

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	List of Tenants. [partial] (1 page)	07/11/1995	b(7)(E)
002. memo	For the President from Anthony Lake. Subject: Base Closure Report. Record ID: 9504762. (2 pages)	07/01/1995	P1/b(1)
003. handwritten notes	[re: BRAC Meeting] (3 pages)	06/30/1995	P5

COLLECTION:

Clinton Presidential Records
National Security Council
Defense Policy (Robert Bell)
OA/Box Number: 1588

FOLDER TITLE:

BRAC-95 [Base Closure and Realignment Commission], July-September 1995 [6]

Van Zbinden
2011-0460-F
vz892

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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JW

Privitization of debt mgt fx (only)

Go/Co

or

Reuse for community

Steps

- ① Get BRAC to change its language
(and not overreact) while VPOTUS consults
Mtz w/ Cycles

3 things Tokyo manuals
See disc on realign
option to purchase in place

- ② Talk to contractors (deliver them to
communities - eg. Hughes / Fazio
"open mind")

GS - Can we say "guarantee" x " # jobs " ?)

JW - Will be difficult. 11,000 → 28,700

Rudy - other option - some mil jobs at M-C
can be tx to Beale.

GS - Shouldn't make promise can't keep.

Timothy - who don't want # now -

Leon - Can't be BS. Need a #

Gordon - Contractor won't know yet what economies to make

Rudy - Kelly easier to know #

- Blue collar job: mgt. fx. chg.

- White collar admin/mil - AF looking at what can move to Beale if BRAC grants Sec Def auth to move forces around instead of Pentagon mgt group.

Leon - what is commitment USG would be making?

JW - don't know.

Leon - what's wrong with our proposal?

Rudy - other depots have backers.

Bill - all 8 voted to close at least one.

Gen M - environ clean-up & tax on AF not factored into BRAC eval. "that dog won't hunt." (going back w/ downsizing)

Laura T - Timeframe for action to close

Rudy - 4 yrs.

Laura - Can we "lag" this to allow more time for Calif Econ to recover?

Rudy - Newark Ohio depot ex - privatization - previous BRAC - 3 contractors bidding
... m. m. m.

~~XX~~
Leon - Refer List Back w/out designating this appr?

JW - POTUS should flag depot issue & ask for Sec Def authenticity.

Imp. to signal
TC - (Dixon already broken code.)

Leon - Priv - at both depots?
(all) - yes.

JW: Rec: "other ways of protecting

GS - Bases won't stay open forever - but this plan too soon - want BRAC to come back w/ plan to protect jobs longer.

Leon - Can we control this

JW - yes Cycles - can do this
- Dixon can support
- Dixon can deliver BRAC

Leon: 1. #1 is John W. has to talk to Dixon - must get indication ok.

2. Then we can talk to other commissioners.

Margie - Weds mkt (POTUS, Perry, Shali, White, Panetta)

TC - Working Gr in analysis of privatization?

Rudy - (OK by Weds)

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001. memo	Record ID: 9505047. (2 pages)	06/30/1995	P1/b(1)
002. handwritten notes	[re: BRAC Meeting] (8 pages)	06/30/1995	P5

COLLECTION:

Clinton Presidential Records
National Security Council
Defense Policy (James Seaton)
OA/Box Number: 1237

FOLDER TITLE:

BRAC [Base Closure and Realignment Commission] Files 1993-1995: BRAC '95 [1]

Van Zbinden
2011-0460-F
vz901

RESTRICTION CODES

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BRAC

COPY
6/30/07

White: How do we save jobs - workers jobs @ depots.

jobs will go somewhere else.

→ save jobs in place w/o destroying BRAC process
history in BRAC report/language → privatization
facilities leased to contractor, COO or
Re-use community

"work w/ community, private sector ~~to~~ to make happen
— would have to get Commission to change language.

Prob - Commission doesn't do more

VP → Dixon

mtg with Lyles

change work → TBYanna
Logistic Council

add — look at working to do work in place
discussed w/ CEO Hughes (talked to Fazio)

Steph: "guarantee x number of jobs?"

Our rec: go down to ~~4500~~ 8700 from 11,000

~~Current~~ We would privatize to lower level (don't know
#)

Some of jobs @ McClellan transferred to

Steph: Can't make promise we can't keep.

