

GAO

Briefing Report to Congressional Requestors

January 1986

BASE
REALIGNMENTS

Information on
Blytheville AFB,
Arkansas



128877





UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

NATIONAL SECURITY AND
INTERNATIONAL AFFAIRS DIVISION

January 16, 1986

B-221118

The Honorable Dale L. Bumpers
United States Senate

The Honorable David H. Pryor
United States Senate

In March 1985 the Department of Defense (DOD) proposed legislation that would make it easier for DOD to close or realign bases when the President's budget reflected a budget deficit. The legislative proposal package DOD submitted included an illustrative list of 22 bases and facilities that might have been considered for closure if Congress had passed expediting legislation that would have shortened the time required for DOD to close bases, and if funds had been provided to facilitate base closures.

In an April 1, 1985, letter to the Chairman, Senate Committee on Armed Services, the Secretary of Defense elaborated on how the list was developed, including the cost and savings estimates associated with the 22 illustrative closures. Blytheville Air Force Base (AFB) was one of the bases on the list.

Your letter of August 29, 1985, requested that we survey several issues associated with the placement of Blytheville AFB on the illustrative list of base closures including (1) tracing the development of DOD's base closure legislative proposal, (2) evaluating the DOD cost and savings estimates associated with Blytheville AFB, and (3) operational considerations associated with Blytheville AFB. As requested by your offices, we provided an interim oral briefing on November 15, 1985. As discussed in that meeting, we are providing you with this briefing report which presents our final observations.

OBSERVATIONS IN BRIEF

The legislative proposal to make it easier for DOD to close bases changed many times since DOD introduced it in March 1985. DOD sought relief from what it viewed as lengthy legislative processes such as compliance with the National Environmental Policy Act (NEPA) of 1969 (Public Law 91-190), which requires studies of major federal actions affecting the environment

and coordination between the affected federal, state, and local agencies. The proposal supported by DOD would have allowed emergency base closure procedures, only when the President's budget reflected a budget deficit. According to DOD, it would have been only under these circumstances that the provisions of NEPA would not have applied. DOD stated that it intends to fulfill its environmental responsibilities. However, in supporting the initial emergency base closure legislative proposal, DOD was attempting to preclude capriciously introduced litigation which may have prolonged or obstructed the closure process.

The amended section 2687 of title 10, United States Code, contained in DOD's fiscal year 1986 Authorization Act (Public Law 99-145) no longer contains the requirement that DOD must comply with NEPA in developing base closure or realignment actions. However, DOD officials believe that since the amendment does not specifically exempt DOD from NEPA, DOD must comply with the NEPA provisions.

Although DOD believed final congressional action on the legislation did not provide the legislative relief needed to expedite the base closure process, on August 21, 1985, DOD requested that the services submit base closure and realignment proposals by November 1, 1985. As of December 12, 1985, the services were still discussing their base closure and realignment proposals, and had not submitted their proposals to DOD.

DOD stated that if bases were identified for closure in the fiscal year 1987 budget request, the bases could only be characterized as candidates for closure or realignment because the detailed studies and NEPA requirements would still have to be completed. DOD added that compliance with NEPA can take up to a year to accomplish, or even longer if there are court challenges.

The April 1, 1985, DOD estimate of the costs and savings associated with the illustrative listing of Blytheville AFB were developed rapidly in response to a quick turn around request from the Senate Committee on Armed Services. The estimates included data on military construction and other costs from an Air Force base closure computer model. The estimates did not contain a present value analysis as required by DOD instructions. Also, insufficient documentation was maintained to support the estimates. As a result, we were unable to determine the reasonableness of the annual recurring savings and one-time costs associated with the illustrative closure of Blytheville AFB.

In elaborating on how the illustrative list of base closures was developed, DOD said that the cost and savings figures associated with the list were not definitive. DOD also stated that a proper study of each installation, including realistic estimates of construction costs at alternative bases would take 6 months of full-time work.

The importance of Blytheville AFB to DOD was not ranked. None of the 22 bases on the illustrative list of base closures was ranked. Documents available at DOD indicate that Blytheville AFB was put on the list because it is an example of a single mission base.

Strategic Air Command (SAC) officials believe that Blytheville AFB should be retained because the base adds to strategic asset survivability. These officials also believe the base's KC-135 tankers contribute to a relatively high level of aerial refueling activity in the area. In addition, SAC officials told us the base is needed to accommodate the realignments resulting from the fielding of the B-1 bomber.

AGENCY COMMENTS

DOD generally agreed with the facts presented in this briefing report. DOD did, however, request that we elaborate on (1) the illustrative nature of the base closure list, (2) why DOD supported the initial base closure legislation, (3) what would probably happen if base closure proposals were submitted in the fiscal year 1987 budget request, and (4) the initial cost and savings estimates. We have done this. DOD provided additional information to clarify the report. We have also included this data where appropriate. DOD's comments are in appendix VI.

OBJECTIVE, SCOPE, AND METHODOLOGY

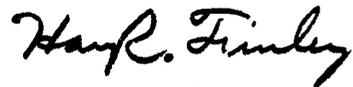
Our objective was to survey the issues associated with putting Blytheville AFB on an illustrative list of base closure proposals. We reviewed documents and interviewed officials at the Office of the Secretary of Defense, Air Force Headquarters, SAC and Blytheville AFB. This assignment was conducted in accordance with generally accepted government auditing standards. Additional details on our objective, scope, and methodology are on page 11 of appendix I.

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As arranged with your offices, we are sending copies of this briefing report to the Secretary of Defense; the Secretary

B-221118

of the Air Force; the Director, Office of Management and Budget; and other interested parties. If you desire additional information on this briefing report, please contact me on 275-4268.



Harry R. Finley
Senior Associate Director

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ABBREVIATIONS

AFB	Air Force Base
ALCM	air-launched cruise missile
ANG	Air National Guard
CHAMPUS	Civilian Health and Medical Program of the Uniformed Services
DOD	Department of Defense
GAO	General Accounting Office
OSD	Office of the Secretary of Defense
MAC	Military Airlift Command
MILCON	military construction program
NEPA	National Environmental Policy Act
SAC	Strategic Air Command
TAC	Tactical Air Command

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BRIEFING ON ILLUSTRATIVE
CLOSURE OF
BLYTHEVILLE AFB

INTRODUCTION AND FACTS ONBLYTHEVILLE AFB

A briefing on our survey of the illustrative closure of Blytheville Air Force Base (AFB) was requested by Senators Dale L. Bumpers and David H. Pryor of Arkansas. The briefing was presented, as agreed, on November 15, 1985. Following the briefing, we were requested to provide this briefing report. This briefing report consists of the transmittal letter and four appendices which cover the areas we were requested to survey. Appendix I provides facts on Blytheville AFB. Appendix II sets out the changes in legislative proposals that were introduced to make it easier for the Department of Defense (DOD) to close bases. Appendix III provides a discussion on the cost and savings estimates for the Blytheville AFB illustrative closure. Appendix IV provides a discussion of issues related to the illustrative closure, including the ranking of Blytheville AFB, its status as a single mission base, and strategic and operational considerations. Appendix V contains a copy of the request letter. Appendix VI contains a copy of DOD's comments on this briefing report.

BRIEFING OVERVIEW

Introduction

Objective

Scope

Methodology

Observations in brief

Information on Blytheville AFB

Observations in detail

Legislation

Cost/savings estimates

Other issues

INTRODUCTION

In March 1985, DOD proposed legislation to amend 10 U.S.C. 2687, by adding a section on "Emergency Base Closures and Realignment." The legislative proposal's purpose was to shorten the time required to close a base by exempting DOD from the requirements of the National Environmental Policy Act (NEPA) and other legal requirements. The act generally requires that major federal actions such as base closures be studied and comments obtained from other affected federal agencies. According to DOD officials, the NEPA process can take up to 14 months, and possibly longer.

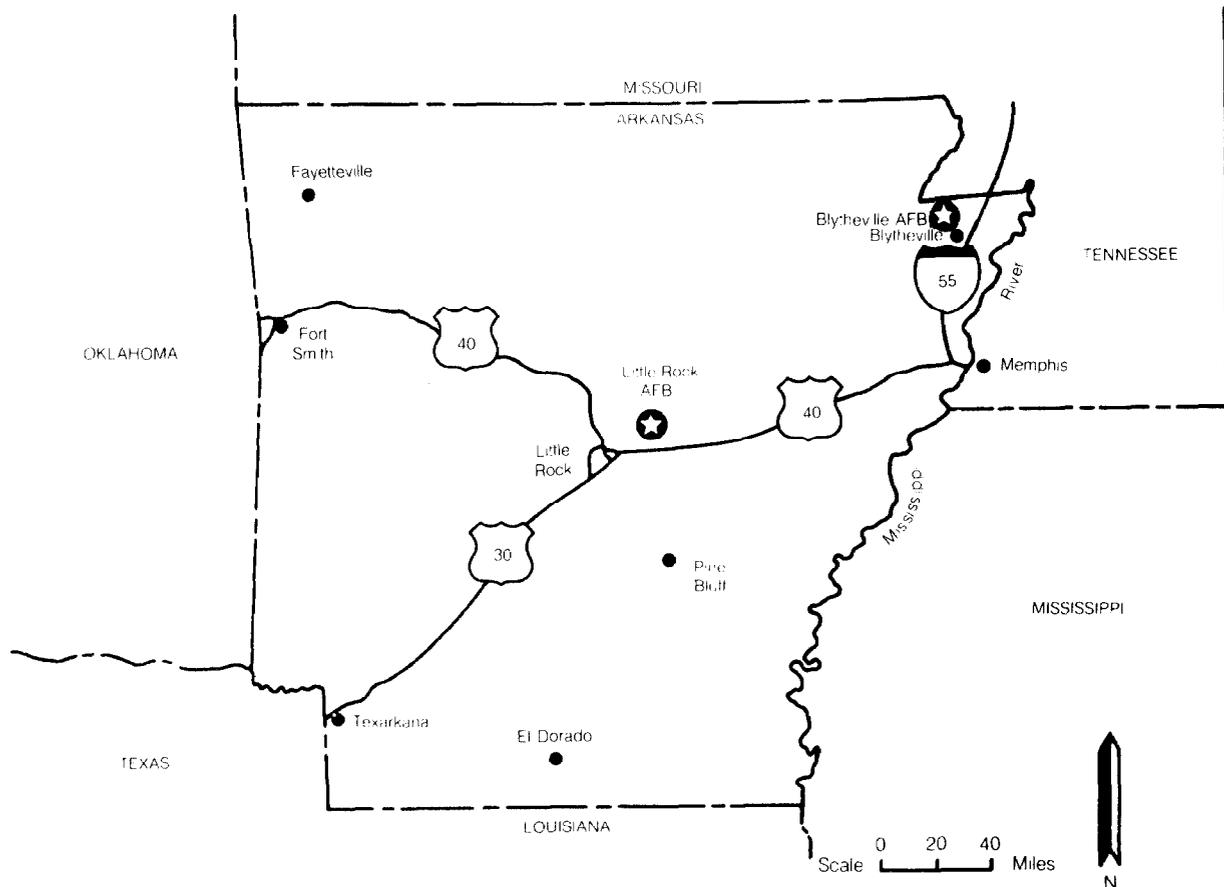
The legislative proposal package that DOD submitted included a list of 22 bases and facilities illustrative of the type of installations that might have been considered for closure if the required legislation were passed and funding were provided. One of the bases listed was Blytheville AFB near Blytheville, Arkansas. We were requested to survey several issues associated with the illustrative listing of Blytheville AFB.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to survey the issues associated with placing of Blytheville AFB on an illustrative list of base closures and realignments. We reviewed documents at the Office of the Secretary of Defense (OSD), Air Force and Strategic Air Command (SAC) Headquarters, and Blytheville AFB. We interviewed OSD and Air Force officials at these activities. We traced the development of the legislative proposals on making it easier for DOD to close or realign its bases, and obtained the views of OSD and Air Force officials on how they believe the proposals would have affected DOD's base closure and realignment actions.

