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General Accounting Office  
Washington, D.C. 20548

Resources, Community, and  
Economic Development Division

B-261351

May 26, 1995

The Honorable Richard G. Lugar  
Chairman, Committee on Agriculture,  
Nutrition, and Forestry  
United States Senate

Dear Mr. Chairman:

As agreed with your office, this report provides information on laboratory closings and research reductions being undertaken in fiscal year 1995 by the U.S. Department of Agriculture's Agricultural Research Service (ARS) as well as ARS' proposals for further closings and research reductions in fiscal year 1996.

ARS is responsible for conducting research on a broad range of agricultural issues, including plant and animal sciences; human nutrition; soil, water, and air sciences; and the economic viability and competitiveness of U.S. agriculture and rural economies. At the end of fiscal year 1994, ARS employed about 6,700 full-time staff and was undertaking about 1,300 research projects at 127 laboratories nationwide and in Puerto Rico, the U.S. Virgin Islands, and several foreign countries. (See encl. I, fig. I.1.) Between 1979 and 1994, ARS closed 33 laboratories--an average of about 2 facilities each year. (See encl. I, fig. I.2.) In fiscal year 1995, ARS' funding was \$712 million.

In summary, ARS is closing 10 laboratories in fiscal year 1995 and proposes closing an additional 12 in fiscal year 1996. It also plans to terminate 28 research programs at 16 other laboratories during fiscal years 1995 and 1996. These actions involve an average of about 3 percent of the organization's funding. Through its laboratory closures and research program terminations, ARS estimates it will reduce research costs by approximately \$37.8 million during fiscal years 1995 and 1996. However, these closings and program terminations will not result in a reduction in ARS' budget, since the \$37.8 million will be redirected to other, higher-priority research within the agency. In addition, during fiscal years 1995 and 1996, ARS will incur nearly \$14 million in one-time costs to close the facilities and programs.

FISCAL YEAR 1995 CLOSURES AND REDIRECTION OF FUNDS

During fiscal year 1995, ARS plans to reduce research costs by about \$7.9 million by closing laboratories in Fairbanks, Alaska; Pasadena, California; Georgetown, Delaware; Savannah, Georgia; Lexington, Kentucky; Oxford, North Carolina; Delaware, Ohio; Lewisburg, Tennessee; Suffolk, Virginia; and Rotterdam, The Netherlands. It plans to reduce costs by an additional \$1.1 million by terminating research programs on tobacco and livestock insects at its Beltsville, Maryland, laboratory.<sup>1</sup> These laboratories and programs accounted for about 2 percent of ARS' estimated costs in fiscal year 1994.<sup>2</sup> The largest cost reduction--over \$3.7 million--will come from ending tobacco research programs at Lexington, Oxford, and Beltsville. (See encl. I, table I.1 for details on the estimated reductions in costs and the types of research performed at each laboratory.) ARS used the \$9 million saved from these actions to increase the funding from the prior year for 20 other research programs.<sup>3</sup>

According to ARS, the criteria used in choosing laboratories for closure included the physical condition of the facilities, the number of scientists there, and the relevance of the work performed there to ARS' national programs.<sup>4</sup> For example, regarding the number of scientists, the 10 locations that are closing during 1995 employed 136 staff--an average of about 14 per laboratory. By comparison, in 1994, ARS laboratories overall employed about 6,200 full-time staff--an average of nearly 50 full-time staff per laboratory.<sup>5</sup> To identify research programs to terminate, ARS evaluated the extent to which the research (1) was similar to research carried out at other ARS locations, (2) was essential or unique in ARS' national programs, and (3) supported other

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<sup>1</sup>Two programs were terminated at the Beltsville laboratory. The facility will remain open and continue conducting other research.

<sup>2</sup>ARS was appropriated approximately \$684 million in fiscal year 1994.

<sup>3</sup>These 20 programs were specified by the conference committee for the Department of Agriculture's fiscal year 1995 appropriations act.