Moorman —

Under BRAC Commission @

1. 0 under BRAC ; (X) under privatization scheme
many details to be worked out.

Blue collar - we're trying to make this 1:1.

Panetta - can we assure them of 8700 jobs?

amb - too early for contractor to determine

Reddy: San Antonio career - close bases to migrate

↳ McClellan - blue collar - not from gov → contractor
White Collar Administrative }
Military } → Beale

give SecDef authority
to move rather than
not group in Pentagon.

White: Facilities

- giving them a base to build from - etc

Panetta: What's commitment U.S. gov would be
making.

Alternative:

- If send back with hard message - they will turn around - send it back
- or -- or take Kelly off.

Panetta: we made presentation on downsizing five depots - made most sense. What's prob in going back with that and.

White loose \$ 3B \$ 1.6B out years
 Slow modernization in out year.

Panetta what's

Rendy one surplus depot - saved McCellan
 93 Ann can impact

95 - more creative - equal portion workload/people
 out of each of five
 thought AF behind it.

BRAC commissioners - lobbied by other depots

last 2 weeks -

this is Daschle & Gephardt's guy doing this -

we gave you plan - 2 1. too many
 have Kelly
 close McCellan.

Bell: Each of 8 commissioners voted to close at least 1 depot.

Panetta - Downsizing vs 2 closures
 Sig difference in savings?

McCellan - 700M Enron.

TL: Nunn doesn't believe our figures
 assault on our #'s.

Panetta - Worth going back on downsizing arg.
No. Not much chance.

Moorman - Dog doesn't hunt at all.

Panetta - other options, rather than privatization.

White - No -

Panetta
~~At~~ Tyson - Time period? 4-5 years, but
effect is immediate.

↳ cumulative econ impact

Sacramento -

Rudy - ex. in Ohio gov → private
Year 1 right now
AF: Newark, Ohio (193 Round)
↑
precedent

Panetta - Would Pres refer back to Commission
w/o designating approach?

White: Send back unacceptable - if can give
Sec flexibility etc could manage
process (want President to signal)

TL: important to signal to get credit
privatization at both McClellan & Kelly
protect jobs —

TL: DoD then clarify

Steph: not stay open forever
too many jobs too quickly
keep more jobs open for longer period of time

White — have to describe how

Pametta — do we know Commission prepared
to do this? how to write —

don't want to waffle — then

Lyles — yes Chun — could

VP-Dixon happy to meet with him

Griffin — Does Dixon deliver on Commission?

White talk to Dixon
get clear indication he will work
if

Moorman - have to take issue out that Carmon is
competing over -

White - Start a face-to-face w/ Dixon
Far - how soon
Dixon flew out

Steph

⇒ Info memo
DoD not yet provided

- rec'd
- awaiting
DoD recomm

(White contact Dixon - need to get feel on
other Commissioners)

How strongly can guarantee X jobs

White - we need to come back

Steph - were doing as much for McEllen
as others

Lauretta jobs protected → Beale
 → or privatization

Presentation - Wednesday AM

What is our leverage?

Threaten

put marker down

- more devastation

- more jobs affected

don't reply

tomorrow - just say

↳ press guidance

Bob / Rudy

- concerned variance

- Dixon said

- concerned depots Cal / Texas

- with whatever time

upon down awaiting DOD

- we have until Jul 15 to come to

down - don rush process

Noon

(Run by
 Rudy)

- Delivered today

- Concern

= etc

= not rush process

have

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001. note	From Bob [Bell] to Jim/Rod (1 page)	04/17/1995	P5

COLLECTION:

Clinton Presidential Records
National Security Council
Defense Policy (Roderick Von Lipsey)
OA/Box Number: 1274

FOLDER TITLE:

BRAC [Base Closure and Realignment Commission] [2]

End of PRA
2011-0460-F
pr11

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NATIONAL SECURITY COUNCIL

4/17

Jim / Rod:

Please coordinate with Mara and Jay on a gameplan for selectively involving POTUS in this lobbying effort. Recall that at CINCS meeting he said he would make whatever time available that was needed to win this vote. Key questions: (1) who are the "swing" Senators on the SASC; (2) when will mark-up occur; (3) are the swing Senators demanding anything vis-a-vis Kelly/McClellan to win their votes? Thanks

Bob

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Dorothy Robyn to John Podesta re: Strategy on Depot Issue (2 pages)	10/27/1997	P5
002. talking points	re: Depot Subtitle of Defense Authorization Bill (2 pages)	10/27/1997	P5

COLLECTION:

Clinton Presidential Records
National Security Council
Defense Policy (Roderick Von Lipsey)
OA/Box Number: 1274

FOLDER TITLE:

BRAC [Base Closure and Realignment Commission] [4]

End of PRA
2011-0460-F
pr12

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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COPY
Sent to...