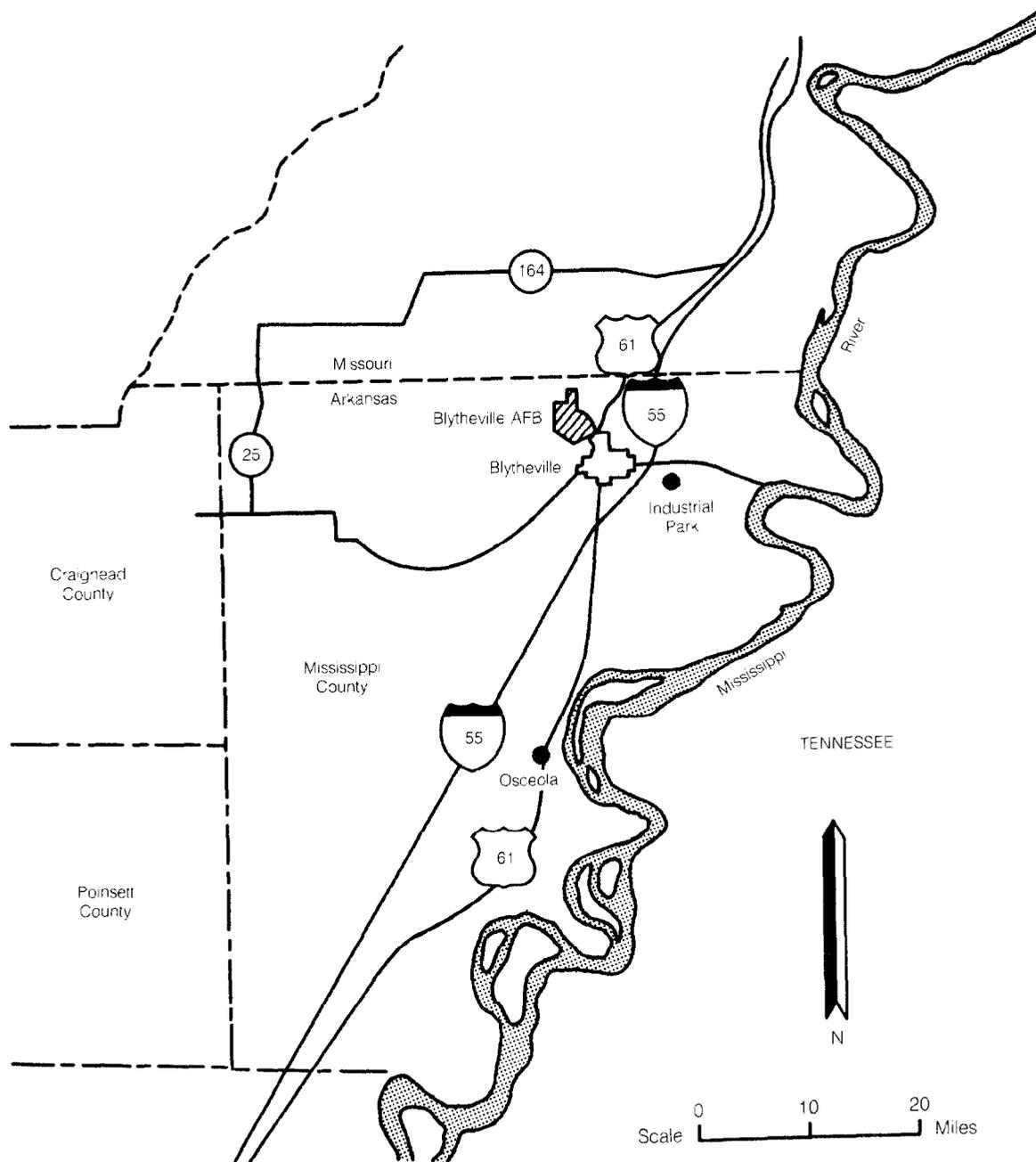
Our survey was done during the period September 1985 through November 1985. It was performed in accordance with generally accepted government auditing standards.

Figure I.1: Blytheville AFB regional location map



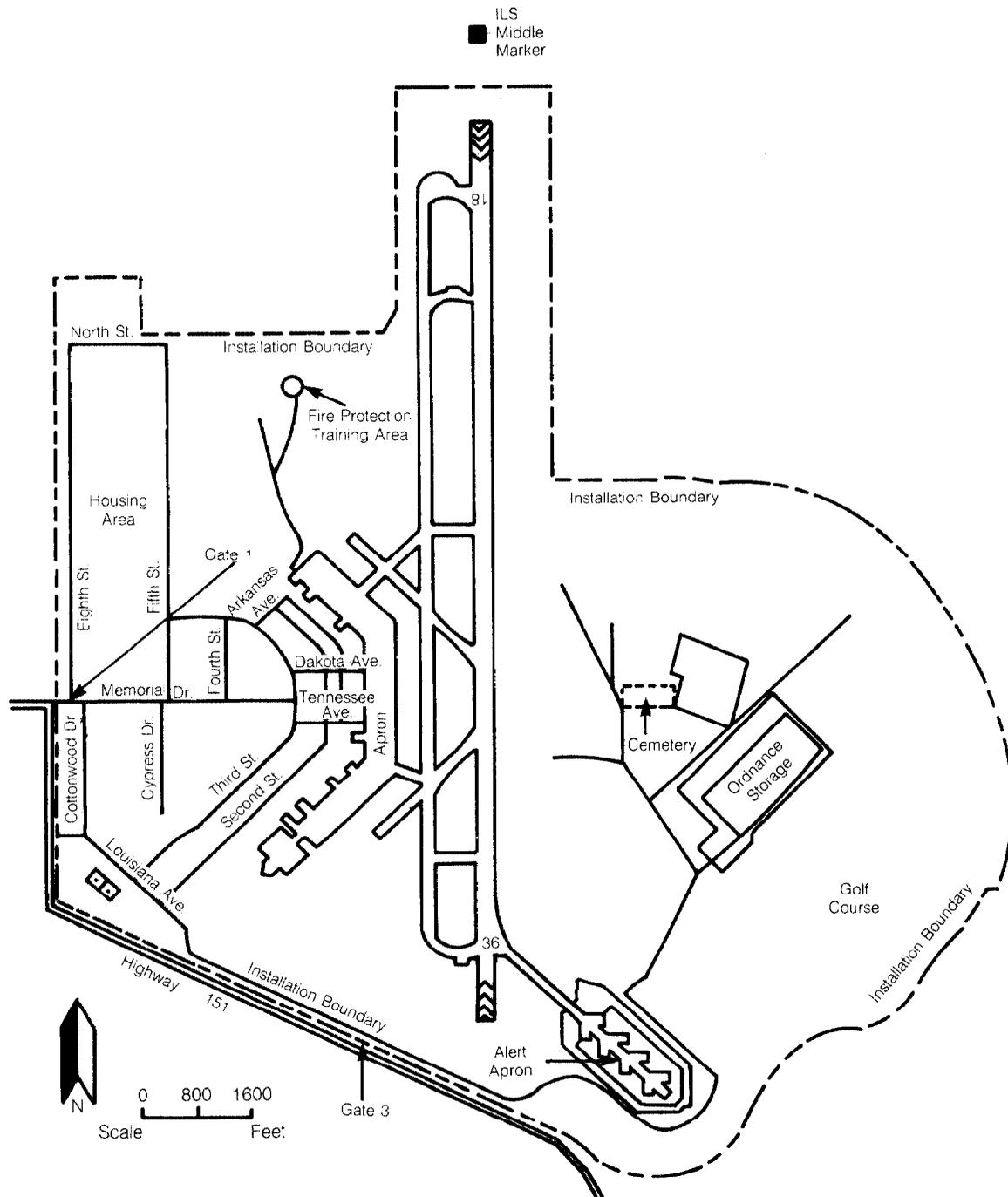
As shown on the map in figure I.1, Blytheville AFB is located in the northeast part of Arkansas, near the border with Missouri. It is about 200 miles northeast of Little Rock and about 70 miles north of Memphis, Tennessee.

Figure I.2: Blytheville AFB area location map



Blytheville AFB is located just northwest of the City of Blytheville, Arkansas. The city has a population of about 26,000. The Blytheville area is primarily agricultural, with cotton, wheat, and soybeans being the main crops. There is also manufacturing in the Blytheville area in an industrial park located east of the city. Manufactured products include automotive and appliance trim, canned and processed foods, and electrical equipment.

Figure I.3: Blytheville AFB installation site plan



The Blytheville AFB site plan in figure I.3 shows the SAC alert facility, the 11,600 foot runway that runs north and south, ordnance storage, and the housing area.

BLYTHEVILLE AFB

HISTORY

Activated June 1942

Deactivated October 1945

Land controlled by Air Materiel Command

Activated as TAC base July 1955

97th Bombardment Wing (SAC) July 1959

First B-52G January 1960

KC-135A tankers 1962

Base B-52s deploy to Southeast Asia 1972

Missions over North Vietnam and Cambodia 1972 and 1973

Base closure list as an alternate
to Loring AFB 1975-1979

Illustrative closure list 1985

Blytheville AFB was activated as Blytheville Army Air Field in June 1942. During World War II, the base was used for pilot training. The base was deactivated in October 1945 and placed under the administrative control of the Air Materiel Command, which turned the base over to the City of Blytheville. From about 1947 to 1954, the base was used for furniture, trailer, and paint manufacturing as well as private housing. The base was returned to the federal government in 1955 when it was reactivated as a Tactical Air Command (TAC) base. The base was transferred from TAC to SAC in 1958. The base became the new home of the 97th Bombardment Wing (SAC) in July 1959. The base received its first B-52G, "The City of Blytheville," in January 1960. In 1962, KC-135A tankers were assigned to the base. During 1972 and 1973, B-52s from the base saw action over North Vietnam and Cambodia. During the period 1975 to 1979, Blytheville was on a base closure list as an alternate to Loring AFB in Maine. The base was put on an illustrative list of base closures in early 1985.

97TH BOMBARDMENT WING MISSION

The mission of the 97th Bombardment Wing (heavy) is to develop and maintain operational capability to permit the conduct of strategic warfare according to the Emergency War Order. The Wing also must maintain a capability to conduct air-to-air refueling on a global scale.

The mission of the 97th Bombardment Wing is to develop and maintain strategic warfare and worldwide air refueling capabilities. As of October 23, 1985, the base had the following personnel to carry out these and associated functions.

Table I.1: Blytheville AFB personnel

	<u>Officers</u>	<u>Enlisted</u>	<u>Civilians</u>	<u>Total</u>
SAC	410	2,412	458	3,280
Non-SAC	<u>44</u>	<u>316</u>	<u>53</u>	<u>413</u>
Totals	<u>454</u>	<u>2,728</u>	<u>511</u>	<u>3,693</u>

Figure 1.4: B-52G bomber (DOD Photo)

