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[Reaction to Air Force Secretary's Comments on GAO Report on Consolidating Laboratories at Brooks Air Force Base, Texas]. LCD-77-357; B-172707. July 15, 1977. 4 pp. + enclosure (1 pp.).

Report to Rep. John E. Moss; by Elmer B. Staats, Comptroller General.

Issue Area: Facilities and Material Management (700).
Contact: Logistics and Communications Div.
Budget Function: National Defense: Defense-related Activities (054).
Organization Concerned: Department of Defense; Department of the Air Force: Brooks AFB, TX.
Congressional Relevance: Rep. John E. Moss.

No new information has been adduced by the Secretary of the Air Force that provides a basis to reanalyze the GAO report on the consolidation of laboratories at the Brooks Air Force Base, Texas, or to challenge its conclusions and recommendations. Findings/Conclusions: The only significant change in the Air Force's current estimate of costs and savings is the inclusion of $482,600 annual recurring savings, which includes 13 personnel positions judged by GAO to be unjustified because there was no authorization for these positions. Some $231,600 of the savings comes from savings on supplies, equipment, and data processing costs, but no documentation was presented to support this. Total consolidation costs are understated by $137,475. A considerable number of statements by experts challenge the anticipated benefits of the consolidation on technical grounds. Space requirements of 75,000 square feet, the official Air Force position, were accepted by the Secretary. The Air Force has suspended all construction activities, including the use of minor military construction funds. As of June 1977, the Air Force expected continuing favorable congressional authorization and construction completion at Brooks, and despite a manpower shortage, laboratory operations are continuing. (DJM)

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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B-172707

July 15, 1977

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Honorable John E. Moss
House of Representatives

Dear Congressman Moss:

This is in response to your request for our reaction to the June 1st comments, received by you from Air Force Secretary Stetson, which addressed our April 6, 1977, report on the consolidation of Air Force laboratories at Brooks Air Force Base, Texas.

Our general reaction is that the Secretary's letter has not provided any new information which we could cite as a basis to reanalyze the Air Force laboratory consolidation or to change our conclusions and recommendations.

Cost and Savings

The only significant change in the Air Force's current estimate of cost and savings is its inclusion of $482,600 annual recurring savings. We have already addressed the remaining figures in our report.

Of the alleged savings of $482,600 about $251,000 is attributed to the value of 13 spaces which the Secretary asserts will be eliminated due to the consolidation. The Air Force had previously cited $251,000 as a recurring savings, along with a one-time saving of $2.5 million in their May 1976 estimate of costs and savings. In the summer of 1976, we pointed out to Air Force personnel that they did not have recurring personnel savings because they did not have the authorizations for the 13 positions claimed as savings, and because they were planning to transfer all 134 authorized positions from the three laboratories to the consolidated Brooks laboratory. We also advised them that the $2.5 million claimed as a cost avoidance for a building also was not authorized, but this figure has not been placed back into the Air Force estimates.

As is indicated on the enclosed schedule of Air Force estimates, the Air Force deleted the $251,000 annual recurring savings from its three successive estimates of savings. The Secretary has now placed this figure back into

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his current estimates. If such logic was accepted, any DOD action could be economically justified by simply adding unauthorized personnel to its estimates. We do not believe that costs based on such estimates are valid.

The balance of the $482,600 is a new claim of $231,600 annual recurring savings for supply, equipment, and and ADP costs. No such claim had previously been brought to our attention and the Air Force has provided no documentation to support it. Should you request the supporting documentation before accepting the estimate, we would be glad to review it for you.

With regard to the Air Force's claim of a one-time savings of $217,200 for equipment excessed and purchases avoided, we believe our report supports a position that it is undocumented.

With regard to total consolidation costs, the schedule included in the Secretary's letter shows $974,300. But it shows, as foot-note a/, an additional amount of $137,475 which was addressed in our report. Therefore the $974,300 is, in our opinion, understated by $137,475.

Improved Efficiency and Effectiveness

The Secretary's letter has reiterated the various anticipated benefits of consolidation at Brooks and has tied those benefits to a recommendation by Congress to consolidate in order to achieve greater efficiency and economy.

Except for the financial aspects of military proposals, it is difficult to confirm or challenge the accuracy of anticipated intangible benefits such as assertions of future improved efficiency. Frequently, such assertions are acceptable because they are based on reasonable, well planned efforts and usually are not subject to serious attack on technical grounds. We have also found that opposition to a proposed military realignment frequently has as its basis the financial loss to a community and the reluctance of people to relocate.

