 You know, it looks to me like in some of the Army  
6 cases, as we have been chatting, that there is some opportunity  
7 to do that. I hate to single out the Army as being the  
8 only people that we are going to get into trouble with, except  
9 that there are a couple of nice, big opportunities there because  
10 of the potential saving.

11 MR. MILNES: Yes, sir. We have asked the question  
12 generally. Maybe it can be asked more specifically. But if  
13 the function doesn't go away, if the mission gets realigned  
14 and it turns out the laboratory function, because of the hardware  
15 that goes along with it and the skilled people that handle  
16 those missions -- it gets costly to disperse it if the  
17 mission stays. If the mission goes away, then, of course,  
18 it is a different problem.

19 But in terms of costs of relocating activities,  
20 the labs move into the upper realms of cost. So it is hard  
21 to pick up a lot of saving in this area.

22 GENERAL STARRY: I don't know whether we will  
23 make a recommendation or should make a recommendation about  
24 this or not. It needs more analysis. Had we started in May,  
25 I would be a lot more comfortable doing the things that

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1 Commissioner Hoffmann and I have discussed. But I will just  
 2 tell you that what is at stake here is the efficient  
 3 management of the R&D process for the Defense Department in  
 4 an era of declining resources.

5 My experience on the military side and in  
 6 industry is that most laboratories are hobby shops and  
 7 that unless you devise some system, some management system  
 8 of discipline as to drive them -- and, it's true, they  
 9 sort of respond to the customers; but it's also true that  
 10 they sort of respond to the need to keep themselves alive  
 11 and moving in the disciplines and the technologies that  
 12 they have been pursuing for all of those years, and they  
 13 really don't care whether it ever gets fielded or not.

14 In fact, in many cases they would rather it  
 15 didn't because they might have to go and figure out how  
 16 to do something new, and they don't want to do that.  
 17 Age and other impediments intervene over the years, and  
 18 people don't like change, and so on.

19 My view of the whole thing in industry and --  
 20 I hate to make sweeping allegations -- in industry and  
 21 in the government is that it is not a very efficiently  
 22 managed process. I just have the uneasy feeling that,  
 23 even though the overall bucks involved are not all that  
 24 impressive, that we say something, in our report draft,  
 25 anyway, about efficient management of this, you know,



1  
2 the efficiency of the Defense Department. Here is an area  
3 in my personal view, at least, in which there is great room  
4 for improvement in the efficiency of the management of the  
5 R&D process, and I would hate to see us pass up this opportunity  
6 to stick that needle in the body politic.

7 By the way, if we decide to say nothing, I  
8 won't jump up and down.

9 MR. HOFFMANN: Do we have lists from the Navy  
10 and the Air Force that indicate that there are any free-  
11 standing laboratories, as such?

12 MR. MILNES: Yes, sir.

13 MR. HOFFMANN: Are there any?

14 MR. MILNES: In the Navy there are basically seven.  
15 In the Air Force, they are all co-located with their production  
16 facilities. So they are not purely stand-alone in that sense.

17 They have a development center at Arnold, which  
18 is really not a lab, but a test and development facility,  
19 a massive facility. So that when you start looking at stand-  
20 alone only, the Air Force has all of theirs as tenants  
21 on bases. But we have the information.

22 MR. HOFFMANN: How about the Navy?

23 MR. MILNES: The Navy has seven that are considered  
24 stand-alone. I have them right in the book.

25 GENERAL FOE: Let me talk out of both sides of my  
mouth.

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1 First, I essentially agree with you. The reason  
2 I would be concerned about something in the report is, I hate  
3 to be cynical, but my reaction is when this budget cutting  
4 on the Hill gets to be really tough, they will quote whatever  
5 that is and arbitrarily take a chunk of money out of the  
6 research and development business and tell us to clean up  
7 our act, and that may or may not be possible to do without  
8 closing some places, which we cannot then do.