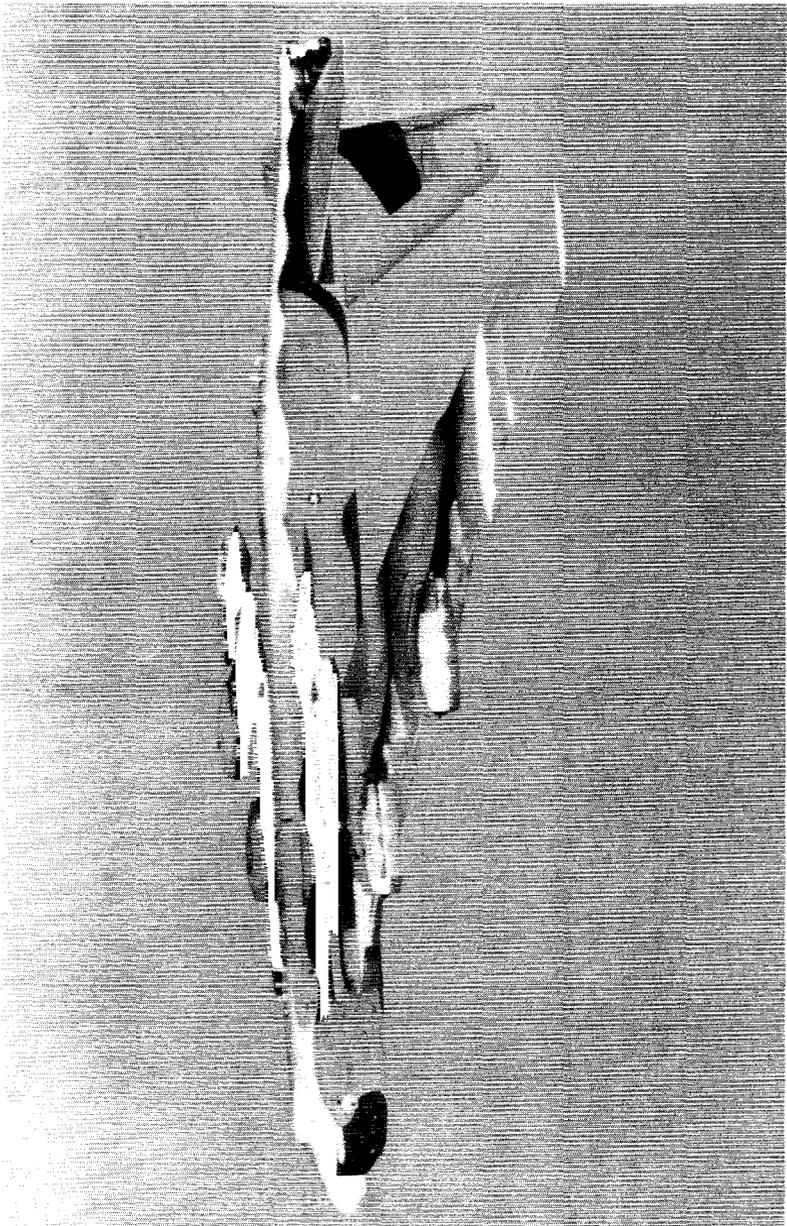
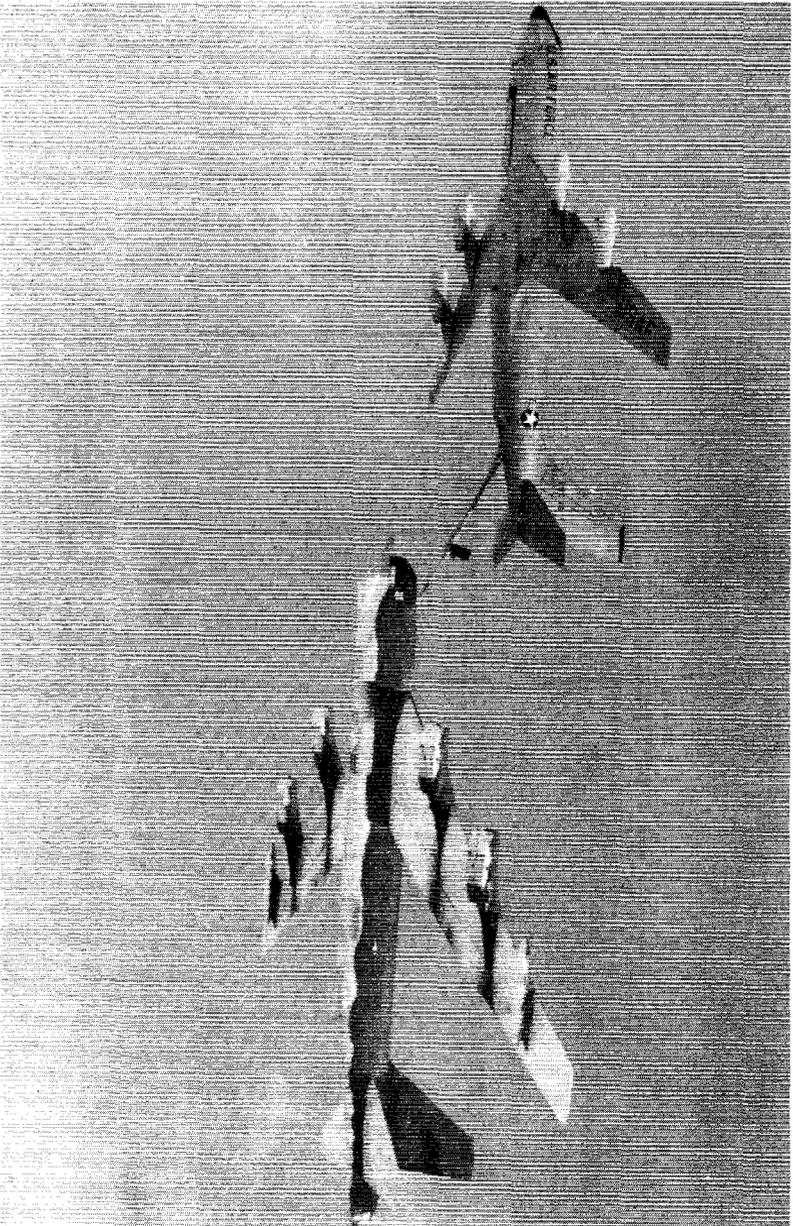


Figure 1.5: KC-135A tanker refueling a B-52G (DOD Photo)



Blytheville has 14 B-52G aircraft similar to the one shown in figure I.4. As discussed later, the base is scheduled to receive two additional B-52G models in fiscal year 1986.

Figure I.5 shows air-to-air refueling between a KC-135A and a B-52G. As stated on page 21, the 97th Bombardment Wing must maintain the capability to conduct air-to-air refueling on a global scale.

Figure I.6: Air-launched cruise missile (DOD Photo)

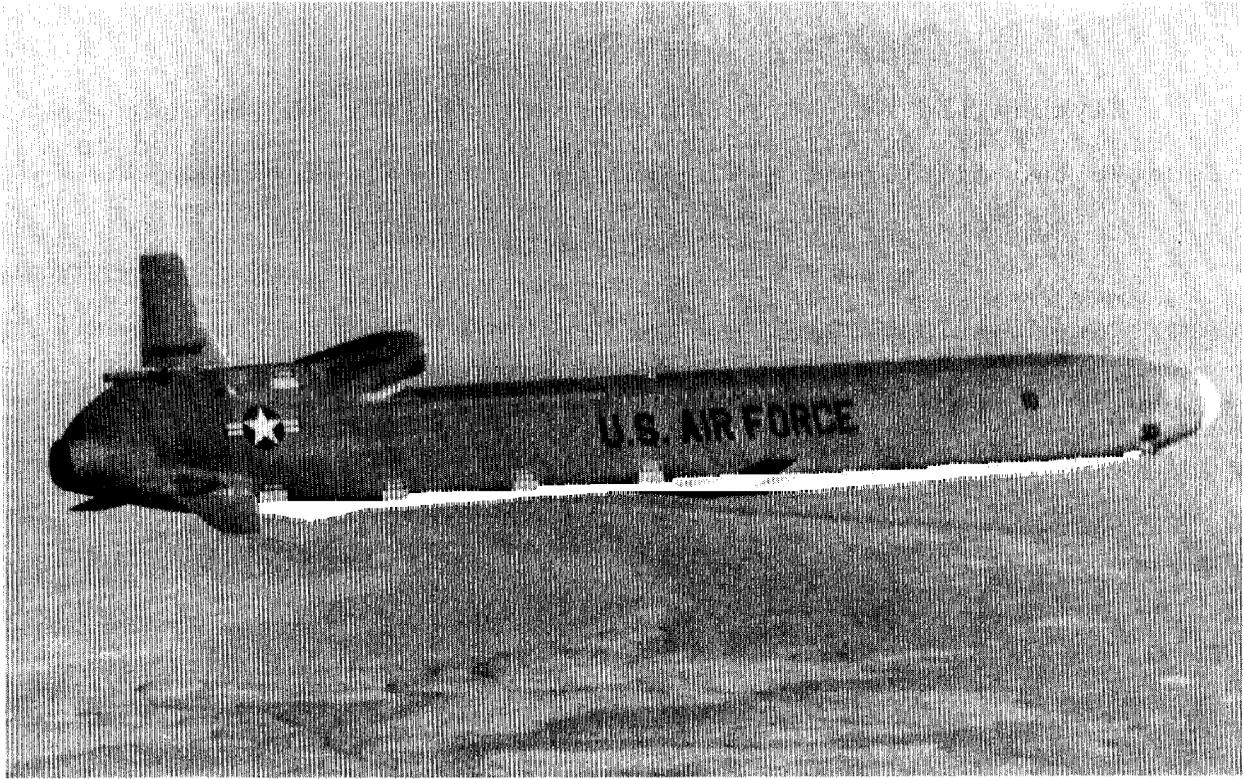
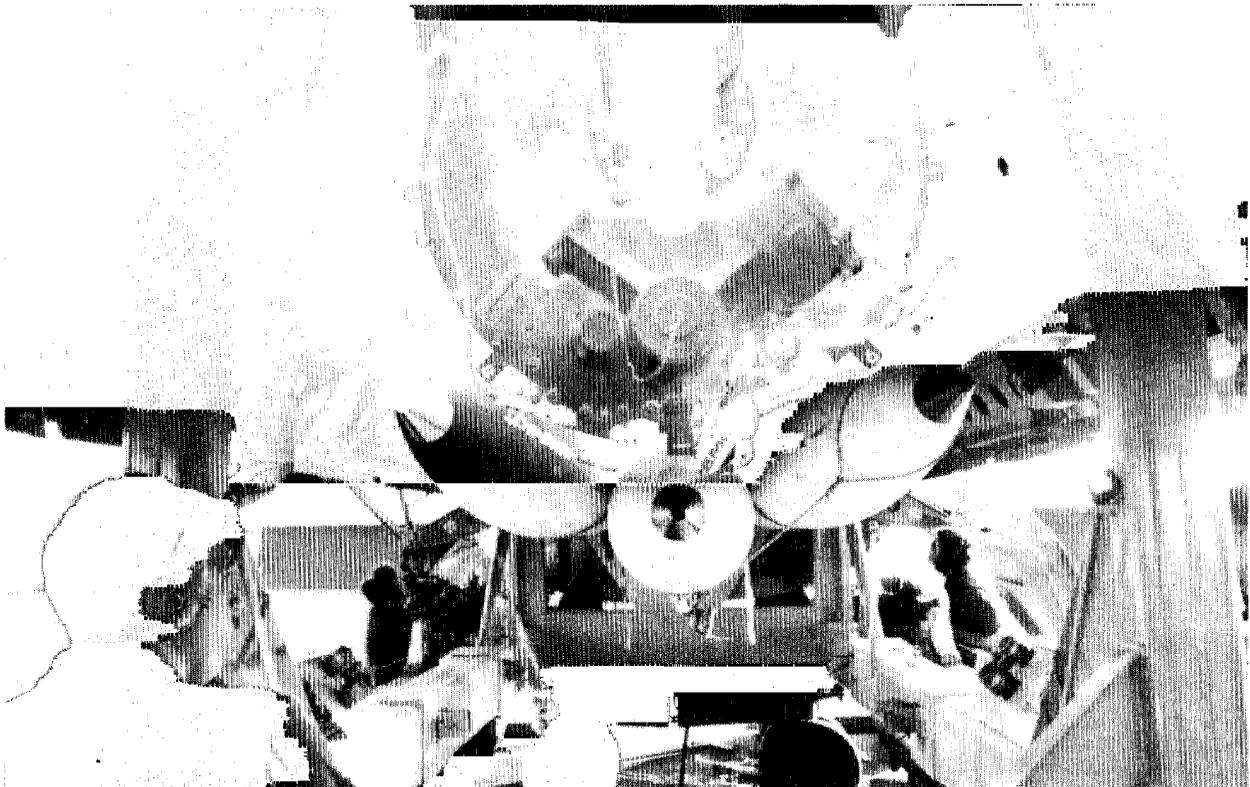


Figure I.7: Short range attack missiles (DOD Photo)



The 97th Bombardment Wing uses air-launched cruise missiles (ALCM), such as the one shown in figure I.6 that have a range of about 1,500 miles and a speed of about 500 miles per hour. The base has about \$22 million in facilities supporting ALCM.

The 97th Bombardment Wing also uses the short range attack missiles similar to the ones shown in figure 1.7. These missiles are maintained at Blytheville's ALCM facilities.

Table I.2: Blytheville AFB fiscal year 1985 operational cost estimates

<u>Category</u>	<u>Amount</u> (millions)
Military pay	\$ 76.6
Jet fuel	27.3
Supplies	9.1
Civilian pay	6.6
Facilities	5.9
Family housing management	2.9
Communications	1.8
Utilities	1.6
Contracts	1.0
Medical equipment	.4
Education	.3
Equipment (other)	.3
Contract maintenance	.2
Transportation	.1
Rentals	.1
Travel	.1
Claims	<u>.1</u>
Total	<u>\$134.4</u>

The estimated fiscal year 1985 operational costs for Blytheville AFB were about \$134 million. The details of the operational costs are shown in table I.2. Not all of these costs would be eliminated if Blytheville AFB were to close. Many of the costs such as military pay, jet fuel, and supplies would be transferred to other bases, especially if the force structure were not reduced. The details of the cost and savings estimates associated with the illustrative closure of Blytheville are contained in appendix III.

Table I.3: Blytheville AFB military construction program

<u>Fiscal year</u>	<u>Major construction</u>	<u>Minor construction</u>	<u>Total</u>
----- (millions) -----			
1981	\$ 6.9	\$.1	\$ 7.0
1982	15.5	.6	16.1
1983	6.9	.1	7.0
1984	4.9	.3	5.2
1985	1.5	.8	2.3
1986	3.8	1.0	4.8
1987	<u>6.9</u>	<u>.8</u>	<u>7.7</u>
Totals	<u>\$46.4</u>	<u>\$3.7</u>	<u>\$50.1</u>

One of the reasons given for putting Blytheville AFB on an illustrative list of base closures was that many of its facilities were old. While the base does have older facilities, newer ones have been added. Also, the base has had several programs to repair and upgrade its facilities. Actual and planned facility expenditures for the period covering fiscal years 1981 through 1987 total \$50.1 million. Also, the estimated military construction program (MILCON) requirements for fiscal year 1988 and beyond are about \$81.9 million.