THE WHITE HOUSE

WASHINGTON

October 27, 1997

MEMORANDUM FOR JOHN PODESTA

FROM: Dorothy Robyn

SUBJ: Strategy on Depot Issue

Attached are draft talking points and background on the depot maintenance issue. Sheila Cheston's office is preparing a detailed summary of the problems with the depot subtitle of the conference bill. I will get you a summary of what we know about likely floor action.

Legislative Strategy

Our goal should be to strip the depot subtitle from the conference bill altogether. That is what industry is calling for, and industry's bottom line should be our bottom line. Stated differently, contractors must perceive that the public-private competition process is fair, or else they will not bother to compete. (After DoD awarded the C-5 repair contract to Warner Robins Air Force Base last month, Lockheed-Martin's CEO said his company would not participate in any more public-private competitions until the playing field is level. Other CEOs will follow suit if the depot provisions become law.) Thus, we should insist on the changes that industry believes are necessary to have a fair process.

To accomplish this goal, *the White House has to control the negotiations.* The Department wants a bill, and DoD officials have told the Hill informally that they can live with the depot language in its current form. If we don't preempt them, DoD negotiators will settle for the changes they requested last week. That would be a bad deal and it wouldn't satisfy industry.

Press Strategy

The Depot Caucus staked out the moral high ground on this issue in 1995, when the President tried to privatize-in-place at Kelly and McClellan. But the Administration abandoned that effort 14 months ago, and our goal since August 1996 -- to use competition to award the work to the most efficient and cost-effective bidder -- is consistent with the recommendations of the QDR and every blue-ribbon panel that has ever looked at DoD procurement. Despite that, *the press still sees this as a BRAC fight. We need to get them to see it as a procurement reform fight.*

The Administration has enormous credibility with industry and the press on the subject of procurement reform, because of what the Vice President, Bill Perry and Steve Kelman accomplished over the past four years. Depot maintenance is one of the last holdouts to competition and reform, and we need to portray it that way. (It is an unfortunate fact that

our efforts to help Sacramento and San Antonio through privatization-in-place set back the Administration's largely separate goal of reforming depot maintenance.)

The other way to reclaim the high ground is by showing the Depot Caucus up for what it is. Sen. Inhofe has given us some help. In last week's *Daily Oklahoman* (attached), he brags that the requirements imposed on private contractors by the conference bill would likely keep them from wanting to bid for the Kelly/McClellan work. (Tinker Air Force Base in Oklahoma City will be the public bidder for a large contract now performed at Kelly.) More generally, the Depot Caucus has behaved badly enough this time that the press may have to take notice.

Industry is the Key

Industry is the key to our legislative strategy (stripping the depot language altogether) and our press strategy (claiming the high ground of competition and best value for taxpayers) alike. But this may take some effort. Despite their vehement opposition to the various depot provisions, defense companies have kept a low profile. The reason: the companies have received calls from congressional staff threatening to cut their programs if they speak out. (The worst offender is reportedly the legislative director for Rep. Hansen of Utah, who -- in addition to sitting on House National Security -- chairs the Ethics Committee!)

We should try to get a letter to the President on the depot provisions from a critical mass of industry CEOs. Their message would be that the playing field is not level currently, and the provisions in the conference bill would make the situation worse, not better. The key CEOs are probably Phil Condit of Boeing, Vance Coffman of Lockheed-Martin, and Dennis Picard of Raytheon.