<sup>4</sup>ARS' six national programs address plant sciences; animal sciences; commodity conversion and delivery; human nutrition and well-being; systems integration; and soil, water, and air research.

<sup>5</sup>In fiscal year 1994, about 500 of ARS' full-time staff worked in headquarters offices.

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Department agencies. In addition, ARS evaluated the capabilities of states and the private sector to undertake the research.

The \$9 million in annual savings from the 1995 closures and research terminations will be partially offset by one-time closing costs, which ARS estimates will amount to nearly \$5.6 million. (See encl. I, table I.1.) About 60 percent of the closing costs will be for relocating 61 employees and providing separation pay for the remaining 75 employees. Additional closing costs include expenses for cleaning up hazardous waste, disposing of property (such as a cobalt irradiator that requires special handling approved by the Nuclear Regulatory Commission), and transporting equipment to other laboratories. (See encl. I, fig. I.3.)

As of May 18, 1995, ARS had closed 2 of the 10 facilities (Oxford and Rotterdam). ARS plans to close the Delaware, Fairbanks, Georgetown, Lexington, and Suffolk laboratories in June 1995; the Pasadena and Lewisburg laboratories in July; and the Savannah laboratory in October. (Encl. I, table I.2 shows the status of each facility and estimated dates for completing the various steps in closing.)

With respect to the disposal of the actual facilities--land and buildings--the responsibility for two of the facilities--Oxford and Delaware--is being transferred to other agencies in the Department. The facility at Oxford was transferred to the Animal and Plant Health Inspection Service in February 1995. Four buildings at the Delaware facility will be transferred to the Forest Service, which already has custody of the land. As a result, the annual expenses to operate these facilities will merely shift to other agencies within the Department.<sup>6</sup> Five federally owned facilities--at Pasadena, Georgetown, Savannah, Lewisburg, and Suffolk--will be turned over to the General Services Administration for disposal. Leases for space for the ARS laboratories in Fairbanks, Lexington, and Rotterdam will be terminated.

ARS terminated research programs on tobacco and livestock insects at its Beltsville, Maryland, laboratory on November 24, 1994. The personnel conducting this research were relocated, and the personal property was disposed of by December 31, 1994.

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<sup>6</sup>ARS estimated that it cost a total of \$2.1 million to operate these facilities in 1994.

LABORATORY CLOSINGS AND RESEARCH TERMINATIONS PLANNED  
FOR FISCAL YEAR 1996

For fiscal year 1996, ARS proposes reducing research costs by \$9.58 million by closing laboratories at Brawley, California; Miami, Florida; Houma, Louisiana; Orono, Maine; East Grand Forks, Minnesota; Sidney, Montana; Chatsworth, New Jersey; Reno, Nevada; El Reno, Oklahoma; Clemson, South Carolina; Jackson, Tennessee; and Brownwood, Texas. It plans to reduce costs by an additional \$19.25 million by terminating 26 research programs at 16 other laboratories. These facilities and programs account for about 4 percent of ARS' 1995 budget. ARS plans to use the \$28.8 million in savings to fund what it regards as higher-priority research in air quality, pest management, food safety, human nutrition, and agricultural biodiversity. (Tables I.3 and I.4 in enclosure I provide details on the estimated reductions in expenses and the types of research that would be terminated.) ARS officials said they used the same criteria in deciding which laboratories and research programs to close as they did in fiscal year 1995.

ARS estimates that it will cost more than \$8.3 million in fiscal year 1996 to close the 12 facilities. (See encl. I, table I.3.) About 65 percent of this amount will be to relocate or provide separation compensation to the 157 employees affected by the proposed closings. (See encl. I, fig. I.5.) ARS estimates that the laboratory at El Reno, Oklahoma, will cost the most to close (about \$1.7 million). The numerous issues that will have to be addressed in closing this facility may also create complications and contribute to the high closing costs. In enclosure II, we describe these complications, which include claims by Indian tribes, the presence of historical buildings and cemeteries, and business interests in developing the land.