Table I.4: Examples of MILCON at Blytheville AFB

<u>Projects</u>	<u>Amount</u> (millions)
Unaccompanied enlisted housing	\$ 3.9
ALCM support facility	19.9
Unaccompanied enlisted housing	7.2
Support equipment facility	1.5
Weapon system simulator facility	2.1
ALCM igloos	1.8
Alert crew facility	1.6
Equipment lab	.6

Some examples of MILCON at Blytheville AFB include the support equipment facility, the weapon system simulator facility, ALCM igloos, and a major renovation of the alert crew facility. Photos of these projects are shown in the figures on pages 32 and 34.

Figure I.8: New support equipment facility (DOD Photo)

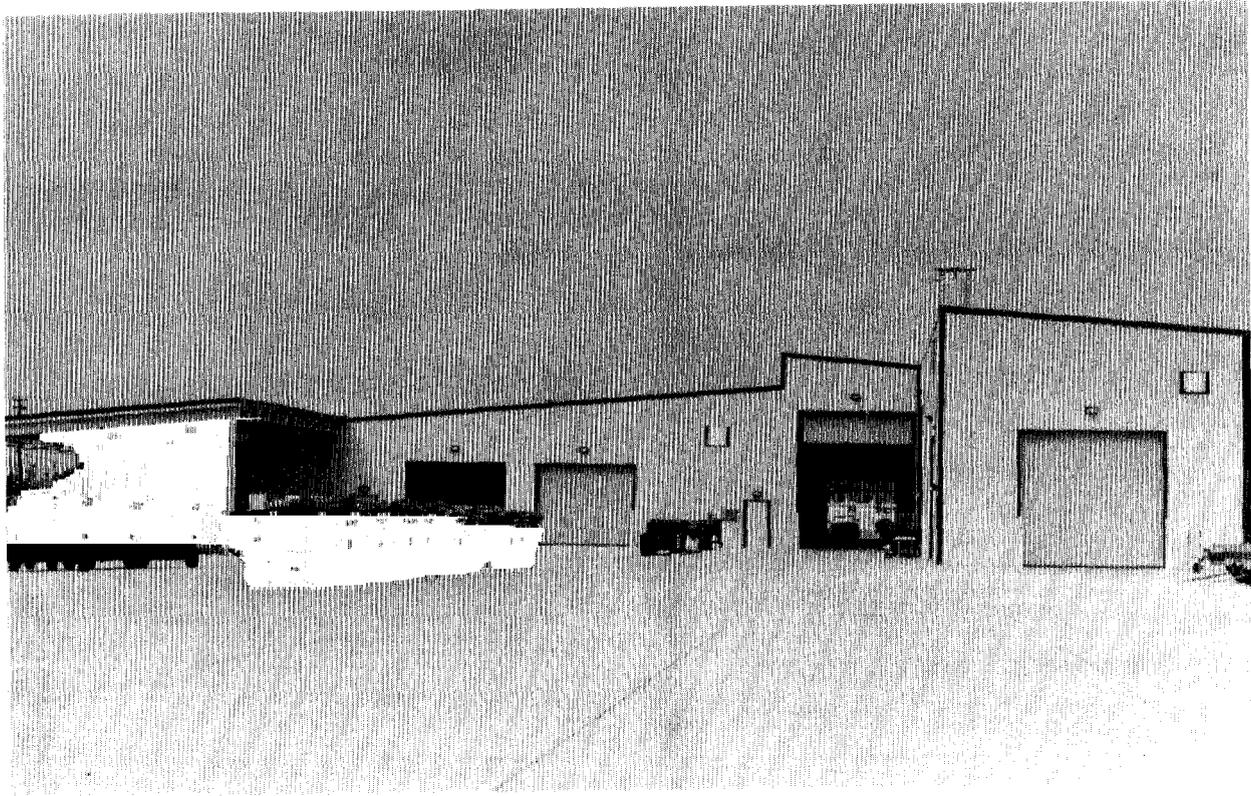
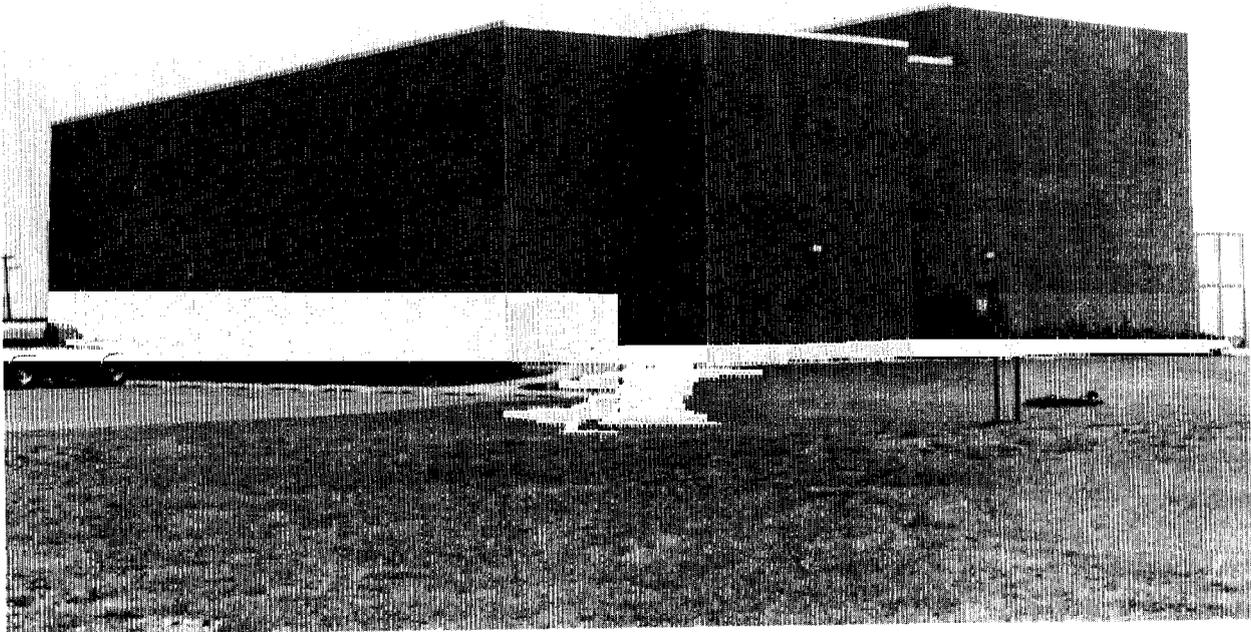


Figure I.9: New weapon system simulator facility (DOD Photo)



The support equipment facility in figure I.8 cost about \$1.5 million. It was part of the fiscal year 1983 MILCON. It will replace one of the older facilities at Blytheville AFB.

The weapon system simulator facility in figure I.9 was built with \$2.1 million in fiscal year 1983 MILCON funds. According to Blytheville AFB officials, the simulator equipment in this building cost an estimated \$18 million. The simulator will be used to train Blytheville AFB aircrews as well as aircrews from Barksdale AFB in Louisiana.

Figure I.10: New air-launched cruise missile storage facilities "igloos" (DOD Photo)

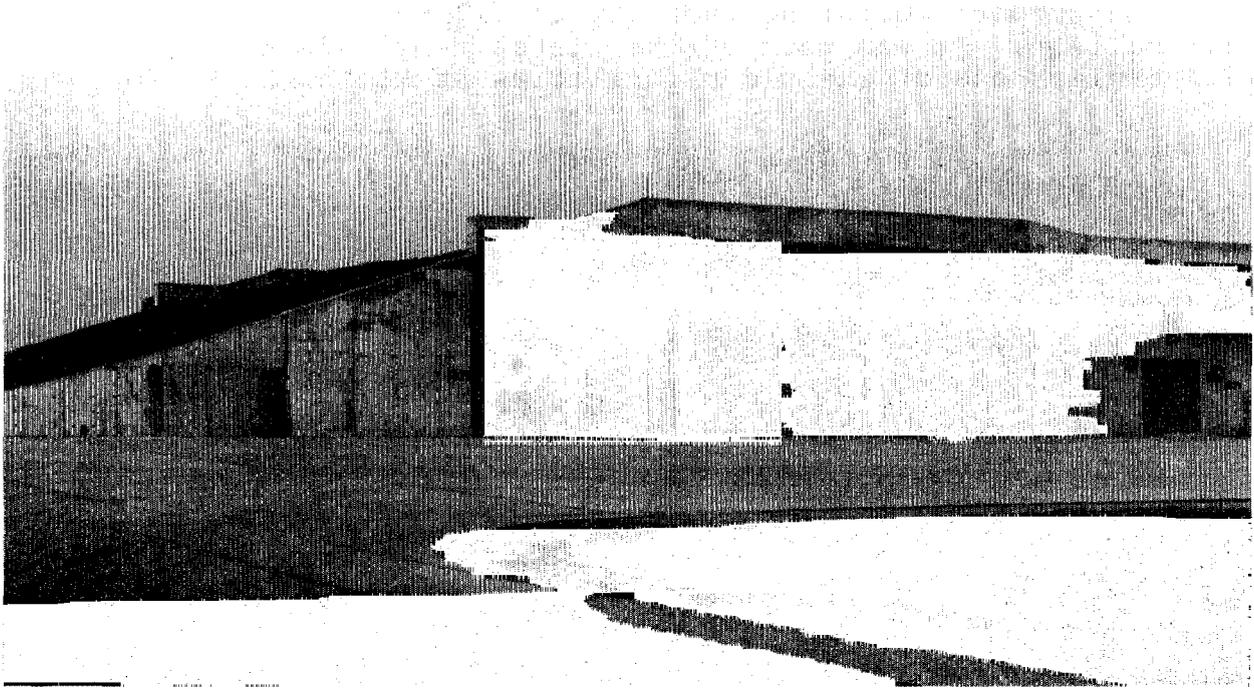
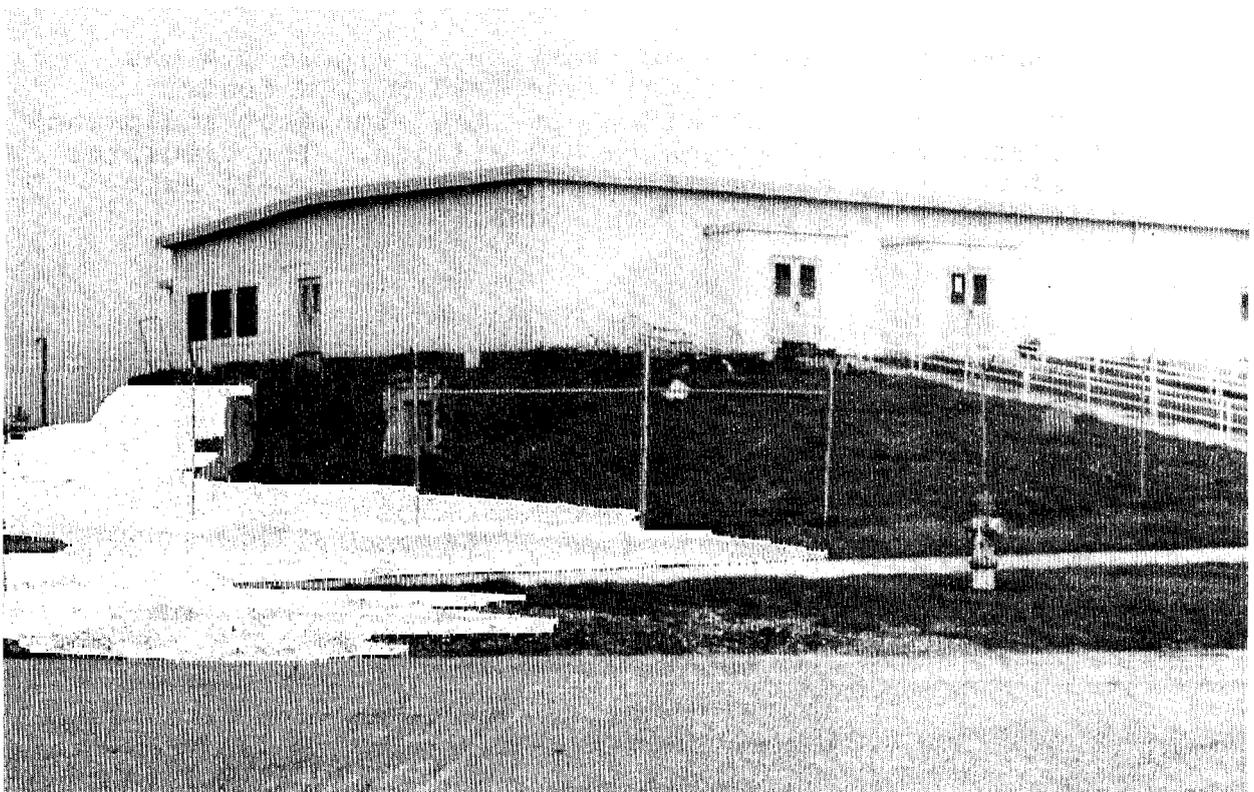


Figure I.11: Renovation of alert crew facilities (DOD Photo)



The ALCM storage igloos shown in figure I.10 are part of the Blytheville AFB ALCM facility. The igloos were built with about \$1.8 million of fiscal year 1984 MILCON funds.