I raised this on Friday with Chris Hansen, head of Boeing's Washington office, and Don Fuqua, president of the Aerospace Industries Association. Although Don was non-committal, Chris said he thought it was doable. John Hamry needs to call the CEOs directly. (Three weeks ago, Hamry met for over an hour with Condit, Coffman and six other industry executives *just* on depot maintenance.)

cc:

Gene Sperling
Bob Bell
Gordon Adams
Al Maldon
Gordon Bendick
Barry Toiv
Karen Skelton
Laura Marcus
Larry Haas

DRAFT

Talking Points
Depot Subtitle of Defense Authorization Bill
October 27, 1997

The President will veto the defense authorization bill if Subtitle D ("Depot-Level Activities") is not stripped out altogether.

Subtitle D seeks to protect existing public depots by limiting private industry's ability to compete for the repair and overhaul of military systems and components ("depot maintenance"). These short-sighted provisions would severely limit the Department's flexibility to increase efficiency and save taxpayer dollars.

Both the Quadrennial Defense Review and the National Defense Panel recommended repeal of 10 USC Section 2466, which requires that 60 percent of depot maintenance be performed in public depots. In response, the Secretary of Defense forwarded to Congress a proposal to reduce that requirement to 50 percent. Unfortunately, rather than making it easier for the Department to use competitive outsourcing, the conference bill responded with even more restrictive and anti-competitive language.

Among other things, the bill would expand the definition of "core logistics capabilities," which must be maintained in government-owned and government-operated facilities. To comply with this expanded definition, the Department might have to bring work now done in private facilities *back into* public depots.

The bill also would impose new requirements on DoD's process for allocating the work now performed at the closing Kelly and McClellan Air Force Bases:

--The Department is conducting a fair and open competition to determine the most efficient and cost-effective way to perform this work in the future. Both private contractors and public depots are competing for the work.

--The new requirements in the conference bill would skew the evaluation process in favor of the public depots (e.g., contractors would have to include millions of dollars of artificial costs, making their bids uncompetitive).

--Although the conference bill is an improvement over the House version, which would have precluded competition for the Kelly (San Antonio) and McClellan (Sacramento) workloads altogether, the requirements are transparently unfair. In fact, several major contractors have said they will not bother to compete if the conference bill becomes law.

This is exactly what the Depot Caucus has in mind.

--Sen. Inhofe of Oklahoma has led the fight for Subtitle D, because Tinker Air Force Base in Oklahoma City wants the \$700 million in engine repair work now done at Kelly.

--Last week, Sen. Inhofe bragged to a newspaper in his state that the new requirements in the conference bill would likely keep any private contractor from wanting to compete against Tinker for the engine work. ["I think it's highly unlikely any (contractor) would want to bid on it," Inhofe said in the Oct. 23 *Daily Oklahoman*.]

Although some press accounts have portrayed this as an effort by the President to protect jobs in Texas and California, in fact, it is the Depot Caucus that is out to protect jobs. What the President has said is that there should be a fair and open competition to determine what happens to the Kelly and McClellan work.

The public depots need more competition from private industry, not less. Billions of dollars in potential savings are at stake. Those dollars must go to maintain the U.S. fighting edge, not to preserve excess infrastructure.

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Greg Henry to Gordon Adams re: Vision 21 Materials in Preparation for CEQ Meeting-INFO (2 pages)	04/14/1997	P5
002. paper	re: Vision 21 & Environmental Impact Statements (EIS)-CEQ's 4 Options (2 pages)	04/14/1997	P5
003. paper	re: What Is An Environmental Impact Statement? (2 pages)	04/14/1997	P5
004. paper	re: Is A Compromise Possible? (1 page)	04/14/1997	P5
005. paper	re: General and Background Information on Vision 21 (2 pages)	04/14/1997	P5

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OA/Box Number: 1274

FOLDER TITLE:

BRAC [Base Closure and Realignment Commission] [6]

End of PRA
2011-0460-F
pr13

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

April 14, 1997

MEMORANDUM FOR GORDON ADAMS

THROUGH: PHEBE VICKERS

FROM: GREG HENRY

SUBJECT: Vision 21 Materials in Preparation for CEQ Meeting--INFO

In preparation for your meeting with Katy McGinty about her concern with the DoD Vision 21 laboratory and test center restructuring proposal, we have prepared the attached material.