9 That is the problem that I foresee.

10 CHAIRMAN RIBICOFF: I'll tell you what bothers  
11 me.

12 Marty, I think you have a very good idea and  
13 I'm very sympathetic. But at this stage, to make a comment  
14 and say something, we have no basis for it, which is  
15 unfortunate, and time has run out. I don't know how anybody  
16 can get this together. It is an important field, but we have  
17 nothing to back it up on.

18 That's what bothers me.

19 MR. HOFFMANN: Well, I am not for the language  
20 because I think the language is straying from our mission,  
21 which is not promoting efficiency in the Defense Department.  
22 It is in closing facilities and installations.

23 Now, on that head of the problem if there is a  
24 facility and an installation that happens to be a laboratory,  
25 it has received immunity, to an extent, from our process.

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[REDACTED]

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1 CHAIRMAN EDWARDS: But that may be our fault  
2 or may be the fault of a lot of people.

3 CHAIRMAN RIBICOFF: Well, we woke up to it and  
4 we woke up to it very late. We never addressed it.

5 MR. CABOT: Let's be specific.

6 I am going to go up and look at Natick next  
7 week. We talked all last night of our war stories about  
8 Natick and what a bunch of dumb things they have done.

9 Now, [hell,] am I supposed to judge whether they  
10 do good research or whether you could do it cheaper somewhere  
11 else?

12 MR. HOFFMANN: I think in the case of [REDACTED]  
13 and the [REDACTED] and the other one -- there are  
14 three -- they are really candidates. There are four  
15 free-standing ones. One is [REDACTED]  
16 which is an electronic thing in suburban Maryland,  
17 probably with a high property value. One is a free-standing  
18 building in [REDACTED] that is a [REDACTED]  
19 [REDACTED] I don't know why it should be there instead of  
20 someplace else.

21 MR. CABOT: That is where the [REDACTED] ski team  
22 is.

23 [General laughter]

24 MR. HOFFMANN: The [REDACTED] is in  
25 [REDACTED] which is a prime piece of real

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1 estate.

2 MR. BARRETT: That is a joint service operation.

3 MR. HOFFMANN: Well, you may have some tenants,  
4 but it is an Army facility.

5 MR. BARRETT: I know. But the point is they do  
6 joint service research.

7 MR. HOFFMANN: Sure. Fine. But that doesn't mean  
8 that it can't be moved.

9 MR. BARRETT: I understand.

10 MR. HOFFMANN: What I am saying is I think we ought  
11 to take at least two of those -- I don't know, anything --  
12 and [REDACTED] are perennial visitors to the  
13 list. I would think that there was more than abstract value  
14 in saying they ought to be with some other Army post  
15 somewhere doing this work, and that we ought to ask the Army  
16 to take a look at the economics of closing this and freeing  
17 up that land for sale, and putting these labs somewhere else.

18 We could then look at the result and see what  
19 we have. }

20 CHAIRMAN EDWARDS: I am troubled by our time problem  
21 and how much more we can task somebody to do between now  
22 and the time we start turning out all of this. If we have  
23 blown it in the sense of not dealing with this earlier,  
24 then it seems fair to raise the question of whether we have  
25 just blown it or how long as we going to go on tasking

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1 these guys to do one more thing and one more thing. There  
2 has to be a cut-off somewhere.

3 MR. HOFFMANN: Well, we're not tasking our people  
4 to do it. We are tasking the Army. We have the specific  
5 ones. They have come back to us with this list. We are  
6 going to go back and say okay, tell us what are the dynamics  
7 of closing this, and show cause why it should not be  
8 realigned.

9 It is the same process we just used on Fort Dix,  
10 which emerged out of a sea of potential candidates and  
11 twisted rationales.

12 CHAIRMAN EDWARDS: But we had a Fort Dix by name.  
13 I don't know the names of the facilities that you are  
14 talking about.