The Blytheville AFB alert crew facility shown in figure I.11 is undergoing a major renovation. The work was funded with about \$1.6 million of fiscal year 1984 MILCON funds.

ADDITIONAL FACTS ON BLYTHEVILLE AFB

- . 3,092 acres
- . 1,025 acres leased for \$17,000 per year
- . 8,113 in base population
- . 9,375 military retirees living within 75 miles of base
- . 802 local retirees (\$8.1 million retirement pay)
- . \$6.7 million in Arkansas contracts
- . \$1.3 million in school impact aid
- . \$110 million overall economic impact (active and retired pay, civilian pay, contracts, MILCON, etc.)
- . 566 secondary jobs created

The Blytheville AFB covers 3,092 acres. According to base records, 1,025 acres are leased to a local farmer, who mows the open areas around the runway and aprons as part of the lease agreement, for about \$17,000 a year. As of the end of fiscal year 1984 (fiscal year 1985 data were not available during our visit to the base on October 23, 1985), the base population was 8,113. About 9,375 military retirees live within 75 miles of the base. A number of these use the base facilities, including the hospital. About 802 local military retirees receive about \$8.1 million in retirement pay. Blytheville AFB awarded about \$6.7 million in contracts to Arkansas contractors in fiscal year 1984.

Federal impact aid to local school districts around Blytheville totaled \$1.3 million in fiscal year 1984. According to OSD economic analysis officials, federal impact aid to local school districts is based on the number of children attending local schools who are also part of federal employee (military and civilian) families living on base and in the local communities, and the per pupil costs to educate the children. According to these officials, if Blytheville AFB were closed, the impact aid could be more or less depending on where the military and civilian families were sent. OSD officials do not consider the costs or savings in impact aid to be significant, compared to other costs and savings such as MILCON, or reductions in base operational costs. Also, the increase or decrease in federal impact aid is not considered in the base closure model discussed in appendix III.

The total economic impact of Blytheville AFB was about \$110 million in fiscal year 1984. This includes active and retired military pay, civilian pay, contracts, impact aid, and MILCON. Also, the base creates about 566 secondary jobs in the local area.

OVERALL APPRAISAL

(BLYTHEVILLE STAFF OPINION)

- . Strategic location
- . Low utilities
- . Community support
- . Noise compatible environs
- . Limited encroachment
- . Distance from urban centers
- . Physical plant

- According to Blytheville AFB officials, the base
- is in a strategic location to carry out assigned missions,
 - receives very good community support,
 - has limited encroachment from the surrounding communities,
 - had the second lowest utility costs in SAC during fiscal year 1985, and
 - is located a fair distance from urban centers in what is considered to be a noise compatible environment.

In addition, Blytheville officials believe the physical plant of the base is in good shape. However, they did state that additional facilities are needed.

PERTINENT ELEMENTS OF
PRIOR SECTION 2687 - BASE
CLOSURES AND REALIGNMENTS

- . DOD was to publicly announce that an installation was a candidate for closure.

- . DOD was to notify the House and Senate Committees on Armed Services in writing.

- . DOD was to comply with NEPA.

- . DOD was to submit detailed justification including statements on the estimated fiscal, local economic, budgetary, environmental, strategic, and operational consequences.

- . Congressional committees were to have 60 days to consider.

CHANGES IN BASE CLOSUREAND REALIGNMENT LEGISLATION

A legislative proposal to make it easier for DOD to close or realign bases and activities changed many times since DOD proposed it in March 1985 to amend 10 U.S.C. 2687, by adding a section, "Emergency Base Closures and Realignments." DOD sought relief from what it viewed as lengthy legislative processes such as compliance with NEPA of 1969 (Public Law 91-190), which generally requires studies of major federal actions affecting the quality of the human environment, and coordination with affected federal, state, and local agencies.

DOD believed that a reduction in the time required to close bases could result in savings being realized sooner. The amended section 2687 contained in DOD's fiscal year 1986 Authorization Act (Public Law 99-145) no longer contains the requirement that DOD must comply with NEPA in developing base closure or realignment actions. However, DOD officials believe that since the amendment does not specifically exempt the DOD from NEPA, then DOD must comply with the NEPA provisions. These issues are discussed further in this appendix.

The prior section 2687 generally provided that the Secretary of Defense or Secretary of the military service concerned had to publicly announce that a base or an activity was a candidate for closure or realignment and notify the Senate and House Committees on Armed Services in writing of the proposed action. Also, the section stated that the Secretary must comply with NEPA.

In addition, the prior section stated that the Secretary of Defense or Secretary of the military service concerned was to provide the Senate and House Committees on Armed Services with a final decision to carry out the proposed closure or realignment. The decision package was to include a detailed justification for the decision that included the estimated fiscal, local economic, budgetary, environmental, strategic, and operational consequences of the proposed closure or realignment. Section 2687 also provided that no irrevocable action to implement the Secretary's decision could be taken for 60 days following the submission of the final decision to the congressional committees.

PERTINENT ELEMENTS OF
DOD'S LEGISLATIVE PROPOSAL
TO CLOSE OR REALIGN BASES

- . Was related to budget deficit

- . Specifically exempted DOD from NEPA

- . Could have used funds already appropriated for MILCON projects to carry out base closures and realignments

The DOD legislative proposal to close or realign bases was related to the budget deficit problem. The proposal stated that if the budget submitted by the President reflected a budget deficit, then during any 24-month period following the submission of such a budget, the Secretary of Defense could close or realign any military installation without regard to any other provision of law that would prevent or delay the closing or realignment. The proposal also specifically exempted DOD from compliance with NEPA. In addition, the proposal would have provided that DOD could use funds appropriated for MILCON to design and build new facilities that would be needed at the bases that would receive the missions and functions from the bases that were closed or realigned. The purpose of the proposal was to speed up the base closure process so that savings would be realized sooner.

DOD commented that the proposal supported by the Department would have allowed emergency base closure procedures, only when the President's budget reflected a budget deficit. According to DOD, it would have been only under these circumstances that the provisions of NEPA would not have applied. DOD stated that it intends to fulfill its responsibilities to the environment. However, in supporting the initial emergency base closure legislative proposal DOD was attempting to preclude capriciously introduced litigation which may have prolonged or otherwise obstructed the closure process.

PERTINENT ELEMENTS OF
SENATOR GRAMM'S AMENDMENT

- . Related to budget deficit
- . Retained congressional notification
- . Did not specifically exempt DOD from NEPA but did say "without regard to any other provision of law that would prevent or delay such closing or realignment"
- . Could have used available MILCON funds to implement closures

Senator Gramm of the Senate Committee on Armed Services introduced a new section 2688 to the base closures and realignments legislation. This amendment continued to relate base closing to budget deficits. However, it changed the DOD proposal by retaining the provision that the Secretary of Defense could not have taken any irrevocable action on base closure decisions or realignments for 60-days following notification of the decision to the Congress. Also, Senator Gramm's amendment did not specifically exempt DOD from the NEPA provisions, but it did say, "without regard to any other provision of law that would prevent or delay such closing or realignment." Also, the amendment stated that the Secretary of Defense was authorized to use available MILCON funds to implement closure actions.

PERTINENT ELEMENTS OF
S1160 DOD'S FY 1986
AUTHORIZATION ACT

- . Was still budget deficit related

- . Still contained "may close or realign any military installation without regard to any other provision of law that would prevent or delay such closing or realignment"

- . Secretary of Defense was to consider:
 - Mission requirements
 - Facilities at receiving base
 - Future expansion
 - Capital investment
 - Budget consequences
 - Cost savings
 - Economic impact
 - Environmental impact
 - Impact on rest of DOD
 - Time to closure

- . Congressional committees would have had 60 days to consider

- . Could have used MILCON at closing base

- . Would have authorized \$1 billion to carry out base closures

The new section 2688 was further amended and passed by the Senate on June 5, 1985, as part of S.1160, "National Defense Authorization Act for Fiscal Year 1986." The budget deficit language was retained. Also, the language that the Secretary of Defense may close or realign any military installation without regard to any other provision of law that would prevent or delay closures or realignments, as well as the language on congressional committee notification, were retained. However, the new section stated that the Secretary of Defense was to specifically consider and include with the notification to the Congress, an evaluation of several factors relating to base closures and realignments. These included (1) mission requirements, (2) facilities at receiving bases, (3) potential of the new locations to support contingency and future force requirements, (4) capital investment in the base to be closed or realigned, (5) budgetary consequences, (6) savings and when they would be realized, (7) economic impact at the closing or realigned locations as well as the new locations, (8) the environmental impact on the proposed new locations, (9) impact on other military departments, and (10) time required to achieve the closing or realignment, including the movement of personnel and equipment.

The new section 2688 also stated that the Secretary of Defense was authorized to use MILCON funds designated for the closing base to design and build new facilities at new locations. In addition, this section authorized, for the fiscal years beginning after September 30, 1985, \$1 billion to carry out base closures and realignments.

PERTINENT ELEMENTS OF
CONFERENCE REPORT

- . No longer related to budget deficit
- . Time period stated - budget submission
- . Must submit an evaluation of the
 - . fiscal,
 - . local economic,
 - . budgetary,
 - . environmental,
 - . strategic, and
 - . operational consequences
- . Congressional committees have 30 legislative or 60 calendar days to consider
- . \$1 billion dropped
- . Advance public notice dropped
- . Senate passed 7/30/85, House 10/29/85
- . President signed 11/8/85 (Public Law 99-145)

During the House and Senate conference on DOD's fiscal year 1986 authorization (Senate Report No. 99-118), the base closure and realignment legislation was further amended. For example, the budget deficit language was dropped and the Secretary of Defense or the Secretary of the military service concerned is required to submit base closure and realignment proposals with an annual budget submission. The S.1160 list of areas that DOD was to consider and report on is now narrowed to an evaluation of the fiscal, local economic, budgetary, environmental, strategic, and operational consequences of a closure. Congressional committees notification was retained, and the committees will have 30 legislative or 60 calendar days which ever is longer, to consider the proposals before any irrevocable action can be taken by DOD. The \$1 billion in funding has been eliminated. Also, the conference committee agreed to eliminate the advance public notice provision that was contained in the prior section 2687.

The Senate passed the conference report on July 30, 1985, and the House passed it on October 29, 1985. The President signed the legislation as Public Law 99-145 on November 8, 1985.

DOD POSITION ON NEPA

DOD officials believe that since section 2687, "Base closures and realignments" does not specifically exempt DOD from NEPA then NEPA still applies to DOD.

A central issue of all of the legislative proposals and amendments was to reduce the time to close or realign a base. According to DOD officials, the NEPA process is lengthy, taking up to 14 months. This is why DOD initially sought relief from the NEPA process through its March 1985 legislative proposal. The new section 2687 no longer contains the requirement that DOD must comply with NEPA in developing base closure or realignment actions. It also does not contain the language of the earlier proposals that indicated other legislation slowing the base closure process would not apply.

During passage of the conference report on DOD's fiscal year 1986 authorization, Congressman Dellums, Chairman of the Subcommittee on Installations and Facilities, House Committee on Armed Services, stated that the intent was not to exempt DOD from compliance with NEPA. Rather, the Secretary of Defense should decide on the applicability of NEPA to base closures and realignments and should be prepared for the legal consequences if the decision is not in accordance with NEPA requirements.

DOD officials believe that since the new section 2687 does not specifically exempt DOD from complying with NEPA, then DOD must follow the NEPA requirements in studying base closure and realignment actions. However, DOD's process will probably change. Rather than make a public announcement of the base closure or realignment action and then doing the necessary studies, including those required by NEPA, DOD officials told us that they will probably start the NEPA process earlier. For example, DOD would probably start base closure and realignment studies during fiscal year 1986 for those bases it would include in its fiscal year 1988 budget request.



ACQUISITION AND
LOGISTICS

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301-8000

21 AUG 1985

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Base Closures and Realignments

Last month the Secretary of Defense asked the Services to begin analyzing their base structure with a goal of preparing a base closure package for submission to the Congress with the FY 1987 budget request. Although final Congressional action on base closure legislation did not provide the funding or legislative relief from delays we requested, the Secretary would still like to proceed with base closures that could improve operational efficiency.

Any base closures or major realignments that you propose should make sense economically as well as operationally. In general, realignments that eliminate missions have quicker payoffs than those which transfer missions to a new location. Concentrate your efforts on actions that recover initial investments within five years of incurring the cost.