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We obtained information for this report from ARS' National Program Staff in Beltsville, Maryland, and from ARS' Budget Program Staff and Administrative and Financial Management office in the Washington, D.C., area. In addition, we visited the ARS laboratory in El Reno, Oklahoma.<sup>7</sup> We did not independently verify the information provided by ARS officials. We conducted our work from February to April 1995 using generally accepted government

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<sup>7</sup>We chose the El Reno laboratory because ARS estimates that it will have the largest closing costs among the 12 facilities proposed for closure in fiscal year 1996.

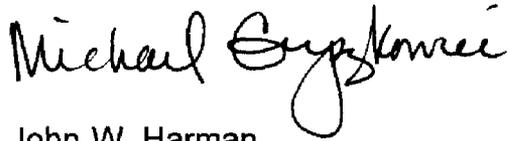
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auditing standards. A draft of this report was reviewed by ARS' Deputy Administrators, National Program Staff and Administration and Financial Management; the Director, Budget Program Staff; and the Area Director, Southern Plains Area. These ARS officials agreed with the information in the report and provided certain technical information that we incorporated.

We will send copies of this report to the Secretary of Agriculture and other interested parties. We will also make copies available to others on request.

If you or your staff have any questions about this report, please call me at (202) 512-5138.

Sincerely yours,



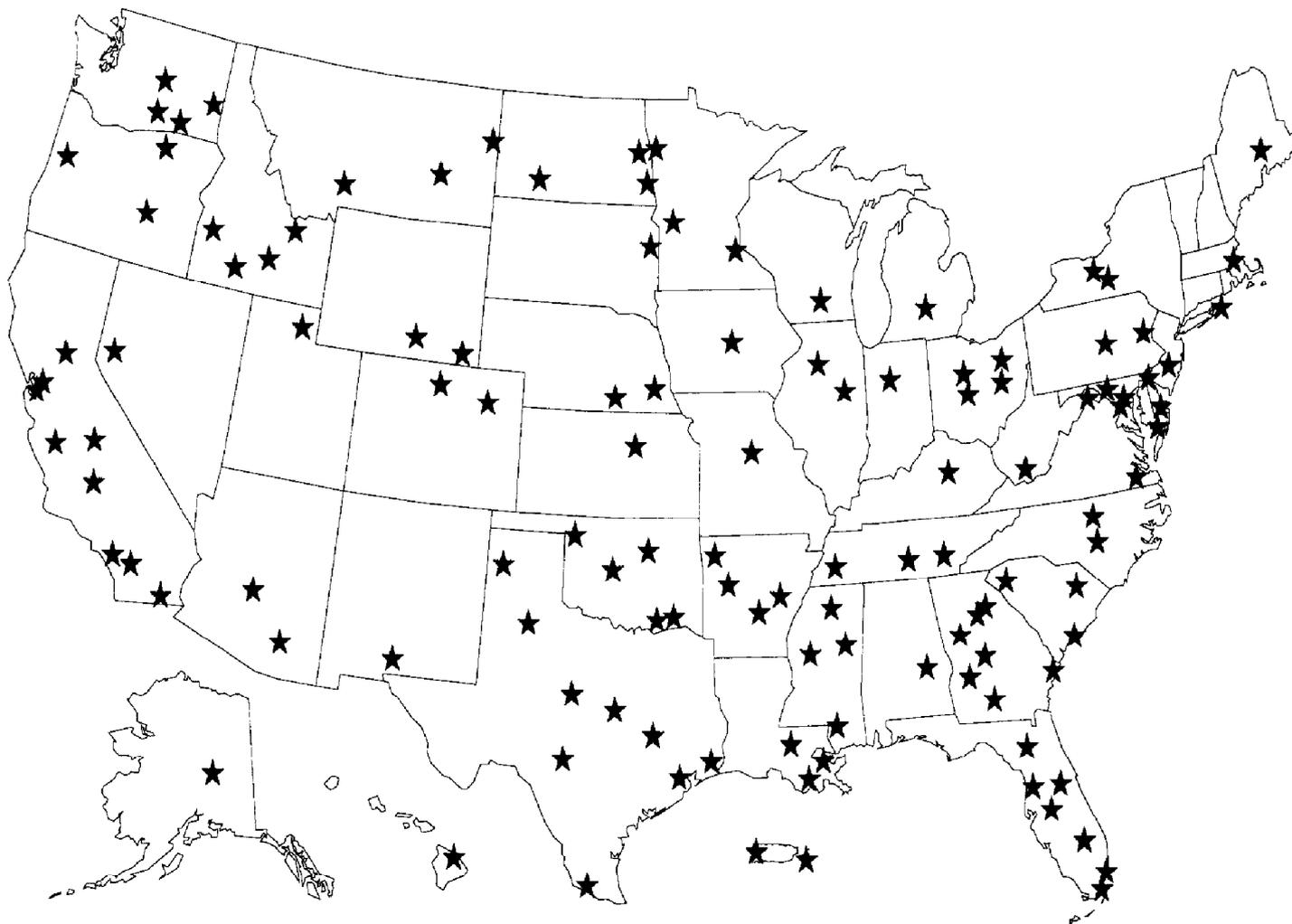
for

John W. Harman  
Director, Food and  
Agriculture Issues

Enclosures - 2

OVERALL INFORMATION ON LABORATORY  
CLOSURES AND RESEARCH TERMINATIONS

Figure I.1: ARS Laboratory Locations, Fiscal Year 1994

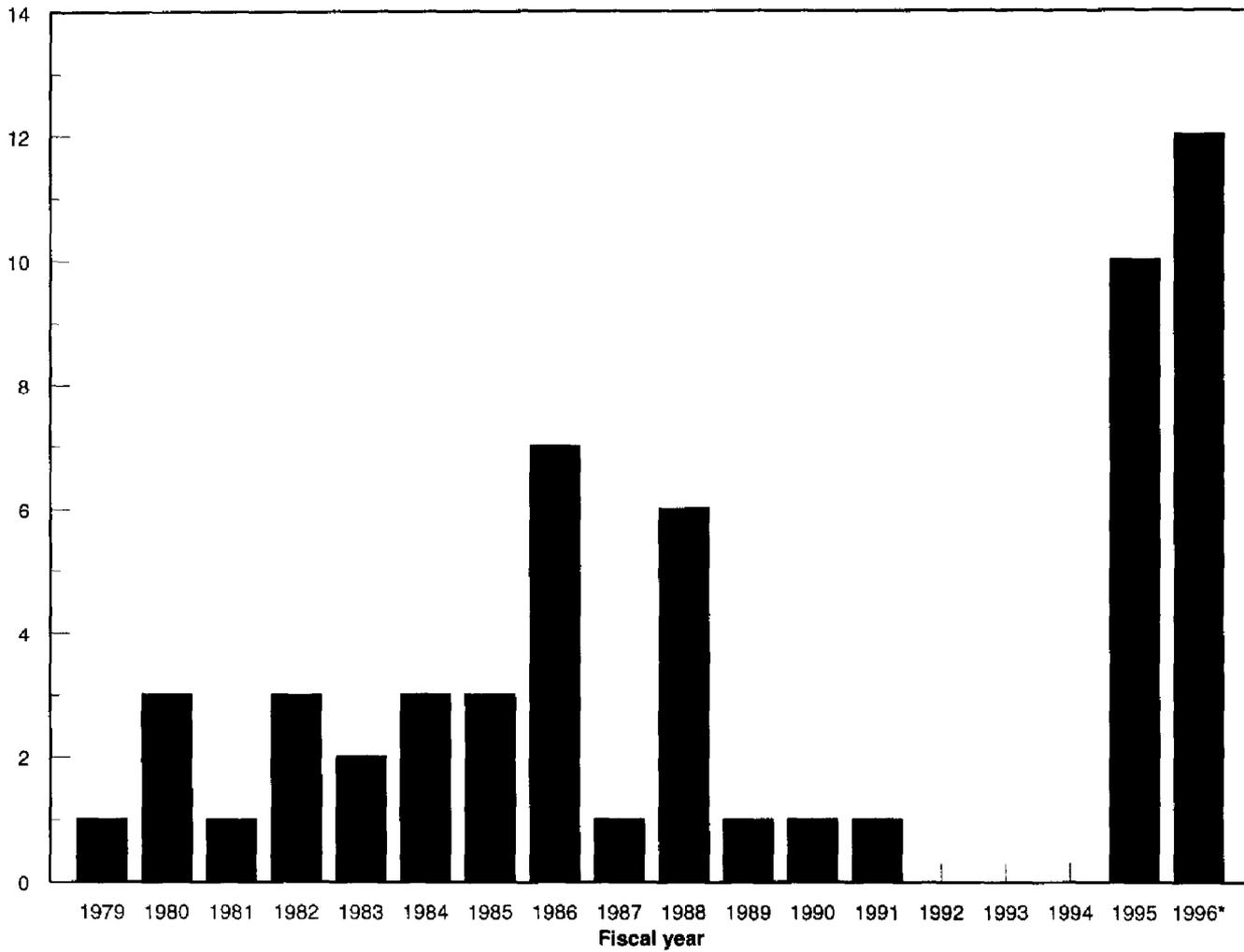


★ Laboratory locations

Note: At the end of fiscal year 1994, ARS laboratories were also located in Buenos Aires, Argentina; Montpellier, France; Rotterdam, The Netherlands, and Tuxtla Gutierrez, Mexico.

Figure I.2: ARS Laboratory Closings, Fiscal Years 1979-96

Number of laboratories



\*Proposed closings.

Note: No laboratories were closed from 1992 to 1994.

Source: GAO's depiction of ARS' data.

**Table I.1: Summary Information on Fiscal Year 1995 Laboratory Closures and Program Reductions**

Dollars in thousands

Laboratory	Type of research	Estimated reduction in costs*	Estimated closing costs
Fairbanks, Alaska	Grain cropping system for state Frozen soil	\$730	\$367
Pasadena, California	Fruit and vegetable chemistry	450	1,063
Georgetown, Delaware	Poultry	756	207
Savannah, Georgia	Insect damage and contamination	450	1,902
Lexington, Kentucky	Tobacco Forage	1,548	465
Beltsville, Maryland**	Tobacco	429	79
	Livestock insects	651	
Oxford, North Carolina	Tobacco	1,767	476
Delaware, Ohio	Elm trees	263	626
Lewisburg, Tennessee	Dairy production and genetics	144	10
Suffolk, Virginia	Peanuts	667	202
Rotterdam, The Netherlands	Marketing U.S. products	343	200
Reduction in management costs associated with closings	Not applicable	820	Not applicable
Total	Not applicable	\$9,018	\$5,597

\*Closing costs not included.