15 MR. HOFFMANN: Well, we know them because we  
16 asked the Army about them specifically.

17 GENERAL STARRY: Well, the candidates that we  
18 looked at are [REDACTED] in Massachusetts, the  
19 [REDACTED]

20 CHAIRMAN EDWARDS: Are those two all that you are  
21 talking about?

22 GENERAL STARRY: Yes. There are others, but those  
23 are the two main ones.

24 MR. HOFFMANN: Well, there are only four free-  
25 standing ones.

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1 MR. HANSEN: Four free-standing ones in the  
2 Army, sir, that is. There are seven in the Navy.

3 MR. MILNES: There are really no pure stand-  
4 alones in the Air Force.

5 MR. HOFFMANN: All right.

6 Could you get with Graham Claytor with the  
7 Navy list. He was interested to see that and thought  
8 that we ought to do something. See if we could deputize  
9 him to identify a couple that the Navy ought to take a  
10 hard look at.

11 MR. CABOT: I am going to see the Naval Research  
12 Lab, wherever it is here in Washington, tomorrow. I don't  
13 think it is going to be on our list, but I am just  
14 going to look at it.

15 MR. HOFFMANN: I don't want to overkill this,  
16 but --

17 CHAIRMAN EDWARDS: And I don't want to pass up  
18 an opportunity. I just think that somewhere we have to  
19 draw some lines and say that we have done all we can do.

20 MR. HOFFMANN: Does it give the acreage of  
21 Natick in there?

22 MR. MILNES: Not in the material. I don't think  
23 so.

24 MR. HOFFMANN: I think it would be worth doing,  
25 just to keep the pressure on the system, very frankly.

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1 MR. MILNES: [REDACTED] the center occupies  
2 765,000 square feet of floor space. Let's see what else.  
3 We don't have the acreage of that.

4 MR. HOFFMANN: If [REDACTED] were up there,  
5 that would be one thing.

6 MR. HANSEN: If I could just make an overall  
7 workload comment, we have less than two weeks left  
8 before we meet again, and less than a week left before  
9 the staff owes you chapters and write-ups on every base  
10 we have closed, chapters we haven't given you yet,  
11 revised chapters that we need to get back, and so forth.  
12 In other words, there is a fair amount of work.

13 In order to do this data verification, we  
14 had hoped to be able to use some portion of our staff  
15 to do travel next week, to go out to bases to do  
16 verification. We have some staff members who are  
17 accompanying Commissioners. And we have, with the  
18 exception of the Air Force, the services with a  
19 fair load of work to do on analyses, [such as changing  
20 homeporting and Devens and a whole long list of things  
21 like that.]

22 I am really concerned that something will  
23 have to give. Clearly, our final report cannot be  
24 what gives. I am concerned whether I can produce all  
25 of the analyses that you have asked me to produce

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1 in the time available. I am wondering if this is seemingly  
2 headed toward a if we can't decide which labs to drill, then  
3 let's drill them all, that kind of effort. That would  
4 really break the backs of the Army and Navy.

5 MR. HOFFMANN: Now that is not what has been  
6 proposed.

7 What we proposed was that you get the data on  
8 two labs from the Army and that you submit the list of  
9 free-standing labs in the Navy to our distinguished  
10 colleague and let him see if he sees any possibilities there,  
11 and that we take a look when we get it back at the story  
12 we get from the services.

13 CHAIRMAN EDWARDS: Is that the will of the group?

14 MR. HOFFMANN: I am just saying that it is a  
15 possibility. If you think that the staff has too much  
16 to do, well, then, that obviously is a factor.

17 DR. SMITH: Mr. Chairman, yesterday we talked  
18 about how we are going to get there from here. I think  
19 it is useless to send the staff back to do another round  
20 of research. We are not going to get anything.

21 I think that we have talked about an awful lot  
22 of things here today, a lot of things in the Army, and  
23 yesterday a lot of things in the Navy. We have some  
24 mixed ideas here about what you can and cannot do.