Please give me your recommended base closure and realignment packages by November 1, 1985; any funding adjustments needed to carry out the proposals will be incorporated into the budget at that time. Since time is so short, it is important for our staffs to work closely together as you prepare your packages. Please give the name and phone number of your point of contact to my Director for Installation Planning, Mr. Duncan Holaday, x40165.

A handwritten signature in cursive script that reads "Jim Wade".

James P. Wade, Jr.

According to the Assistant Secretary of Defense for Acquisition and Logistics, the congressional action on base closures did not provide the funding or legislative relief from delays that DOD sought through its legislative proposal. However, the services were still asked in an August 21, 1985, letter, to continue to develop base closure packages for submission with DOD's fiscal year 1987 budget request. As of December 12, 1985, the services were still discussing their base closure and realignment proposals, and had not submitted their proposals to DOD.

DOD commented that if the services do develop base closure packages for the fiscal year 1987 budget, those installations would be characterized only as "candidates" for closure or realignment since the detailed studies and requirements of NEPA would still have to be completed and funds would have to be authorized and appropriated to implement the basing decisions. According to DOD, compliance with the NEPA involves coordination with affected federal, state, and local agencies and can take up to a year to accomplish, even longer, if there are court challenges.

DOD was encouraged to close nonessential bases by the House and Senate Committees on Armed Services in their conference report (House Report No. 99-366) on DOD's fiscal year 1986 MILCON authorization request. Further, the Committees stated that they expected to see a listing of base closure initiatives in DOD's fiscal year 1987 budget request submission.

DOD VIEW ON BASE CLOSURES

- . Savings can only be realized through force structure reductions and these savings will not be realized immediately.
 - If force structure is relocated to another base, savings are offset by construction costs at the new location.
 - Most savings that may result are from the avoidance of costs to operate and maintain the base.

INFORMATION ON COST AND SAVINGS ESTIMATES FOR
THE BLYTHEVILLE AFB ILLUSTRATIVE CLOSURE

As part of its review of base closure legislation, the Senate Committee on Armed Services, in a letter dated March 25, 1985, asked the Secretary of Defense to provide the Committee with specific recommendations for base closures including the anticipated costs and savings. On April 1, 1985, the Secretary replied to the Committee with an illustrative list of 22 base realignment or closure actions, and cited the extent and timing of potential cost savings as 1 of 11 specific criteria that was used to construct the list.

DOD stressed that the list was informational in nature and not a recommendation to close bases in fiscal year 1986. In the April 1, 1985, letter to the Chairman that elaborated on how the list was developed, the Secretary stressed that the list was illustrative of the types of installations that might have been considered for closure if Congress would have passed expediting legislation and if required funds had been provided to move people and equipment as well as design and build the new facilities that might have been needed at alternative sites.

DOD estimated that the Blytheville AFB illustrative closure would result in one-time costs of about \$205 million, annual recurring savings of \$41 million, and one-time cost avoidance of \$3.7 million. It estimated that the annual recurring savings would recover the one-time costs within 5 years. This appendix discusses DOD's cost and savings estimates associated with the listing of Blytheville AFB.

DOD officials said that base closure savings can only be realized through a reduction in the force structure, which generally results in an elimination of the base operations support costs, and associated personnel authorizations. However, such savings generally would not be realized immediately because closing a base and relocating its mission to another base involves military construction costs at the new location or locations for operational facilities, barracks, family housing, and adding or altering community support facilities. The base closure savings result mostly from the avoidance of the costs to operate and maintain the base such as real property maintenance and utilities, family housing operations, general administrative support and salaries if personnel reductions actually occur.

Base Realignment

INSTALLATION: Blytheville AFB, Arkansas

PROPOSED ACTION: Close installation and redistribute B-52s and KC-135s to other SAC bases.

RATIONALE FOR SELECTION: Example of a base with a single mission.

With Expediting Legislation

	<u>Milestone</u>	<u>Cost (\$M)</u>	<u>Savings (\$M)</u>
FY 86	Announce Study	.25	
FY 87	MCP Approval/Design	18.00	3.7 (one-time)
FY 88	Construction	100.00	
FY 89	Construction	75.00	
FY 90	Implementation	12.00	
FY 91	Closure: savings start		41.0
FY 92	Savings		41.0
FY 93	Savings		41.0
FY 94	Savings		41.0
	TOTAL	\$205.25M	

Years to Amortize: 5 (FY 1984)

Without Expediting Legislation

	<u>Milestone</u>	<u>Cost (\$M)</u>	<u>Savings (\$M)</u>
FY 85	Announce Study	.25	
FY 86	NEPA	.50	3.7 (one-time)
FY 87	NEPA/Decision		
FY 88	Cong Approval/Design	18.00	
FY 89	Construction	100.00	
FY 90	Construction	75.00	
FY 91	Implementation	12.00	
FY 92	Closure: savings start		41.00
FY 93	Savings		41.00
FY 94	Savings		41.00
	TOTAL	\$205.75M	

Years to Amortize: 5 (FY 96)

Based on FY 85 Dollars

In DOD's letter, the illustrative base realignment or closure actions were portrayed under two timetables showing costs, savings, and key milestone dates. One timetable assumed passage of legislation expediting the base realignment or closure actions, while the other assumed no change in legislation. The Blytheville AFB cost and savings estimates consisted of

- the costs of environmental and socioeconomic studies for announcing the base closure (\$250,000), and complying with NEPA (\$500,000);
- one-time military construction costs of \$193 million for the planning, designing, and construction of mission essential facilities at other bases;
- one-time implementation costs of \$12 million for relocating personnel, material and vehicles, and other personnel actions;
- one-time cost savings of \$3.7 million by canceling programmed military construction at Blytheville AFB; and
- annual recurring savings of \$41 million by eliminating base operations support costs and associated authorized personnel at Blytheville AFB.

MODEL COST ELEMENTS
TO MOVE TO NEW BASES

- . Major construction
- . Minor construction
- . Material and vehicle transportation costs
- . Homeowners assistance
- . Military personnel relocation costs
- . Civilian personnel relocation costs

The Air Force has developed a computer cost model program to prepare estimates of costs and savings for proposed base realignment and closure actions. Air Force officials said that the model was used to determine the one-time costs and savings estimates for the Blytheville illustrative closure in DOD's letter. However, Air Force officials said that the model's cost and savings estimates are not definitive, and if a base is selected for realignment or closure, a proper study of the base's costs, including realistic estimates of construction costs at the receiving locations, would take 6 months.

The model's estimates include one-time cost categories for closing a base and transferring the mission to other bases. These categories cover (1) major and minor construction projects associated with the transfers at the receiving bases, (2) material and vehicle transportation costs for relocating these items from the closing to receiving bases, (3) the government's homeowners assistance costs for disposing of homes not sold by base civilian personnel who transfer, and reimbursing those civilians who transfer and have to sell their homes below market value, (4) military personnel relocation costs to other bases, and (5) other civilian personnel base closure costs associated with terminal leave, severance pay, and moving employees, their dependents and household effects, to other bases or placement in other government jobs.

The model does not consider the cost of unemployment compensation paid to civilian employees who may become unemployed because of closure action. According to OSD economic analysis officials, these costs would be difficult to determine with any accuracy. Important considerations would be projections of how many civilians would be unemployed and how long they would receive unemployment compensation.

COST AVOIDANCE

ELEMENTS

- . Reduction in personnel costs
 - Officer pay
 - Enlisted pay
 - Civilian pay
 - Base rotational costs of officers
 - Base rotational costs of enlisted

- . Telephone costs

- . Contract maintenance services

- . Real property maintenance

- . Operating costs (office supplies, etc.)

- . Utilities

- . Family housing

- . CHAMPUS

- . Contract civilians

The Air Force's computer model estimates the base closure annual recurring savings by determining the cost avoidance resulting from eliminating the base's operations support costs. These savings include the reduction in

- authorized military and civilian personnel basic pay and the government's cost of other benefits such as retirement, allowances for quarters, insurance, and medical care for eligible military personnel and their dependents under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS);
- administrative support costs for telephone systems, supplies, expendable equipment, office machines, and desks;
- costs to operate and maintain military facilities that include recurring maintenance and repairs, utilities, and base service maintenance contracts;
- costs to operate and maintain family housing; and
- outyear costs to transfer personnel.

ILLUSTRATIVE CLOSURE ESTIMATESFOR BLYTHEVILLE AFB

- . Not based on detailed analysis of actual Blytheville costs and staffing or similar costs at actual receiving bases
- . Used estimates for MILCON
- . Used estimates for personnel actions rather than actual manpower analysis
- . Did not consider present value analysis as required by DOD Instruction 7041.3
- . Insufficient supporting data for estimates

During our survey, we held discussions with the Air Force personnel responsible for the Blytheville AFB's illustrative closure cost and savings estimates in the DOD April 1, 1985, response to the Senate Committee on Armed Services. We also obtained available documents pertaining to the estimates, including the Air Force model's cost study that was used for the DOD response. Since we found very little documentation to support specific cost and savings estimates, we had to rely on the oral explanations of Air Force officials. The information we obtained from them on these estimates is outlined below.

- The cost and savings estimates in DOD's response were not based on a detailed analysis of Blytheville's base operations support costs and staffing, or those of the bases that would receive the missions.
- The model's cost study used estimates for reductions of authorized military and civilian positions at Blytheville AFB, and for those additional positions needed at other Air Force bases.
- The model determines base operations support costs by using estimates of staffing and Air Force-wide budget and cost data.
- The one-time military construction costs was an estimate of what mission essential facilities might be needed at receiving bases, but no specific bases were considered.
- Although DOD Instruction 7041.3 requires the consideration of present value analysis in economic analysis and program evaluations, the Blytheville AFB cost and savings estimates in DOD's response were not discounted to recognize the time value of the cash flows.

The Air Force had insufficient data for us to review and determine the reasonableness of the estimates.

Table III.1: Differences in cost estimates

	<u>Provided to Committee</u>	<u>Cost model</u>
	----- (millions) -----	
MILCON	\$193.0	\$235.0
Implementation cost	12.0	18.8
Projected savings	41.0	49.9

We found differences between the Blytheville cost and savings estimates in DOD's reply to the Senate Committee on Armed Services, and the computer model's cost study. Air Force officials were unable to explain these differences in cost and savings or provide any documents to support the estimates. For example:

- In DOD's reply, the one-time cost of military construction at receiving bases was estimated at \$193 million. The model indicated a one-time cost of \$235 million. No documents were available to support these costs.
- The model identified one-time implementing costs of \$18.8 million associated with material and vehicle transportation, homeowners assistance, military personnel relocation, and other civilian personnel base closure costs. In DOD's reply, these costs were estimated at \$12 million. Documents to reconcile these differences were not available.
- The model estimated annual recurring savings of \$49.9 million for reduction in personnel positions and base operations support costs. No documents were available to explain the \$8.9 million decrease to \$41 million in DOD's reply.

NO BASIS FOR CONCLUSION

Without a complete and accurate cost study, with supporting documentation, there is no basis for determining the reasonableness of annual recurring savings and one-time costs associated with a decision to close Blytheville AFB.

In DOD's reply to the Senate Committee on Armed Services, it stated that the illustrative base realignment and closure actions cost and savings estimates were not definitive and that "a proper study of each installation, including realistic estimates of construction costs at alternative receiving locations, would take six months of full-time work." DOD also indicated that the list is illustrative and no closures or realignments were proposed.

Air Force officials emphasize that any decision to close Blytheville AFB would require a detailed analysis of actual base operations support cost at Blytheville AFB and the receiving bases to determine one-time costs and annual recurring savings. This analysis would identify the specific receiving bases and the mission essential facilities needing military construction funds. Without such an analysis with supporting documentation, there is no basis for determining the reasonableness of annual recurring savings and one-time costs associated with the illustrative closure of Blytheville AFB.

During our survey, we found no indication that these in-depth studies had been performed at Air Force Headquarters, SAC, or Blytheville for the estimates that were provided. Also, according to DOD officials, in-depth studies of a potential closure of Blytheville AFB were not being performed during our review.

RANKING OF BLYTHEVILLE AFB

- . Blytheville AFB not ranked

- . None of the 22 bases on list was ranked

- . List developed by OSD and service secretaries without in-depth studies by the services

- . Blytheville on list because it is an example of a single mission base

OPERATIONAL CONSIDERATIONS ASSOCIATEDWITH BLYTHEVILLE AFB

The Senators asked us to survey a number of operational considerations associated with Blytheville AFB. We discussed these issues with OSD, Air Force Headquarters, SAC, and Blytheville AFB officials. Our observations on these issues are outlined below.

The importance of Blytheville AFB was not ranked. According to OSD, none of the 22 bases on the illustrative list was ranked. OSD officials told us that they do not rank the importance of DOD bases because it could result in strategic, operational, and morale problems.