In this case, however, we have gathered a considerable number of written and oral statements from experts that challenge the anticipated benefits of the proposed Brooks consolidation on technical grounds. Examples of those

challenges included in chapter 3 of our report, are from Air Force military and civilian officials whom we believe would be acknowledged as experts using the criteria of rank, title, education, responsibility and years of experience in the management of the Air Force laboratories. We cannot evaluate the extent to which their views may have been influenced by personal factors such as a reluctance to relocate. However, in view of the experience and qualifications of these Air Force personnel, we believe their views should be seriously considered. In our opinion, the Secretary's letter to you does not recognize them.

With regard to the matter of the space requirement of 75,000 square feet discussed in the Secretary's letter, we reiterate that it was an official 1975 Air Force estimate and it took into account the need for expanded future mission requirements.

The Air Force states that the 75,000 square foot space requirement is overstated; that the planned facilities at Brooks will have 47,997 square feet which will "provide an adequate but austere environment for economical operation."

We have no data from which to comment on the validity of this assertion.

The stated need for 75,000 square feet was contained in the Air Force Environmental Assessment of July 1975. Unlike an Environmental Impact Statement, an assessment does not require a public hearing at which dissenting opinion must be heard, made a matter of record, and considered by the Air Force prior to its final decision. Therefore, the only official Air Force position prior to the Secretary's letter was for 75,000 square feet.

Minor Military Construction Funds

On May 31, the Assistant Secretary of the Air Force (Financial Management) informed us that the Air Force has suspended all construction activities including the use of minor construction funds. He also said that the low bid on the primary minor construction project was in excess of $400,000 and accordingly the Air Force was reassessing alternatives. He disagreed that the Air Force programing action had violated the law or its implementing regulations.

On June 9, the Acting Deputy Assistant Secretary of Defense (Logistics) informed us that the formal reply to our report would be forwarded immediately following the scheduled June 24 receipt of the Air Force reevaluation of the proposed consolidation. As of July 12, we have not received the reply.

In our efforts to satisfy your request regarding whether construction activities were continuing, we obtained a copy of a June 24 message to the laboratories which states that the Air Force expects continued favorable congressional authorizations and construction completion at Brooks. Because of expected delays the Air Force has determined the most productive concept to be early location at Brooks Air Force Base of those elements that can be housed temporarily in available office space, and to maintain in place analytical services at existing operating locations. Transfer of workload from McClellan and Wright-Patterson operating locations is planned for the summer of 1978 with total phase-out completed not later than September 30, 1978. Transfer of civilian personnel from Kelly may be effected as appropriate and hiring may continue at Brooks.

In addition to the June 24 message, we have also been made aware that the Air Force reported in its June 10, 1977, progress report that, despite a critical manpower situation, laboratory operations are continuing and all known requirements are scheduled and being supported.

Our response to your inquiry on the shipment of a exhaust hood to Texas is now being developed and will be discussed in a separate letter.

Sincerely yours,

Comptroller General
of the United States

Enclosure

ENCLOSURE

U.S. AIR FORCE ESTIMATES OF COST TO CONSOLIDATE ENVIRONMENTAL AND RADIOLOGICAL LABORATORIES AT BROOKS AIR FORCE BASE, TEXAS

	AIR FORCE							GAO's Estimate[1]
	June 1975	April 1976	May 1976	Sept 1976	Dec 1976	Feb 1977	June 1977	
Cost								
Construction	$ -0-	$100,000	$ 100,000	$372,000	$ 665,500	$515,500	$550,000	$ 949,800
Transfer	310,000	310,000	400,000	470,900	470,900	470,900	424,300	928,600
Total	$310,000	$410,000	$ 500,000	$842,900	$1,136,400	$986,400	$974,300	$1,878,400
Savings								
One-time	$ -0-	$ -0-	$2,500,000	$275,100	$ 686,000	$686,000	$488,800	$ 271,600
Recurring	$ -0-	$ -0-	$ 251,000	$ -0-	$ -0-	$ -0-	$482,600	$ -0-

1/See GAO report LCD-77-323, April 6, 1977, "Consolidation of the Air Force's Environmental and Radiological Health Laboratories"