25 I still think one way to get at this is to come

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1 up with a fairly long list of things that we are considering  
2 closing, that at least three or four Commissioners would  
3 agree that that is something that we ought to consider closing,  
4 and then you and Chairman Ribicoff could delegate somebody  
5 to go and sit with the leadership of the Army and the  
6 Navy and say this is what the Commission has under serious  
7 consideration, this list of 12 items. We need to know from  
8 you quickly which ones hurt bad, which ones don't hurt bad.

9 CHAIRMAN RIBICOFF: If you will excuse me, I think  
10 Marty knows more about this than anybody.

11 You are in Washington. I hate to put the burden  
12 on you, but will you sit with the services and ask them  
13 just what you want? Give them those names.

14 MR. HOFFMANN: Okay.

15 CHAIRMAN RIBICOFF: Why don't we delegate it to  
16 Marty to get, and then we'll come back on the 13th and  
17 let them report back to you. They will report back to you,  
18 too, because you are not a staff man. They will report  
19 back to you. Then you will give us the stuff here on the  
20 13th.

21 DR. SMITH: I think he can do it faster than that.  
22 I think we can say okay, we'll go with these ten, and  
23 we'll begin the justification and writeup on these ten,  
24 and then, when we meet back here on the 13th, we can either  
25 ratify that ten or change our minds on some of those,

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1 if we want to, based on the will of the Commission.

2 MR. HOFFMANN: Now you are talking specifically  
3 about the labs, aren't you?

4 DR. SMITH: I am talking about beyond the labs.  
5 I am talking about Fort Dix, Fort Sheridan, about the  
6 other things today that there seems to be a consensus that  
7 we ought to do something on.

8 MR. HOFFMANN: I thought we had decided that.

9 MR. TRAIN: I wouldn't open them up again.

10 MR. HOFFMANN: I would not open them up to any  
11 subsequent discussion.

12 MR. CABOT: Homeporting is the one that might have  
13 some further discussion.

14 MR. HOFFMANN: Well, I think we have thrown  
15 down the gauntlet on homeporting. We are due to hear from  
16 them on these recommendations that have been made. We  
17 have sent them back. That is all done. That is part  
18 of their workload. That is causing the problem, because  
19 they have to come back with things and then the staff  
20 has to analyze them and come up with a recommendation,  
21 and then we have to look at them and see what we think.

22 They will come up with all kinds of things on  
23 Dix, and Fort Sheridan, and this and that. You all are  
24 going to have to be tough enough on the costs, now, when  
25 you sit down and talk about these, to get them to look

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1 behind the numbers, because you are really going to see them  
2 come out now with the good stuff. You have seen billions,  
3 but you will see more billions.

4 This is going to be the last desperate war in the  
5 trenches.

6 What we are suggesting in the case of the labs is  
7 just throwing a few more on the stack over there.

8 If you don't want to do it -- I mean, I am  
9 perfectly happy to acquiesce in the Commission's judgment  
10 on the workload and the art of the do-able.

11 CHAIRMAN EDWARDS: Do you have a list of the ten  
12 or 12 you are thinking about?

13 DR. SMITH: I sure have, yes. There is not a  
14 unanimous view. It is just things that have been brought  
15 up, that have been talked about. In most cases, we have  
16 sent the staff back to the drawing board.

17 We talked about closing ( ) We talked  
18 about moving ( ) into leased space  
19 somewhere. We talked about closing Fort Sheridan, moving  
20 the Fourth Army to Fort Ben Harrison, or somewhere, and  
21 sent the Army back to the drawing boards.

22 MR. HOFFMANN: Okay. But, you see, there is a  
23 distinction between ( ) and Fort Sheridan. I  
24 think we have taken an action on Fort Sheridan that says,  
25 presumptively, that we are going to close that sucker.

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1 DR. SMITH: Well, I would be happy to agree with  
2 you, and if the other Commissioners are in the same line,  
3 that we have done it -- but I didn't have the sense that  
4 we had done any of this with any finality.