The major issue on the table is the timing of the Environmental Impact Statement in the closure process. CEQ wants DoD to file an EIS early in the review process that results in DoD's recommended closure and restructuring list, instead of in the implementation phase, as was the case with BRAC. CEQ was about two weeks overdue in voicing their objections during the legislative review process. CEQ has yet to put its objections in an official memorandum.

In the draft of the legislation, DoD does not have to conform to the requirements of the National Environmental Policy Act (NEPA) during the study, preparation and selection phase of the closure and restructuring process. This means that DoD does not have to prepare an EIS (see Attachment B for an description of EISs) before sending a closure recommendation list to the independent commission.

CEQ's View

CEQ believes that DoD should prepare an EIS during the study phase in order to choose intelligently and responsibly which sites to close or restructure. CEQ staff cite two recent BRAC decisions as proof that EISs are needed early in the process. CEQ staff believes that if the Army had more information (or had transmitted it to OSD), in a former BRAC round, Fort Bliss and Fort Huachuca might have been proposed for closure, and other facilities that were chosen for closure might have stayed open. CEQ asserts that if DoD had done EISs on these facilities, DoD would have discovered that these installations lack sufficient groundwater to sustain them in the future. (However, unless DoD did EISs on all of their sites, not just their candidates for closure, these sites--not slated for closure--still would not have been uncovered, no matter how early EISs were generated.)

We are told that Katy McGinty believes that full EISs are needed early in the process for each facility to be closed or restructured. On the other hand, CEQ staff believe that preparation of a "Strategic Environmental Impact Statement (SEIS)" in the early phase, in which an overall EIS is prepared rather than 132 EISs site-by-site, would simplify the process. Further, CEQ staff believe

that exemption from any legal challenges based on the SEIS would keep the closure process from falling apart.

NSD's View

We believe that preparing and filing EISs during the review phase would open the process up to special exemptions from individual senators and representatives and destroy prospects for significant closures. We recommend adhering to the BRAC model, as requested by DoD, in which environmental concerns were considered in the public comment phase of the Commission's review, and were addressed formally--and according to legal standards--during the closure process.

The attachments provide our analysis of the issue (A & B), a possible solution (C) and background (D & E).

Attachments:

- A Vision 21 and Environmental Impact Statements (EISs)--CEQ's Four Options
- B What is an Environmental Impact Statement?
- C Is a Compromise Possible? (To be used only in emergency)
- D General and Background Information on Vision 21
- E Labs and Test Centers to be Considered, with Map

Attachment A
Henry & Daniel

VISION 21 & ENVIRONMENTAL IMPACT STATEMENTS (EIS)--CEQ'S 4 OPTIONS

The following is NSD's assessment of the CEQ options.

CEQ Opposition to the Vision 21 Legislative proposal

CEQ objects to the current version of the Vision 21 legislation. It believes that EISs should be a more integral part of the closure and restructuring process. CEQ raises four options for including EISs in the Vision 21 process:

1. Full exemption from EIS preparation requirements during the study, preparation, and selection stages of Vision 21

- Modeled on the BRAC process,
- Contained in the current version of the bill
- DoD's preferred version
- Unacceptable to CEQ

2. Preparation of an unspecified "Strategic EIS"

- Study would address the environmental impacts of proposed closings and restructurings seen as a whole, rather than site by site
- Nature is largely undefined, but potentially simpler than a regular EIS
- DoD would be exempt from legal challenges based on the EIS itself
- DoD would oppose, depending on the details of the requirement
- CEQ staff recommended option

Pitfalls

- May include public discussion of the SEIS prior to transmittal of DoD's list of recommended closings to the Commission
- Still lengthening a complex process

3. Preparation of a "Programmatic EIS"

- Somewhat simplified version of the EIS, but not clear how it would be simplified
- DoD would be subject to legal challenge
- DoD would resist strongly
- Possibly McGinty's fall-back option

Pitfalls

- May include public discussion of the PEIS prior to transmittal of DoD's list of recommended closings to the Commission
- EIS preparation remains lengthy, complex
- Legal challenges to EIS used to slow, halt, pick apart, and/or collapse the planned closings and restructurings

4. Preparation of a traditional EIS during the study, preparation, and selection stages of Vision 21

- Full exposure to public scrutiny and opposition
- Full exposure to legal action
- Would likely cause the process to collapse early on
- DoD would fall on sword
- McGinty's favored option -- would keep her in good standing with the environmental lobby

Pitfalls

- Much public discussion and challenges to detailed environmental data
- EIS preparation remains lengthy, complex
- Legal challenges to EIS used to slow, halt, pick apart, and/or collapse the planned closings and restructurings

CEQ staff's stated position is that DoD and the Commission need more info on environmental factors before making a decision.