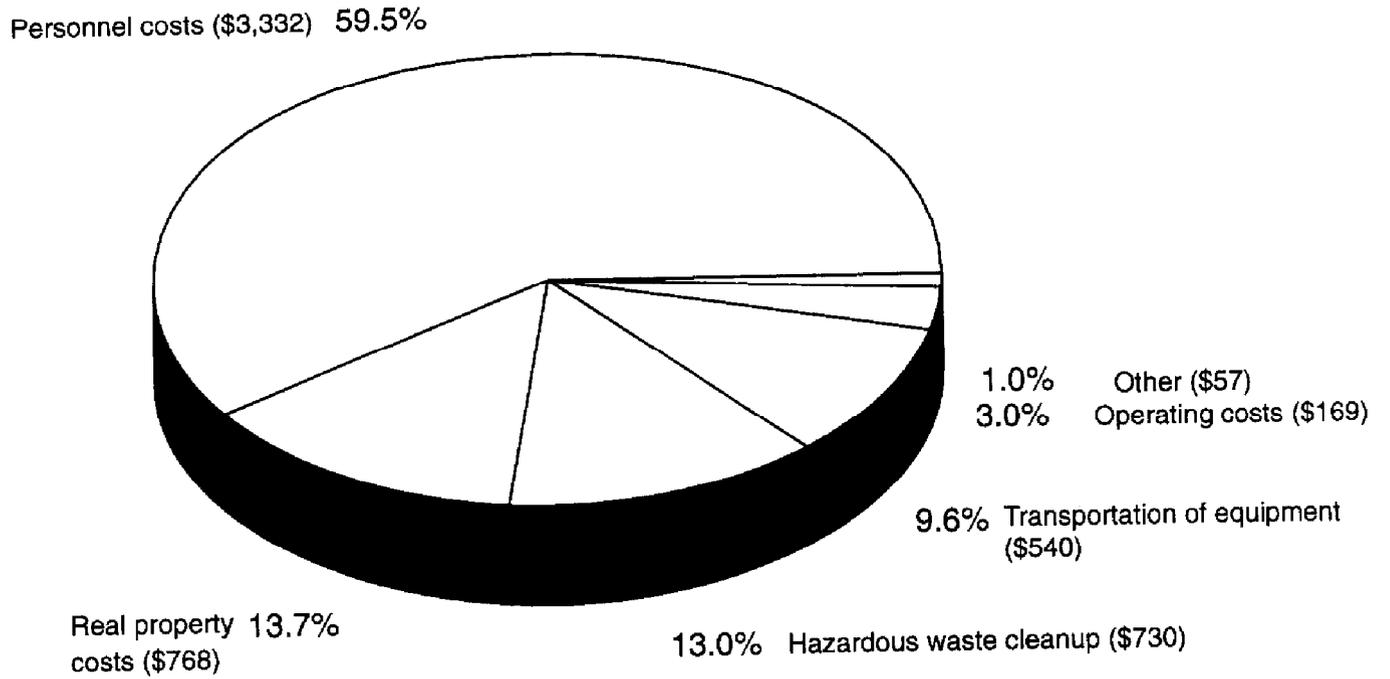
\*\*Two programs were terminated, but the laboratory remains open.

Note: These totals differ slightly from ARS' estimates due to rounding.

Source: GAO's depiction of ARS' data.

Figure 1.3: Estimated Closing Costs, by Category, as of April 1995

Dollars in thousands



Note: Percentages do not add to 100 due to rounding.  
Source: GAO's depiction of ARS' data.

Table I.2: Status of Laboratories Closing in 1995

Laboratory	Terminate research	Relocate personnel	Conduct environmental assessment	Conduct environmental cleanup	Dispose of personal property	Dispose of real property
Fairbanks	10/1/94	2/28/95	Not required	Not required	6/16/95 (expected)	Not applicable; bldgs. owned by Univ. of Alaska
Pasadena	10/1/94	2/28/95	Ongoing	6/16/95 (expected)	2/28/95	Expecting to send disposal package to GSA by 7/29/95; awaiting completion of chemical disposal and environmental cleanup and deed information
Georgetown	11/25/94	6/1/95 (expected)	2/3/95	Not required	3/4/95	Expecting to transfer custody of bldgs. to Univ. of Del. by 6/30/95; expecting GSA to transfer or sell bldgs. to Univ. according to lease agreement
Savannah	11/25/94	8/31/95 (expected)	Ongoing	7/15/95 (expected); awaiting state approval of cleanup actions	6/16/95 (expected); awaiting NRC's approval for disposal of irradiator	Expecting to send disposal package to GSA by 10/18/95
Lexington	11/25/94	6/9/95 (expected)	12/27/94	Not required	4/28/95	Not applicable; lease for space will be terminated
Oxford	11/25/94	2/28/95	4/4/95	Report sent to state recommending no cleanup of minor groundwater contamination	1/31/95	Facilities transferred to APHIS on 2/2/95
Delaware	11/25/94	12/31/94	Not required	Ongoing hazardous waste cleanup should not affect transfer of facility	11/29/94	Expecting to transfer 4 bldgs. to Forest Service by 6/1/95; 2 other bldgs. to be retained by ARS
Lewisburg	11/25/94	1/31/95	10/31/94	Not required	1/31/95	Expecting to send disposal package to GSA by 7/1/95; awaiting federal legislation to transfer property to Univ. of Tennessee
Suffolk	11/25/94	1/6/95	4/4/95	Not required	1/20/95	Expecting to send disposal package to GSA by 6/30/95; temporary custody of facilities transferred to Va. Polytechnic Inst. on 1/20/95
Rotterdam	11/25/94	12/31/94	Not required	Not required	3/31/95	Lease for space terminated on 3/31/95

