

Statement Of
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before the
Defense Base Closure and Realignment Commission

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Summary:

Introduction

Mr. Chairman and members of the Base Closure and Realignment Commission

Thank you for inviting Business Executives for National Security--BENS--to testify before you on the important issue of "post-closure" activities at military installations

I am William H. Tremayne, a member of the Board of Directors of BENS.

BENS is a national, non-partisan organization of business leaders working to strengthen national security by promoting better management of defense dollars, advocating measures to make the economy stronger and more competitive, and finding practical ways to prevent the use of weapons of mass destruction.

History of BENS Involvement

In 1982 and 1983, I was the project manager for the Defense Task Force of the Grace Commission which recommended, for the first time, that an independent commission identify superfluous military bases.

When Representative Dick Armey (R-TX) authored innovative legislation calling for the creation of a special commission for base closures--essentially implementing the Grace Commission's recommendation--BENS took this idea and promptly formed the Coalition on Military Base Closures.

For the past 4 years BENS has maintained an active Defense Transitions Project promoting a fair and businesslike system of closures, doing what it can in the process to alleviate local economic shock by facilitating redevelopment plans for base properties and the consequent economic rehabilitation of the dependent communities.

As the 1995--and perhaps last--round of base closures begins to take shape, BENS is focusing its efforts on helping communities replace jobs and rebuild the economies affected by the previous three rounds.

Theme of Testimony

The theme which must pervade the federal government's, and in particular the Defense Department's approach to the "post-closure" segment of the realignment and closure process is speed and finality in disposal and reuse.

The goal of the government must be to provide the affected communities with the tools and funds to begin planning, act swiftly to conclude federal screening and clean up actions, then move out of the way to let communities enact their reuse plan.

Progress Noted Since 1988

Many important strides have been made by the Defense Department:

- Requesting and getting legislation to grant economic development conveyances when communities have viable plans to create jobs.
- Approving interim leases while legal deeds and environmental restoration plans are being readied.
- Factoring the community reuse plan into the federal screening process as a coterminous rather than a sequential action.
- And, reconciling through legislation the needs of the homeless and the local community's economic development needs.

Additional Work Needs to be Done

Nevertheless, BENS believes there is additional work to be done in areas not fully addressed or not fully implemented by the Department of Defense. Let me point out a few substantive areas which BENS believes need to be addressed to achieve speed and finality in the disposal and reuse process.

-The Office of Economic Adjustment is helping base closure communities get a jump-start by speeding up grants and community redevelopment activities realizing a recommendation BENS made back in 1992. However, in our work with various Local Redevelopment Authorities (LRAs) a common frustration voiced is that the Pentagon's "one stop" concept still lacks a "customer service" perspective.

-The establishment of Base Transition Offices and appointment of Base Transition Coordinators at the community level to--in the Pentagon's terms--"slash bureaucratic thickets" is a positive step as well. Now the task will be to ensure that the local appointees do in fact become facilitators of local reuse planning and not simply another level of bureaucracy interposed between the government and the community.

-An amendment to the regulation last October gave clear priority to the LRAs reuse plan for disposal of property, but it added a significant burden by requiring LRA's to include in their applications detailed feasibility and marketing analyses which would support the claim that the gift of some or all of the value of the land would in fact create jobs better than a sale at full market value. The **true test** of need for below-market sale should be actual experience of the LRA in finding tenants and buyers of the facility.

-Prior to the base being leased or sold to the LRA, to the extent it is still federal property, the Services are entering into caretaker agreements under the Cooperative Agreements Act, paying cities and counties for various services in lieu of paying federal employees or contractors to perform them. Because bases vary in the rate at which they close, the 180 day limitation is too arbitrary. Congress should simply allow DoD to agree to pay local government for these services at any point after selection for closure.

-Large areas of many military bases are under exclusive federal criminal and civil jurisdiction--the state has no authority within those areas to enforce civil or criminal law, including contract law, zoning and building

codes. Retrocession to state jurisdiction usually occurs only when title is sold by the federal government. However, due to contamination problems, most base land remains in a lease arrangement for many years. Congress should enact into law a provision that simplifies the process of retrocession.

