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Testimony

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H. R. 4481, The "Defense Savings Act"

Statement of
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to the Comptroller General
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Before the
Legislation and National Security Subcommittee
Committee on Government Operations
House of Representatives



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Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss H.R. 4481, the "Defense Savings Act." We believe that H.R. 4481 has considerable merit. We are in basic agreement with the thrust of the bill, which would allow the Secretary of Defense to close installations that are no longer needed by DOD.

DOD has a long history of eliminating unneeded bases. According to DOD, as force structure was reduced in the 1970s, DOD closed 500 installations. However, DOD has stated in prior testimonies that legal problems flowing primarily from the National Environmental Policy Act (NEPA) and 10 U.S.C. 2687 (Base closures and realignments) have brought its usual process of base closures to a standstill. DOD sought relief in March 1985 by submitting a legislative proposal that, among other things, would exempt DOD from NEPA. However, DOD believes that subsequent changes in its legislative proposal and the resultant amendment to 10 U.S.C. 2687 did not specifically exempt DOD from NEPA. As a result, DOD believes that it must still perform lengthy and expensive studies before installation closure actions.

H.R. 4481 would exempt DOD from NEPA and other legislation. It would also establish a base closure and realignment fund to close bases that have been recommended for closure by a DOD Commission on Base Realignment and Closure. We have several observations on portions of H.R. 4481 that relate to (1) resolving installation

closure and realignment issues in the long term, (2) accepting base closure recommendations, (3) establishing base closure study criteria, (4) involving the General Services Administration, and (5) funding for base closures.

One-Time Closure

The bill appears to be a one-time solution to a long-standing DOD problem. The Commission on Base Realignment and Closure is to report on its recommendations to the Secretary of Defense no later than December 31, 1988. The Secretary of Defense is to then initiate all closure and realignments no later than September 30, 1991, and complete them no later than September 30, 1995. However, the bill does not address how any additional closure or realignment actions should be managed after December 31, 1988.

All or Nothing Approach of H.R. 4481

H.R. 4481 provides that the Secretary of Defense shall close all bases recommended for closure by the Commission on Base Realignment and Closure. This apparent mandate, however, appears to be qualified by a provision that the Secretary of Defense may not close any bases unless, within 15 days of receiving the Commission's recommendations, the Secretary transmits to appropriate committees of the Congress a report containing a statement that the Secretary has decided to accept and implement

all of the Commission's recommendations. The 15-day requirement may not offer the Secretary sufficient time to review and study the list. Also, the provisions that the Secretary must accept and implement all of the Commission's recommendations may not offer the Secretary (or the Congress) sufficient flexibility to ensure that subsequent closure actions do not disrupt the national defense. It may be more useful to allow the Secretary of Defense to decide which of the base closure or realignment recommendations to accept and to provide the Congress with the rationale for acceptance or rejection. It may also be useful to provide the Congress with an opportunity, under expedited procedures, to review the Secretary's decisions and to enact legislation to block closure of any base it deems appropriate. The Congress may alternatively wish to consider providing itself with the opportunity to affirmatively approve, under expedited procedures, the Secretary's decision.

Study Criteria

The bill states that the Commission is to provide appropriate committees of the Congress a certified statement that it has identified base closure and realignment actions by reviewing all the military installations in the United States. However, the bill does not contain or suggest any study criteria for the Commission. The study would be a large assignment, considering that there are 871 military installations in the United States.

To accomplish the intent of the Congress, H.R. 4481 could include criteria for the Commission to follow.

The General
Services Administration

The bill waives the provisions of the Federal Property and Administrative Services Act of 1949 as amended. This would appear to limit the role of the General Services Administration (GSA). The impact of waiving the act would be that the Congress would be substituting DOD for GSA for the management of the disposal of DOD surplus property.

\$300 Million Base
Closure Fund

H.R. 4481 establishes an account to help finance base closures and realignments. The bill provides for deposits into the account from (1) funds appropriated to the account, (2) funds transferred to the account from funds appropriated to DOD for other purposes, and (3) funds derived from the sales or exchanges of property under the bill. The bill states that not more than a total of \$300 million is authorized to be appropriated and transferred to the fund in any fiscal year. The bill language, in my judgement, is best interpreted to mean that the limitation applies only to appropriations and appropriations transfers. If the Congress intends the limitation to cover appropriations,

appropriations transfers, and funds derived from sales or exchanges of property, the language should be clarified to so state. Also, while not specifically stated in the bill, we would assume that funds received from the sales or exchanges of property would be spent under the same criteria as appropriated funds.

Depending on the number of base closure and realignment actions recommended by the Commission and whether the actions involve transfers of missions with associated military construction, the annual costs could be much higher than the \$300 million. Also, revenue from the sales of surplus property may not be available until well into the base closure period.

When DOD submitted its legislative proposal in March 1985 to amend 10 U.S.C. 2687, it also submitted an illustrative list of 22 base closure and realignment actions. Although this was only an illustrative list, DOD did estimate in 1985 that the illustrative base closure and realignment actions could cost over \$2.5 billion.

This concludes my formal statement. We would be pleased to respond to your questions.