The illustrative list was developed by the Office of the Secretary of Defense and the service secretaries without in-depth analysis by the services' staff. Each of the service secretaries approved inclusion of the installations on the illustrative list. Blytheville was put on the list because it is an example of a single mission base. However, the Air Force has nine other single mission bases, including Cannon, England, K. I. Sawyer, Loring, Malstrom, Moody, Myrtle Beach, Whiteman, and Wurtsmith. K. I. Sawyer, Loring, and Wurtsmith are also SAC bases.

The other three Air Force bases included on the illustrative list were added for various reasons. For example, Chicago-O'Hare Air Force Reserve Base was listed because of encroachment problems. W. K. Kellogg Air National Guard Base was listed because it needs a runway upgrade, and it has older aircraft. McConnell AFB was listed because the Titan wing is being deactivated. However, McConnell is one of the bases scheduled to receive the new B-1 bomber.

SINGLE VS. MULTIPLE MISSIONBASES ISSUE

- . According to DOD most Air Force bases have dual compatible missions
- . Example Minot AFB with bomber and missile wings
- . Cost effectiveness by spreading base operating support infrastructure over several missions

But:

- . Host base can get too many tenant missions making realignment difficult
- . Single mission base good for troops because they all work for "one boss"

According to Air Force officials, most of the Air Force's bases have dual compatible missions. For example, Minot AFB has both a SAC bomber wing and a SAC missile wing.

DOD believes that multimission bases can be more economical to operate than single mission bases. This results from spreading the base operating costs over more than one mission. For example, the cost of building and maintaining base roads can be spread over more missions on a multimission base.

According to DOD, however, multimission bases have some drawbacks. For example, a host base can get too many tenant missions which makes realignments difficult because the base cannot be closed when the major mission is eliminated or moved. DOD officials also noted that a single mission base can be good for troop morale because they all work for "one boss" and it is easier to coordinate functions.

OTHER MISSIONS AT BLYTHEVILLE AFB

- . Alternate base approach for C-130 training
- . Refueling
- . Airborne warning and control system aircraft support
- . Weapon system simulator training

Blytheville AFB has both B-52 bombers and KC-135 tankers. However, even though it has two types of aircraft, the base is still considered a single mission base because both of these types of aircraft support strategic operations. The tankers refuel the bombers on their way to carry out their strategic bombing missions.

However, Blytheville AFB does and can perform other missions. For example, the base offers an alternate base approach for C-130 pilot trainees from Little Rock AFB. Approaching a different base than the training base is an important part of C-130 pilot training. Also, the KC-135 tankers on the base provide aerial refueling and refueling training to a number of aircraft from other Air Force bases. In addition, the base can provide support to airborne warning and control system aircraft when they are in the area and need support. Another mission for the base is its weapon system simulator training. The Air Force recently built this training facility at Blytheville AFB at a cost of about \$20 million which includes the building and equipment. (See photo on page 32.) This facility will be used to train pilots from Blytheville AFB and Barksdale AFB in Louisiana.

REASONS TO RETAIN BLYTHEVILLE

SAC officials believe:

- . Survivability
- . Tanker activity
- . Realignment to deploy B-1B

DOD officials added:

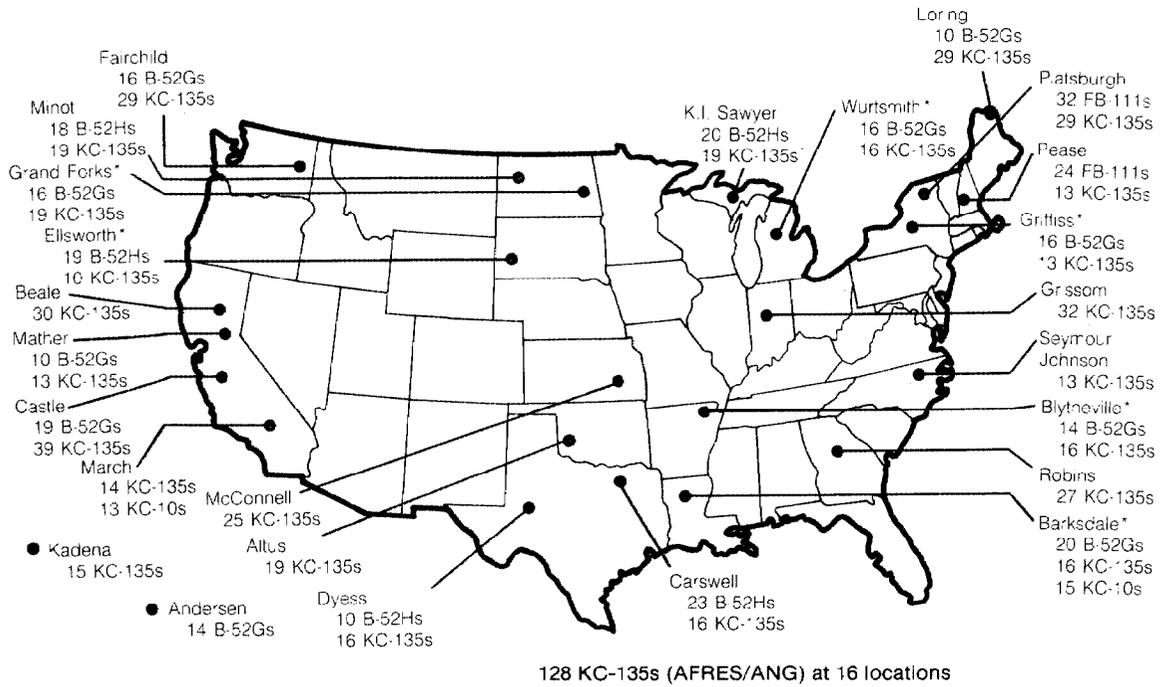
- . Redeployments of overseas aircraft
(House Committee on Appropriations
MILCON report on foreign bases)
- . Good weather
- . Encroachment not a problem
- . Close to training and refueling routes
- . Helps provide desired "North-South" distribution
of strategic assets
- . Newly constructed ALCM facilities

SAC officials believe there are several reasons to retain Blytheville AFB. They believe that Blytheville AFB adds to the survivability of strategic assets through dispersal of these assets to several bases including Blytheville. Also, the south central part of the United States has a high level of tanker activity, and Blytheville AFB tankers contribute to this effort. SAC officials also stated that Blytheville AFB is a part of the overall SAC realignment plans to deploy the B-1B bomber and the KC-10 tanker.

DOD officials provided a number of other reasons why Blytheville AFB should be retained. DOD officials stated that the base may be a part of overall plans to redeploy aircraft and missions from overseas bases if congressional action is taken to close some overseas bases. The House Committee on Appropriations report (House Report No. 99-275) on DOD's fiscal year 1986 MILCON request, requires DOD to submit a report on its bases overseas by January 31, 1986. The report is to (1) explain how these bases fit into DOD's base closure criteria, (2) provide some suggestions on possible consolidations and realignments based on the closure of some of these bases, and (3) present a summary of the current master plan for each of the bases, including a 5-year MILCON plan. DOD officials are responding to this report. They are not sure if it will result in the closure of any overseas bases. However, they do believe that because the potential exists, it may be inappropriate at this time to consider closing major bases, including Blytheville AFB.

DOD officials believe other reasons to retain Blytheville AFB exist. For example, Blytheville generally has good flying weather and encroachment is not a problem. Also, the base is close to training and refueling routes. In addition, the base helps to provide the desired north and south distribution of strategic assets. DOD officials also believe a contributing reason to retain the base is that the Air Force has recently completed ALCM facilities at the base.

Figure IV.1: Map showing SAC bomber/tanker basing for first quarter of fiscal year 1985



*Base has air launched cruise missile facilities

Figure IV.1 shows the distribution of SAC bomber and tanker bases. As discussed on page 75, the chart shows that Blytheville AFB does contribute to survivability through dispersal of strategic assets to several locations, and to a desired north south distribution of these assets. Blytheville is relatively close to SAC's low level training route complex in portions of Wyoming, Montana, and North and South Dakota. Also, the base is close to a major refueling route that extends from Mississippi to Texas.

Table IV.1: Air refueling support data

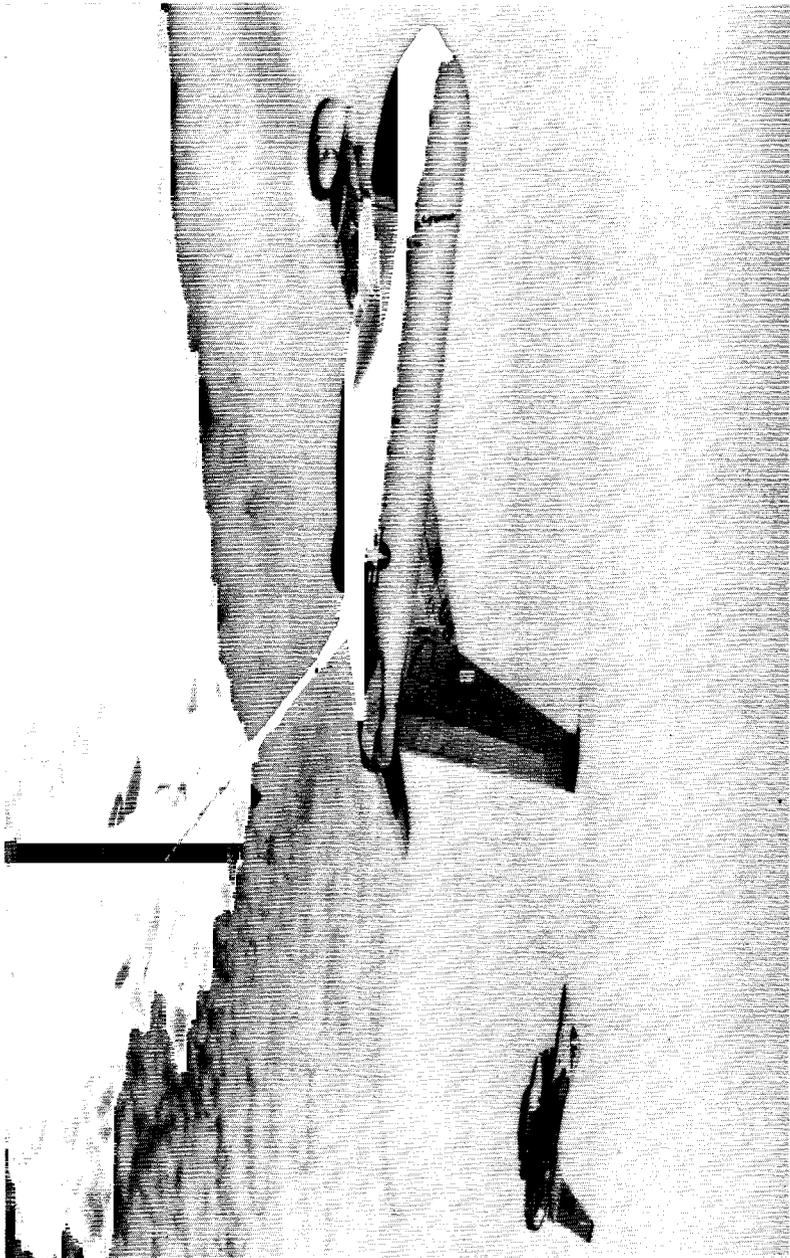
<u>Major receivers</u>	<u>1984</u>		<u>1985</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
TAC	452	43	768	51
SAC	347	33	423	28
ANG	160	15	222	15
MAC	43	4	64	4

As stated on page 75, SAC officials believe that Blytheville AFB should be retained because of its contribution to aerial refueling and refueling training in its area. Table IV.1 shows Blytheville aerial refueling data for fiscal years 1984 and 1985. As indicated, the base's tanker activity is increasing and it has customers other than SAC, including TAC, Military Airlift Command (MAC), and Air National Guard (ANG) units. Other smaller customers such as Air Force Reserve units (not shown) make up the balance, about 3 percent, of Blytheville AFB tanker activity.

Blytheville AFB is within range of 51 aerial refueling areas. The base is also close to four TAC replacement training units, one airborne warning and control system aircraft replacement unit and three TAC intercept exercise areas. The proximity of Blytheville AFB to these activities increases the base's contribution to aerial refueling and refueling training.