WHAT IS AN ENVIRONMENTAL IMPACT STATEMENT?

In its simplest terms, an EIS is a decision tool that helps policy-makers to choose between different courses of action. It provides an analysis of the environmental consequences of certain actions. For example, in the case of BRAC properties, an EIS would assess the potential environmental consequences of different reuse plans. Some characteristics of an EIS are:

- **Lengthy completion times**--under the BRAC process, EISs have required 2-5 years to finish
- **Highly complex documents**--most EISs involve very complex issues. In addition, an EIS must make projections and assessments based on limited data. Since DoD anticipates that an EIS would be used to derail the closure process, the study would have to be complex and thorough enough to anticipate all possible legal challenges.
- **Comparative framework**--An EIS is written in terms of comparisons between options, one of which can be "do nothing." If conducted either at the "strategic level" or at the tradition site level, the potential number of options in the EIS could be staggering.
- **Extensive public involvement**-- The National Environmental Policy Act requires public participation at every stage of an EIS's development. The process is serial, with public involvement at every stage. For example, all the relevant stakeholders must be invited to participate in the scoping process, where the actual issues the EIS should address are developed, and the drafters of an EIS must seek public review and comment before final publication.

The public participation requirements would inevitably "tip-off" a community that a lab, installation, or testing facility is potentially up for closure. Further, DOD Environmental Security had difficulty with how an EIS would be used earlier in the process. If an EIS is used in closure decisions, then the EIS would have to compare every possible combination of closure and restructurings. This would be a very expensive and time-consuming prospect.

BRAC did not require EISs in the study, preparation, and selection stages for a good reason

DoD considers the preparation of an EIS early in the Vision 21 process a "showstopper." Prior to the BRAC process, EISs were used effectively to stop base closures. The designers of the BRAC process deliberately avoided early EISs in order to avoid the acknowledged pitfalls of public attention before closures recommendations are made. Both the Executive and Legislative branches, in approving the BRAC process, recognized this difficulty, and accepted the altered process as a cost of closure. **There are three reasons why requiring preparation of EISs will derail the process:**

- 1. Public Exposure;**

2. Lengthy and complex preparation process; and
3. Legal challenges.

To work, a modified EIS (whatever the name), would have to be:

1. Non-public;
2. Easy to compile in a relatively short time; and
3. Exempt from legal challenges.

IS A COMPROMISE POSSIBLE?

The key to deciding whether a compromise is possible depends on how a "Strategic EIS" ("SEIS") is defined. This term, which appears in an option paper drafted by CEQ, appears to be CEQ's own invention. In the paper, CEQ discusses the merits of requiring DoD to prepare an "SEIS" instead of a regular "EIS" during the planning phase. However, other than combining the study into one large study and providing for exemption from legal challenge, CEQ does not define what would constitute an "SEIS."

If the SEIS were defined along the following lines, there may be room for compromise. **The broad outlines of the SEIS approach have been raised with DoD, but given the dangers of the precedent--noted below--we would prefer to follow the BRAC's model of avoiding EISs before decisions are made.**

- **Non-public process**
 - The SEIS is to be a product prepared entirely by DoD employees, the Department's contract employees and its detailees.
 - The SEIS, the preparation process for it and the data constituting it are not to be announced or released to the public in any way prior to transmittal of the recommended closure and restructuring list to the Commission.
 - There are to be no public hearings on the data nor on the basis for the data per se.
 - SEIS is to be done on all labs and test centers, regardless of closure/non-closure status.
- **Easy to compile in a relatively short time**
 - The SEIS must be do-able within one year, perhaps through studies limited to 500 hours collection and analysis per lab. (The data gathering and analysis could thus be done prior to the Commission appointment, starting at the transmittal of the Vision 21 legislation.) **Note, however, that acceptance of this provision would set a precedent for any future BRAC rounds.**
 - Only a limited number of data would be required.
 - The data would be published and the public would be invited to comment on the accuracy of data during the public comment stage of the Commission deliberation. (Some exceptions might be allowed to the publication of data when the lab is being neither recommended for closure nor for expansion or when pollutants are below certain concentrations and the lab is engaged in special access programs.)
- **Exempt from legal challenges**
 - The accuracy of data in the SEIS (or absence of it) could not form the basis for legal challenges to the Department nor the Commission nor to any of its recommendations.