Note: Shaded areas indicate completed activities. Status as of May 18, 1995.

Source: GAO's depiction of ARS' data.

Table I.3: Summary Information on Closings of Laboratories Proposed for Fiscal Year 1996

Dollars in thousands

Laboratory	Type of research	Estimated reduction in costs*	Estimated closing costs
Brawley, California	Water management	\$306	\$230
Miami, Florida	Quarantine	0	1,160
Houma, Louisiana	Sugarcane	1,383	1,247
Orono, Maine	Alternative cropping systems	867	498
East Grand Forks, Minnesota	Storage of potatoes	960	382
Sidney, Montana	Soil and water	742	515
Chatsworth, New Jersey	Small fruits	514	276
Reno, Nevada	Rangelands	491	289
El Reno, Oklahoma	Livestock and range	1,666	1,732
Clemson, South Carolina	Cotton marketing	987	1,362
Jackson, Tennessee	Soybeans	167	124
Brownwood, Texas	Pecans	473	510
Reduction in management costs associated with closings	Not applicable	1,028	Not applicable
Total	Not applicable	\$9,584	\$8,325

\*Closing costs not included.

Source: GAO's depiction of ARS' data.

**Table I.4: Summary Information on Terminations of Research Proposed for Fiscal Year 1996**

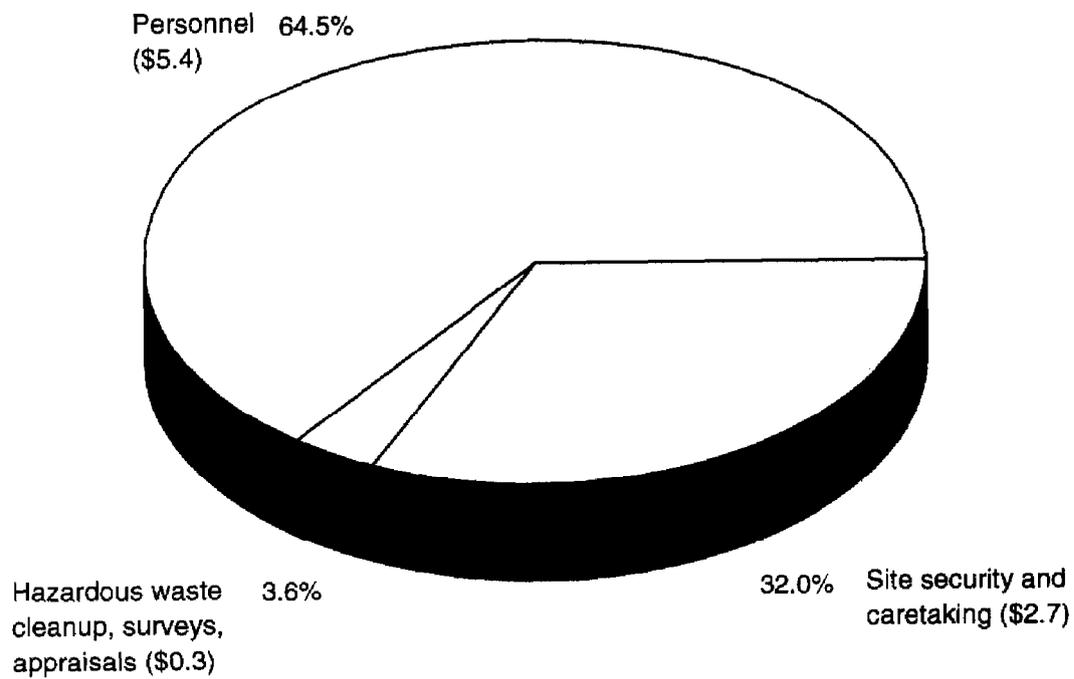
Dollars in thousands

Laboratory	Proposed research to be terminated	Estimated reduction in costs
Albany, California	Weed control	\$659
Ft. Collins, Colorado	Sugarbeets	568
	Consortium for International Earth Sciences	1,105
Athens, Georgia	Plant structure and composition	858
Tifton, Georgia	Plant structure and composition	38
Headquarters	Weed control	1,600
	Potato	270
Hilo, Hawaii	Sugarcane	1,366
	Tropical fruits	540
	Aquaculture	1,478
Peoria, Illinois	Biotechnology R&D Consortium	2,600
	Plant defense mechanism	411
New Orleans, Louisiana	Fungal phytase	894
Beltsville, Maryland	Disease transmission	638
	Sugar cane	154
	Remote sensing	185
	Alfalfa/potato	566
	Meat animal and poultry	1,145
East Lansing, Michigan	Handling, storage, and processing	385
St. Paul, Minnesota	Wild rice	135
Stoneville, Mississippi	Insects management	122
Ithaca, New York	Plant protection	45
	Zinc and immune function	169
Raleigh, North Carolina	Plant physiology and photosynthesis	440
University Park, Pennsylvania	Forage	311
Wyndmoor, Pennsylvania	Soils	655
Reduction in management costs associated with program reductions	Not applicable	1,913
Total	Not applicable	\$19,250

Source: GAO's depiction of ARS' data.