5 [What we did was say go back, staff, and look at  
6 where you can put the flag of the Fourth Army, and go back  
7 and look at where you can put USAREC.]

8 GENERAL POE: I thought we said we're going to  
9 do it, but it remains for your ingenuity on how you respond  
10 to it.

11 MR. POFFMANN: What we want to do is endorse their  
12 notion of where the thing ought to be parceled out.

13 GENERAL POE: It was the location site that was  
14 in question.

15 MR. TRAIN: Otherwise, we will make a decision  
16 ourselves.

17 GENERAL POE: This will help them get it paid  
18 for if we have in the report not only that it is going  
19 to close, but that it is going to go here, here, or here.

20 DR. SMITH: I am happy if Sheridan is a done deal.

21 CHAIRMAN EDWARDS: I think it is.

22 DR. SMITH: Close [REDACTED]

23 MR. TRAIN: [REDACTED] I thought was a done deal  
24 the other way. Do we want to raise that one again?

25 CHAIRMAN EDWARDS: Yes, I thought it was, too.

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1 MR. HOFFMANN: Well, I would yield to my  
2 distinguished and very historically based colleague.

3 GENERAL STARRY: The cannonball planter.

4 MR. HOFFMANN: I think it is a freebee. I don't  
5 think you can do anything with the land. I think it goes  
6 back. You can't take any credit for it, and we can't  
7 make a six year analysis on it.

8 DR. SMITH: I would just have to disagree.  
9 We haven't done the numbers.

10 It occurs to me that 3,000 people on a 5,000  
11 acre campus, that it would cost a whole lot more to live  
12 than those same 3,000 people in leased office space  
13 somewhere, particularly if you can put them on the proving  
14 grounds and get the building for nothing, in accordance  
15 with the scheme the Army is talking about at the proving  
16 grounds.]

17 I just think those numbers will prove themselves  
18 out.

19 Eut, you know, I am willing to be voted down  
20 on that one.

21 CHAIRMAN EDWARDS: Well, I guess, in fairness,  
22 I thought you were.

23 DR. SMITH: Okay, then. We just have not  
24 taken any formal action on any of these, Mr. Chairman.

25 What I am trying to do is put some issues

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1 to bed so that the staff has something concrete to do and  
2 we can get on with writing this report.

3 I am worried about how, if we show up here on the  
4 13th with all of these decisions still open about where we  
5 are going to put things and whether or not it is a done  
6 deal, we are just not going to get there from here.

7 MR. HOFFMANN: Well, I don't think Dix is open.  
8 I don't think Sheridan is open.

9 DR. SMITH: We talked about [REDACTED]

10 CHAIRMAN EDWARDS: And that is one of his charges,  
11 to go back and look at it, look at what might be plugged  
12 into Gillem.

13 DR. SMITH: To backfill it or to close it and  
14 move it somewhere else.

15 MR. HANSEN: It was to fill it up, primarily  
16 with McPherson, is what I understood. I am willing to do,  
17 of course, what everyone wishes.

18 CHAIRMAN EDWARDS: That was my understanding  
19 of what we charged them with doing, to try to fill it up.

20 MR. CABOT: If it allows you to close [REDACTED]

21 CHAIRMAN EDWARDS: Yes.

22 MR. HANSEN: Yes. It was to try to fill it up  
23 with [REDACTED] That's what it was.

24 MR. HOFFMANN: This one I just don't think is  
25 going to happen.

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CHAIRMAN EDWARDS: It may not.

GENERAL POE: Was Meade a done item?

CHAIRMAN EDWARDS: We didn't know enough about Meade. You were going to find out more about the non-NSA space.

MR. HANSEN: Meade was not a total closure. NSA stays.

CHAIRMAN EDWARDS: Yes. I said you were going to find out about the non-NSA space.