GENERAL AND BACKGROUND INFORMATION ON VISION 21

Congress and the President Have Asked for a Lab and Test Center Restructuring Plan

As part of the FY 1998 Defense Authorization Bill, DoD submitted for our approval a legislative proposal that sets forth a process by which DoD could restructure, close and improve their labs and test centers. The proposal is called "Vision 21." Reasons why this proposal (or something close to it) are needed include:

Process

- Section 277 of the FY 96 Defense Authorization Act calls for DoD to downsize its lab and test center infrastructure and asks for DoD's plan to do so.
- The President approved a 1995 interagency report that reviewed the Federal lab structure within DoD, NASA and DoE and that recommended that DoD develop a downsizing plan for their labs.

Financial

- DoD's budget will be severely constrained over the next 10-20 years and the DoD must ensure that it lowers its costs, including the costs of its infrastructure.
- The Department has already taken the personnel savings from lab and test center restructurings (about \$2 billion per year) to fund other Administration priorities. **If closings are not achieved, reductions will have to be made elsewhere in the Administration's program.**

Fundamental

- The DoD lab and test center infrastructure is 35% to 50% too large and facilities must be pared down to save the taxpayers money.

This legislation is the result of a long process within DoD in which the OSD was able to secure widespread cooperation among the services to reduce the Department's research and development infrastructure. DoD is concerned that without approval of this package it will not be able to hold the services together to finish the restructuring that they believe is necessary. If this proposal is not sent to the Hill, the services will blame the Administration and one another for not doing more to allow them to save funds.

Lab Restructuring Could Yield Significant Savings

The Base Closure and Realignment Act (BRAC) process, used to close many DoD installations in the late 1980s and 1990s, barely touched DoD's labs and test centers. The lab and test center system currently costs about \$8 billion per year (about \$5 billion from RDT&E). Annual savings of \$2 billion to \$3 billion per year might be possible through restructuring and closings.

An Explanation of the Proposed Process

The legislation would require that the Secretary submit the Department's recommendation for restructurings to an independent commission by 1 February, 1999. The commission would review the recommendations, add or subtract facilities from the list and forward the list to the President by 1 July, 1999. The President, if he agrees, would submit the list to the Congress by 15 July, 1999, for an up or down vote on the list as a whole, within 60 days. If the President does not agree with the Commission recommendation, he sends the list back to the Commission for potential revision and resubmission by 15 August, 1999. If he approves the revised list, he transmits it to the Congress by 1 September, 1999. This process largely mimics that of BRAC.

DoD Has Made Revisions to Accommodate Major Concerns

In the process of review and coordination, DoD has made major revisions to the plan:

- **General:** DoD originally requested broad authorities for the SECDEF to close and restructure the labs and change the labs' personnel and procurement systems with little oversight. At our urging, they have revised their plan to more closely resemble BRAC. They made changes responsive to many agencies regarding personnel authorities, procurement authorities, appointment authorities, etc.
- **Environment:** DoD accommodated EPA concerns regarding future land use. Accordingly, DoD must ensure that the land that it disposes will comply with environmental standards after privatization. Originally, DoD proposed that the land be brought up to environmental standards before disposal, but that future use (including the meeting of statutory and regulatory standards) be the responsibility of the recipient. At EPA's request, DoD eliminated the provision that would have exempted it from future use standards. EPA had no further complaints.

Current Location of DoD Labs and Test Centers

There are 138 sites located in 31 states, the District of Columbia and abroad. The system employs about 130,000 military, civilian and contractor personnel and, as mentioned above, costs about \$8 billion annually. The states with the largest number of labs and test centers are California, Maryland, Virginia and Florida. There is a national average of about 2.6 facilities per state and 0.3 per Congressional district. Only a portion of these facilities would be proposed for closure or restructuring. A list of labs and test centers is attached.