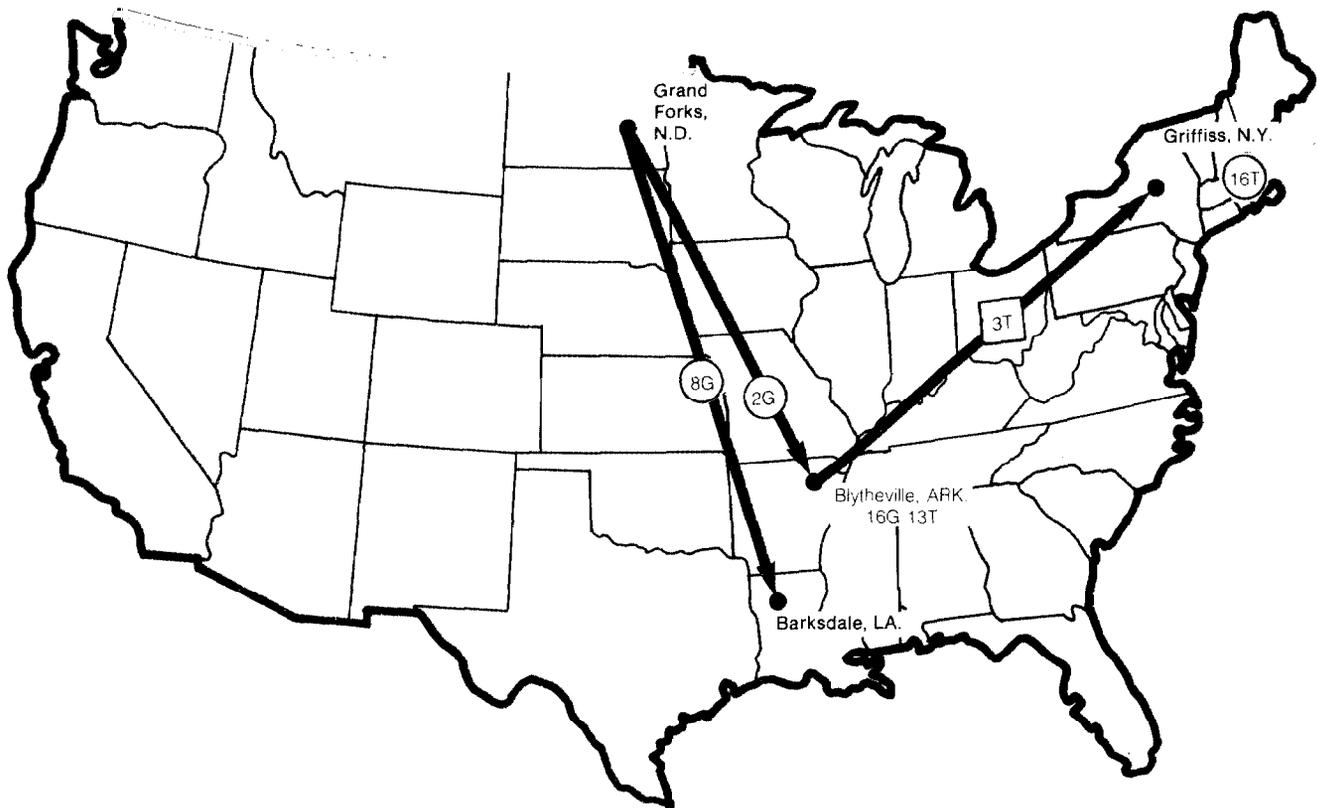
The Air Force is studying the current deployment of reserve KC-135 tankers at Little Rock AFB. Air Force officials said the study is still in process and it is not related to the need to retain tankers at Blytheville AFB.

Figure IV.2: KC-135A tanker refueling a Tactical Air Command F16 aircraft (DOD Photo)



Blytheville also has 16 KC-135A tankers like the one shown in figure IV.2. Current planning documents indicate that three of the base's KC-135 tankers will be transferred to Griffiss AFB, New York, during fiscal year 1986.

Figure IV.3: Map showing fiscal year 1986 bomber/tanker moves affecting Blytheville AFB



Note: The Gs refer to B-52G bombers, and the Ts refer to KC-135 tankers.

According to SAC officials, another important reason to retain Blytheville AFB is the base's role in the fielding of the B-1 bomber and the additional KC-10 tankers. The Air Force plans to station the B-1 bombers at four bases in the central part of the United States. These bases are Dyess, Ellsworth, Grand Forks, and McConnell. (See map on page 76.) Also, the Air Force plans to put KC-10 tankers at Seymour Johnson AFB. During fiscal year 1985, SAC moved several of its B-52 bomber and KC-135 tanker aircraft from these bases to other SAC bases. This was done to provide space at the receiving bases for the new B-1 and KC-10 aircraft.

During fiscal year 1986, SAC plans to continue to move B-52 and KC-135 aircraft to other bases. For example, figure IV.3 on the opposite page shows the fiscal year 1986 bomber and tanker moves that affect Blytheville AFB. As shown, Blytheville AFB will receive two B-52G bomber models from Grand Forks AFB and will send three of its tankers to Griffiss AFB. At one time Blytheville AFB was to receive five B-52G models. However, this has since been reduced to two.

SAC officials said that if Blytheville AFB were to be closed, its aircraft would have to be sent to other SAC bases with ALCM facilities. This could potentially result in overcrowding at these bases. The overcrowding could, in turn, result in increased MILCON requirements.

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COMMITTEES:
AGRICULTURE, NUTRITION, AND
FORESTRY
FINANCE
SPECIAL COMMITTEE ON AGING
SELECT COMMITTEE ON ETHICS

August 29, 1985

Mr. Charles A. Bowsher
Comptroller General of the U.S.
General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Bowsher:

Earlier this year the Department of Defense announced that Blytheville Air Force Base in Arkansas was one of twenty-two representative defense facilities under consideration for closure and redistribution of its assets to other bases. The justification for the possibility of closing this and other bases was to effect savings from the overall defense budget. Given the new procedures for closing military bases that Congress is very likely to enact into law in September, there is a possibility that a recommendation to close Blytheville could be made when the President submits his FY '87 budget request in January.

We believe there is a strong national security justification for keeping Blytheville open. We also have serious doubts whether any meaningful amount of funding could be saved within a reasonable time frame, if at all, were Blytheville to be "realigned."

Specifically, we notice from the attached Department of Defense fact sheet that several indirect but real costs to closing a facility like Blytheville have not been included in the Defense Department's calculation of presumed savings. First, the cost to the federal government for unemployment compensation and other government benefits to existing employees at the base and surrounding community whose employment would in some way be adversely affected does not appear to be included. Secondly, the cost of money to the federal government does not appear to have been calculated. OMB Circular A-76 and DoD Instruction 7041.3 call for the cost of money to be included in such economic analyses and suggest that a 10% discount rate be used. Thirdly, there may be other costs that are not included in the DoD study that would be unique to the location selected to receive the Blytheville activity.

In addition, we have no confirmation of the accuracy of the costs to close Blytheville and to move its assets elsewhere, and

Mr. Charles A. Bowsher
August 29, 1985
Page 2

to properly house and support them, as computed by the Defense Department. Finally, we have no confirmation of the accuracy of the Department's estimate of savings or when they might occur.

We are informed that Blytheville was selected for possible closure because it was an "example of a base with a single mission." We have no information whether the Department of Defense is correct to think that to close a so-called single mission facility, such as Blytheville, would in fact save more funds than closing a multi-function facility. Likewise, no information has been made available on other existing single mission facilities and where Blytheville ranks among them.

We are writing to ask the GAO to survey the various issues, economic and otherwise, we have raised about the impact of closing Blytheville Air Force Base. We would appreciate your thoughts and any relevant information on these issues no later than November 15, 1985. Please feel free to contact our offices to discuss this study; of course, we would like to be kept informed of its progress.


Dale Bumpers

Sincerely,

David Pryor



ACQUISITION AND
LOGISTICS

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301-8000

26 DEC 1985

Mr. Frank C. Conahan
Director, National Security
and International Affairs Division
U. S. General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Conahan:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report entitled, "Survey of Blytheville Air Force Base, Arkansas," dated December 4, 1985 (GAO Code 392172/OSD Case 6892).

The DoD generally concurs with the factual information in the report, but has not conducted a detailed review to ensure its accuracy since the report deals with a base closure situation that the Department presented as only notional or illustrative. This fact, however, is not sufficiently clear in the GAO draft report. As a result, a reader could be misled by the GAO analysis.

Throughout the survey work, the Department stressed to GAO that the list of installations provided to Senator Goldwater in March 1985, was strictly notional and not part of a recommendation to close bases in Fiscal Year 1986. Secretary Weinberger had made this point in his April 1, 1985 letter to Senator Goldwater on base closures (attached), stating that the list "...was illustrative of the types of installations that might be considered for closure if Congress would pass expediting legislation and if required funds were added to the Defense request so we could relocate people and equipment and design and construct new facilities." (underscoring added) He further noted that the identification of alternative sites would require considerable study and that none had yet been selected.

The GAO draft report is not sufficiently clear on these points and, as a result, a reader of the draft report could be substantially misled. For example, in the draft letter to Senators Bumpers and Pryor and in the report, there are several references to "the proposed closure of Blytheville AFB." Also, the draft report includes a number of documents as appendices, but neither the report nor the letter to the Senators includes or accurately describes the Secretary's letter to Senator Goldwater. The report refers to the letter on pages 56, 58, and 64 in Appendix III, but is silent on the fact that Blytheville's inclusion was only illustrative. Although GAO comes closer to the issue on page 68 in Appendix III, the critical point is essentially lost in the overall presentation. It is particularly important that the letter to the Senators be explicitly clear on this issue.

Now on pp. 55, 57,
and 63.

Now on p. 67.

Now on pp. 59
and 67.

In the same letter to Senator Goldwater, Secretary Weinberger emphasized that the costs and savings figures associated with the notional list were not definitive, and that a proper study of each installation, to include developing realistic estimates of construction costs at receiving locations, would take six months of fulltime work. Department officials reiterated this point to GAO during the survey. GAO correctly acknowledges the approximate nature of the figures on pages 60 and 68 in Appendix III, but is silent on that fact in the cover letter. By omitting this essential point, the letter to the Senators implies that the Blytheville cost and savings figures should be, but are not, adequately supported by present value analysis, working papers, ranking of bases, etc.

Now on pp. 11, 19,
29, 37, 55, 57, 62,
63, 64, 65, 66, 68,
and 69

The critical points that Blytheville was only an illustrative or notional candidate, that the associated costs and savings figures are not definitive, and that a proper study would require six months of fulltime work are omitted from or insufficiently addressed on pages 10, 18, 28, 36, 56, 58, 63, 64, 65, 66, 67, 69 and 70 of the draft. Without a full discussion of these critical points, a reader could be substantially misled.

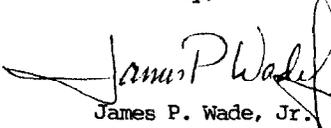
The letter to the Senators also refers to the August 21, 1985 ASD(A&L) memorandum that asked the Services to submit closure and realignment proposals by November 1, 1985, for submission with the FY 1987 budget request. By simply stating that these proposals would be reviewed and submitted with DoD's fiscal year 1987 budget request, the letter implies that the Department intends actually to begin closing installations. In fact, if the Department were to so identify bases in the FY 1987 budget, those installations would be characterized only as "candidates" for closure or realignment since the detailed studies and requirements of the National Environmental Policy Act (NEPA) would still have to be completed and funds would have to be authorized and appropriated to effect the basing decisions. Compliance with the NEPA involves coordination with affected federal, state, and local agencies and can take up to a year to accomplish, even longer if there are court challenges or other intrusions. The GAO draft letter to the Senators is not sufficiently clear on this point and, as a result, a reader could be misled.

The draft letter and report also indicate that the Department sought to expedite closures and realignments by obtaining relief from lengthy legislative processes such as complying with the NEPA. In making this statement, however, the report does not observe that the legislative proposal introduced by Senator Goldwater and initially supported by the Department would have introduced emergency base closure procedures, applicable only when the President's budget reflected a budget deficit. It would have been only under such circumstances that the provisions of the NEPA would not have

applied. As the Department has indicated in Congressional testimony and stated to GAO during its briefing on the draft report, Defense intends to fulfill its responsibilities to the environment. In supporting the proposed emergency legislation, the Department was attempting to preclude capriciously introduced litigation intended to prolong or otherwise obstruct the closure process.

The DoD appreciates the opportunity to comment on the report in draft form.

Sincerely,



James P. Wade, Jr.

Attachment

(392172)

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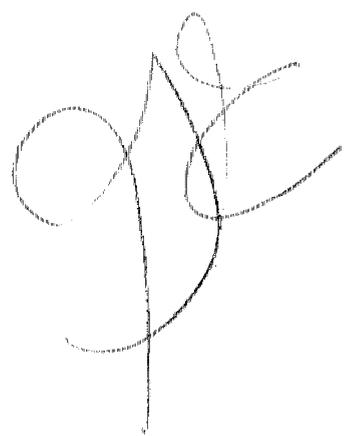
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A large, stylized handwritten signature or set of initials, possibly 'JL', is located in the lower-left quadrant of the page. The ink is dark and the strokes are fluid and interconnected.