MR. HANSEN: Yes, I'm sorry -- the usage of it.

MR. HOFFMANN: And the land along Route 36, to the south.

MR. HANSEN: And look at moving the flag to Devens.

DR. SMITH: But there is a sense of the Commission that we ought to close Fort Meade and move the flag to Fort Devens, retaining NSA -- is that fair?

CHAIRMAN EDWARDS: I don't think the Commission sense went quite that far. But we are prepared, I think, to entertain a recommendation based on what they find. That is my understanding of what the Commission is ready to do.

MR. CABOT: Since we have to have it up or down by December 13, whatever we decide to do about Meade, would it be useful to designate one Commissioner to work with the staff on coming up with it up or down, which we would ratify, basically, on the 13th?

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1 CHAIRMAN EDWARDS: Do you mean somebody, one of us,  
2 that they would pass their information by earlier?

3 MR. CABOT: Yes, because I think we have had the  
4 sense that once in a while we wanted them to have a little  
5 more rigid standard, perhaps, than they felt they would  
6 come up with. We thought they were a little too much  
7 under the influence of the service itself.

8 I mean, let's be frank. That's it.

9 CHAIRMAN EDWARDS: Well, I think, as soon as you  
10 guys have something to report, give us a ring. I don't think  
11 we have to sit and wait until the 13th, if you have information  
12 earlier.

13 MR. HANSEN: That is certainly agreeable.

14 Let me just say one thing. As we were thinking  
15 over lunch of how we do what and what is most important,  
16 the next milestone we had in our interaction with the  
17 Commission is a week from today, where we are going to  
18 mail out the rest of the chapters that you don't receive,  
19 corrected chapters; but, most importantly, the writeups  
20 for the bases, we decided that those are ready.

21 Now, that would not include any of these, where  
22 we still have analysis to do.

23 We were clearly going to ask the services to help  
24 us draft those, so that we get the right information at  
25 the drafting stage, and then we would scrub it to make sure

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1 it comports with the data. It is a workload issue for us.

2 We have to start them down that path in order  
3 to be able to mail next week. Then, next week they start  
4 drilling whatever is the concept of operation.

5 So, giving them any time to do it means that  
6 it will be the weekend before we get anything back before  
7 that Tuesday meeting.

8 So I am sure that we will be working that whole  
9 weekend, getting ready again for those meetings.

10 If anyone is in town and wants to come in and look  
11 at information, that, clearly, is available. But I don't  
12 think there is time to send any.

13 CHAIRMAN EDWARDS: Well, I will be here the  
14 sixth and seventh, or at least parts of those days. I  
15 will be glad to spend some time on it.

16 GENERAL POE: I will be in here some time,  
17 probably the fifth or sixth. I will give a call and  
18 see, you know, if a couple of hours is free. That's  
19 about the best I can do. But I can call ahead of time  
20 to see how you stand.

21 CHAIRMAN EDWARDS: Well, now, I don't know  
22 any more.

23 DR. SMITH: Well, we had the issue of [REDACTED]  
24 and what to do with [REDACTED] Secretary Claytor discussed  
25 putting a fence around the admin facility and selling

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1 off the rest of the real estate, or relocating it to [REDACTED]  
2 It appeared to me that there were several options there,  
3 between those two installations.

4 MR. HANSEN: Sir, I am sorry to interrupt, but I  
5 don't recall the fence around the admin facility.

6 DR. SMITH: Yes, we discussed that.

7 CHAIRMAN EDWARDS: I thought the main thing that  
8 was proposed there was that we would consider actually  
9 selling the building.

10 DR. SMITH: The whole thing. Right.

11 CHAIRMAN EDWARDS: Rather than putting a fence  
12 around anything.

13 MR. TRAIN: I think he mentioned the historic  
14 sites, or something like that, which perhaps would have to  
15 be maintained and reserved.