Environmental Contamination and Remedial Actions Affecting Reuse

Problems related to contamination of military base property with hazardous substances continue to jeopardize the base redevelopment process as well. There are several specific problems which could be solved by statutory or regulatory action:

-The most crucial issue is control over the priorities of cleanup. Since the beginning of the Superfund program in 1980, priority for cleanup at military bases has been defined as "worst first," that is, the sites that presented the greatest risk to health and the environment were investigated and cleaned first, while less contaminated sites were put at the bottom of the list. DoD, EPA and the states should be directed to make "best first" their priority in all remedial work at closing bases. More parcels of land will be sold sooner, increasing revenue flow and facilitating wider redevelopment options.

-A second action which will support "best first" clean up is to codify in law that clean up standards on contaminated property will hinge on the LRA's reuse plan for the affected property. It is irrational to require residential levels of clean up for property which will transfer to industrial or other non-residential use.

-Another specific threat to base reuse related to cleanup was identified last summer, when a homeowners association in Denver initiated a lawsuit to halt the execution of the reuse plan. The lawsuit was based partly on a citizen's suit action under the Resource Conservation and Recovery Act, trying to take control of the base cleanup away from the Air Force, which was already well along in conducting remedial actions under state supervision and the authority of CERCLA. The law should be reinforced, to clarify that RCA was not meant to be used as a blunt instrument to spike the tires of the community's base reuse convoy.

-There is one other major shortcoming in the military's clean up responsibilities. At many bases there are buildings which have deteriorated to the point of obsolescence. The only appropriate action is demolition. Yet, demolition of these structures cannot be conducted until after costly and time-consuming removal of all asbestos-containing material. Although the Defense Department does not currently support demolition of structures on closing bases, removal of asbestos-containing material in buildings worth only demolition is clearly within the scope of the Defense Environmental Restoration Program.

Environmental Compliance and Protection Issues

In addition to cleanup of contaminated soil and groundwater, there are other significant environmental issues at closing bases which need statutory or regulatory reform. Though I won't take the time to review them in detail here. They are covered in our prepared testimony. Just let me say that the entire issue of environmental clean up and environmental compliance is one that must be taken head on or all our efforts to implement an effective reuse program could be extensively delayed, if not all but stymied.

Summary and Conclusion

The reason base disposal and reuse is succeeding is that the government and affected communities have moved well up the learning curve since the first round of closures. The Congress in legislating and funding relief from bureaucratic federal screening and property disposal laws dating back to the 1940s has cleared the statutory impediments. Efforts by the Office of Economic Adjustment in the Pentagon and the Economic Development Administration in the Department of Commerce, have enable communities to progress from the anxiety of base closing to within sight of long term recovery and economic growth on affected bases. Threatened cutbacks in funding and support for environmental restoration accounts and the organizations--like EDA--which implement the law could severely undermine disposal and reuse plans. I would encourage the Commission to add its weight to ensuring that the process is allowed to continue.

In concluding, let me return to BENS principal recommendation in dealing with the cumulative effect of the closure rounds since 1988. Government must act swiftly and with finality in determining its residual requirements and environmental clean up responsibilities once it has decided to vacate a facility. Then it must step aside and let communities begin the redevelopment and reuse process. Government can be an aid in reuse and redevelopment success--by funding and encouraging advance planning, by permitting communities early access to facilities, to inventory plant and equipment to be left in place, to--when practical--permit dual-use of excess capacity as the Defense Department operations phase down, and, most importantly, to ensure that the full authority of legislation and regulation--often so clear in the minds of its drafters--is understood and translated into action by government officials down the chain of command.

Mr. Chairman, thank you for the opportunity to testify before the Commission. BENS will remain available to the Commission and to the government agencies charged with carrying out the provisions of the law as the one truly independent organization that has studied the effects of base closure on local communities. Our interest in the base closure and reuse process has been long-standing and will continue through this 1995 round and as long as the process of returning these valuable base assets to community reuse continues.