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COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548 092495

APR 23 1974

B-168700

The Honorable Robert O. Tiernan C/ House of Representatives

Dear Mr. Tiernan:

In response to your letter of April 24, 1973, we have examined the closing of the Quonset Point and Newport Naval Complexes in Rhode Island. As you requested, we concentrated our review on the role and activities of a Special Task Force created by the Secretary of Defense in 1971 to study shore establishment realignment.

On May 16, 1973, you said you also wanted to know whether alternative locations were considered, the basis for the decisions, who made them, and when they were made.

We have reviewed records and interviewed Department of Defense and Navy officials concerning the closure actions. We also reviewed data provided to the Subcommittee on Military Construction of the Senate Committee on Armed Services in connection with hearings on the closures.

The study which resulted in closure of the naval installations as announced on April 17, 1973, is the "Shore Establishment Realignment Project," also referred to as the "SER Study." The letter initiating this project is dated September 14, 1971. The Chief of Naval Operations was briefed on the results of the study on May 5, 1972. On June 22, 1972, the Secretary of the Navy was briefed on the study results and directed that the SER study be reworked to include the results of other studies. On October 20, 1972, the study was again forwarded to the Chief of Naval Operations and was sent to the Secretary of the Navy on November 16, 1972. The Secretary approved the document in December 1972. We were advised by a Department of Defense official that the Secretary of Defense was given a briefing on the package in late January 1973.

There was no indication of installations being added to the closure list after the SER study had been completed on October 20, 1972. However, the Secretary of the Navy recommended the closures of the Portsmouth, New Hampshire, Naval Shipyard and the Construction Battalion Center in Davisville, Rhode Island, to the Secretary of Defense. As you are aware, these were not included in the closure announcement. The decision to keep these installations open resulted from discussion between the Office of the Secretary of Defense and the Office of Management and Budget.

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On June 21 and 22, 1973, the Subcommittee on Military Construction held hearings on the New England closures, at which the Navy agreed to later supply for the record what appeared to be the detailed information you requested our office to obtain. On June 26, 1973, we agreed with your staff to review the Navy's information before evaluating the need for further GAO work. We acquired this information in mid-October.

The published record of the hearings contains substantial information on the justification for these closures. The data we obtained before the hearings coincides with the published information, which includes the SER study and related documents, and contains no information which had not already been supplied by the Navy to the Subcommittee.

We do not plan to distribute this report further unless you agree or publicly announce its contents.

Sincerely yours,

Deputy Comptroller General of the United States