16 MR. HANSEN: Yes. That is one of the problems,  
17 actually. That is also a problem with Fort Sheridan.  
18 It reduces the value of the land because you can't tear it  
19 down to build high rises or something. Historic preservation  
20 requires you to keep the buildings.

21 [REDACTED] is a pretty compact little fort.  
22 I don't see any fencing off in that area at all.

23 DR. SMITH: It might expedite matters if we could  
24 go into Executive Session and try to discuss where we think  
25 we are with these issues, Mr. Chairman.

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1 CHAIRMAN EDWARDS: Okay.

2 What else do we have to do before we do that?  
3 Let's not haul everybody out and then haul them back. Is  
4 there anything else that has to be talked about?

5 MR. HOFFMANN: Well, perhaps you could go through  
6 the rest of your list so that we would see where we  
7 are on closure of these things, and then we can discuss  
8 that status in an Executive Session.

9 DR. SMITH: Devens, the realignment of Devens;  
10 moving the First Army Headquarters from Meade; moving  
11 the ISC from Belvoir; moving the intelligence group to  
12 Huachuca.

13 CHAIRMAN EDWARDS: All are being worked, right?

14 DR. SMITH: Fort Dix -- close and absorb elsewhere.

15 CHAIRMAN EDWARDS: It's being done.

16 DR. SMITH: (██████████)

17 MR. HANSEN: More analysis.

18 CHAIRMAN EDWARDS: That is on your list.

19 MR. HANSEN: More analysis on that.

20 DR. SMITH: Letterman-Presidio is closed.

21 CHAIRMAN EDWARDS: Done.

22 DR. SMITH: I still have (██████████) on my list.

23 [General laughter]

24 CHAIRMAN EDWARDS: Now I talked the other day and  
25 I fell on my sword and gave up on that.

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1 MR. HOFFMANN: We gave up on [REDACTED] yesterday.  
2 We acceded to the sig<sup>n</sup> of the Chairman.

3 CHAIRMAN EDWARDS: I admitted to bleeding.

4 GENERAL POE: We acceded to the Congress, what  
5 the Congress had written about it. It's a loser.

6 CHAIRMAN EDWARDS: You have to give up some time,  
7 you know. You and I just lost on that, Jim.

8 DR. SMITH: Then we have the lab issue. I  
9 agree that I think we ought to pick out three or four  
10 labs and say that these we are going to close and see  
11 what the reaction is.

12 CHAIRMAN EDWARDS: Okay. You've got two Army  
13 ones.

14 MR. HANSEN: We need two Navy.

15 CHAIRMAN EDWARDS: And you are going to check  
16 with Claytor.

17 GENERAL POE: Mr. Chairman, one thing while we  
18 are all still here. I probably do some people a  
19 disservice, but there are often a lot of strange people  
20 wandering around here now. You know, they come in and  
21 out. They sit in the hall. They take notes.

22 I wish the service members who have come over  
23 from the Pentagon and people of that nature would be  
24 reminded again and again to be careful.

25 Now I was approached by a very senior officer

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1 this morning on this change of command, who was concerned  
2 about Mather Air Force Base-- this is not an Air Force  
3 officer -- because it supports one of his activities.  
4 Of course, we neither confirm or deny. But we are getting  
5 a lot of strange folks floating in and out and all we need  
6 is for a list to appear that we deny, and then it turns out  
7 to be the right list.

8 MR. HANSEN: Sir, I am sure they are not strangers  
9 to the staff.

10 GENERAL POE: I know they are not. But the thing  
11 is beginning to look sort of casual to me, with their  
12 floating in and out. I am sure that it is probably not.  
13 But, you know, ten times burned, twice careful. I have  
14 been burned more than once.

15 CHAIRMAN EDWARDS: Is there anything else  
16 before we go into Executive Session?

17 [No response]

18 CHAIRMAN EDWARDS: So be it.

19 [Whereupon, at 3:00 p.m., the Commission  
20 recessed, to proceed in Executive Session.]  
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