Figure I.5: Estimated Costs, by Category, to Close Proposed Facilities in Fiscal Year 1996

Dollars in millions



Note: Percentages do not add to 100 due to rounding.

Source: GAO's depiction of ARS' data.

ARS' GRAZINGLANDS RESEARCH LABORATORY  
AT EL RENO, OKLAHOMA

The Grazinglands Research Laboratory's mission is to develop year-round forage systems that would permit cattle and sheep ranchers to lower their production costs and provide leaner cuts of meat for the consumer. To carry out its mission, the laboratory has

- 22 permanent employees, including 5 scientists;
- about 6,800 acres of grazing land;
- 30,000 square feet of offices and laboratories; and
- over 30 structures for handling cattle and sheep.

ARS inherited the facility, including the land and buildings, from the U.S. Army at the end of World War II. The main office and laboratory building dates to 1940 and originally served as an army barracks and hospital. In the last 12 years, ARS has spent over \$5 million on improving the facility.

The proposed transfer of El Reno's buildings and land to other owners may create potentially difficult issues that will result in a lengthy and costly closure process. According to ARS officials, an important issue is the possibility of litigation among various stakeholders who believe the property should be used for their unique purposes. In particular, in recent years the Cheyenne and Arapaho tribes have attempted to reclaim the El Reno facility. The Department of Agriculture, the local community, and members of the Oklahoma congressional delegation have questioned the tribes' claims.

In addition to the tribal claims, other issues include the following:

- Several historical groups are concerned about preserving the site for tourism and educational purposes. Twenty-seven of the buildings are on the National Register of Historical Places.
- The Army cemetery located at the site contains the graves of army veterans, including German and Italian prisoners of war from World War II. The cemetery will have to be maintained or removed to another site. In addition, the Veterans Administration has expressed interest in expanding the cemetery into a national cemetery.
- The local community is concerned that the proposed closure could limit the community's growth.

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