



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

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B-168700

April 26, 1978

The Honorable John C. Stennis
Chairman, Committee on Armed Services
United States Senate

Dear Mr. Chairman:

On April 12, 1978, Senator Hathaway offered Amendment No. 1772 to the Military Construction Authorization Bill - S. 2636. The amendment, which has been referred to your Committee, would require the General Accounting Office to make a comprehensive study of every Department of Defense announced military installation closure or realignment. Pertinent parts of the requirements that would be placed on this Office by this amendment include:

"(c)(1) Whenever the Secretary of Defense or the Secretary of the military department concerned has publicly announced that any military installation is a candidate for closure or realignment, the Comptroller General of the United States shall conduct a study to determine the cost and savings estimates to be realized from such closing or realignment. In conducting such study, the Comptroller General shall assess the economic impact and consequences of the proposed closing or realignment on the community concerned. Such assessment shall include the impact on unemployment, income, small business concerns, State and local tax revenues, State and local governmental expenditures for unemployment compensation, welfare, general assistance, medical costs, and other related social service expenditures, and the multiplier effects of such proposed closing or realignment on the community concerned.

"(2) The Comptroller General of the United States shall submit the results of any study made in the case of the proposed closing or realignment of any military installation to the Committee on Government Operations, Education and Labor, and Small Business of the House of Representatives and the Committee on Governmental Affairs, Human Resources, and the Select Committee on Small Business of the Senate within 120 days after the day on which the proposed closing or realignment of such installation is publicly announced. In any case in which the proposed closing or realignment

of any military installation was publicly announced after February 1976, and prior to the date of enactment of this paragraph, the Comptroller General shall submit the results of such study to such Committees within 180 days after such date of enactment."

In addition, the amendment would require suspension of any closure or realignment until a special task force could be created to study, develop, and implement a detailed plan of economic assistance to the community involved. This mechanism would be put into effect when the Comptroller General determines that the proposed closing or realignment will likely result in an increase in unemployment in the community in an amount greater than one quarter of one percent quarterly over a period of four quarters following the date of the proposed action.

Notwithstanding the desired objectives of Senator Hathaway's amendment, its enactment would place an unacceptable burden upon the limited resources of the General Accounting Office. In fact, I believe it could seriously impair our ability to effectively carry out the legislative purposes for which we were created in 1921, as well as those purposes contained in subsequent legislation that clarified and expanded our authorities and responsibilities.

I would also like to offer the following observations. Senator Hathaway's amendment is predicated on Congress' need for a reliable source of analysis for determining the savings attributable to and community impact caused by base closures and realignments. However, the Congress has already decided that the Department of Defense should be responsible for developing this information and for obtaining congressional concurrence on its proposed actions. As you know, section 612 of the Military Construction Authorization Act, 1978 (Public Law 95-82), requires the Secretary of Defense, or the secretary of the particular military department, to submit his final decision to implement a closure or realignment to the Committees on Armed Services of the Senate and House of Representatives, along with a detailed justification for the decision. The justification is to include statements of the estimated fiscal, local economic, budgetary, environmental, strategic, and operational consequences of the proposed closure or realignment. A period of 60 days must then be afforded the Committees to evaluate the decision and no irrevocable action may be taken to effect or implement the decision during this period.

We fully concur with the congressional directive that the Department of Defense should be responsible for justifying its closure and realignment decisions. We also believe that more credibility and reliability, as Senator Hathaway would like to see, can be built into such justifications. This could be accomplished if facts and analyses available from experts outside the Department were used to assess the economic and other impacts that closures will have on communities and on other Federal agencies that support communities. In this regard, our experience in reviewing some 30

proposed closures over the past 3 years has shown that the Department of Defense analyses are generally restricted to measuring impact only in terms of funds appropriated to it and do not include the estimated costs of other Federal departments and agencies. In our view, the analysis and estimating expertise at the departments that will be affected, such as the Departments of Labor; Health, Education and Welfare; Commerce; and Housing and Urban Development, should be used in measuring the overall economic and community impact of defense closures and realignments. Such expertise is not readily available within the General Accounting Office to the extent that would be required under the Hathaway Amendment.

In summary, I cannot support enactment of the Hathaway Amendment because it places an unacceptable legislative burden upon the General Accounting Office and it duplicates existing study and justification requirements. In addition, I believe any such legislative change should require the Department of Defense to take advantage of the community and economic impacts estimating expertise currently available at other Federal departments and agencies.

Sincerely yours,
Thomas A. Stebbins

Comptroller General
of the United States

cc: The Honorable Gary Hart
Chairman, Subcommittee on Military
Construction and Stockpiles
Senate Committee on Armed Services

bcc: Jim Smith, Professional Staff Member
Senate Committee on Armed Services

Paul Tsompanas, Professional Staff Member
House Committee on Armed Services

Senator William D. Hathaway
Attn: Jay McCloskey

- Mr. Heller
- Mr. Dembling
- Mr. Bob Hunter
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