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DEPOT CLOSINGS AND THE DESTRUCTION OF WESTERN CIVILIZATION

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Depot Closings and the
Destruction of Western Civilization

"A group of House members came over en masse and predicted that I was about to destroy Western civilization as we know it .It's an unfortunate commentary on the system, because we're hearing less and less talk about national security challenges, and more and more parochial talk about protecting my depot, my base and my weapon system The greatest obstacle to modernizing our military forces may be the Congress of the United States "

Senator John McCain[1]

Senator McCain's comments in June 1997 reflected his frustration over the progress of the fiscal year 1998 Defense Authorization Bill One can only imagine his frustration level—and his fears for Western civilization—in November 1997 when Congress finally sent the President the authorization bill long after the fiscal year had begun and even longer after the completed appropriations bill threatened to make most of it irrelevant [2] The source of the delay was not, as might be expected or desired, a fundamental disagreement in national security policy or military readiness Rather, it was a purely political debate over the disposition of work being performed at two Air Force maintenance depots targeted for closing by the 1995 Base Realignment and Closing Commission

The origins of the congressional stalemate lie in the initially unrelated issues of base closings and privatization As the need for maintenance depot reductions became apparent in 1995, the concept emerged of privatizing depot activities locally in the closing depot's community This "privatization-in-place" concept became the focus of election year politics beginning a chain reaction that has destroyed any support for future base closings and nearly destroyed the defense authorization process

[1] Kitfield, James, "Collision Course", *National Journal* 29, no 25, (21 Jun 97) 1272
[2] Certain parts of the authorization bill such as pay raises and military construction must be passed as an authorization before any appropriation can take effect Most of the other funding issues, however, do not require an authorization

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The Base Closing Process

The Base Realignment and Closing Commission began in 1988 as a way to insulate the base closing process from the political process Recognizing the need to reduce military infrastructure in concert with already reduced force levels, but unable to make the economically and politically painful decisions, Congress established the base closing process to take the decision out of their own hands

The Department of Defense (DoD) would develop a list of proposed closures and realignments based on economic and military guidelines spelled out in the authorizing language The list would be submitted to a non-partisan commission, which would review the DoD analysis and hold hearings where local communities and other interested parties could challenge or defend DoD's recommendations If the commission found significant deviations from the established guidelines, they could delete or add bases over DoD's objections Once the commission's review was complete, they would submit their recommendations to the President who would have to approve or reject the report in its entirety In the absence of a congressional joint resolution to overturn the recommendations within 45 days, the commission's recommendations would become law [3]

This was the process that gave Congress the cover it needed By intentionally taking the decision out of their own hands, and the President's, they would be able to face the voters in their districts saying there was nothing they could do—it was simply not their fault And the process worked Despite emotional and strident hearings where local communities sought to enhance the value of their bases and malign the value of competing bases, nearly 100 bases were slated for

[3] *Defense Base Closure and Realignment Act, U S Code,* Vol 10, sec 2687 (1990) Note The 1988 round of base closings was covered by an earlier law (Public Law 100-526) in 1988 The procedures for nominating bases for the 1988 Commission differed slightly from those described here for the 1991 and subsequent rounds

closing during four base closing rounds [4] Yet two of those bases in the final round, Kelly Air Force Base (AFB), Texas and McClellan AFB, California, became the focus of election year politics revolving around the issue of privatization

Privatization

Contracting out, or privatizing, military support services was nothing new in 1995, nor was it tied to the base closing process The services had been experimenting with it as a money saving tool since the late 1980's In 1991, in response to congressional language in that year's defense authorization bill, the Army and Air Force began to conduct public-private competitions for depot work that pitted the DoD civilian workforce against private contractors [5]

Neither side in these competitions was happy with the arrangement Private contractors argued they could not win contracts because the government had unfair advantages in the form of tax breaks and existing infrastructure The government employees, on the other hand, didn't want to lose their jobs and argued against privatization on readiness grounds Congressmen representing districts with depots objected to any idea that might move jobs out of their districts [6]

Congress's solution to the problem in the 1992 authorization bill was the 60/40 rule which limited to 40% the amount of depot work that could be privatized regardless of cost or performance [7] On the surface, this allowed Congress to have it both ways It ensured the bulk of depot work would stay right where it was, but it also allowed them to claim they were letting the services save money through privatization The effect, however, was to place the location and percentage of privatization outside the base closing constraints, making it a temptation too hard to resist as the 1996 presidential elections neared

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[4] Khalizad, Zalmay and David Ochmanek, "Rethinking US Defence Planning," *London*, Spring 1997, 43

[5] Thompson, Loren B , "Public-Private Competition—Bad Proposition That Refuses To Die" *National Defense*, (October 1997) 22

[6] Adams, Billy J , "Managing Defense Depot Maintenance Preparing for Change," *Institute for National Strategic Studies, National Defense University, Essay on Strategy XIV* (National Defense University, 1996), database on-line, at http //www hdu edu/ndu/inss/books/essa/essamddm.html

Setting Off a Chain Reaction

During the cold war, DoD built up a series of supply and repair depots supporting everything from hand-held radios to C-5 cargo aircraft The highly technical skills needed to repair much of this equipment took extensive training, thus ensuring the bulk of the work force would be civilians (i e voters) from the local community The inevitable criticism and expense of laying off so many employees induced the services to leave depots largely untouched in the first three rounds of closings [8]

However, by the fourth round, scheduled to begin in 1995, the Air Force, in particular, was expected to nominate at least one depot, based on preliminary data that the five major Air Force depots were collectively operating at only 48% capacity [9] It came as a great surprise, therefore, when no Air Force depots were on the list the Department of Defense submitted to the Commission on February 28, 1995 The Air Force claimed the depots were necessary for readiness reasons and that it would cost less to downsize all their depots than it would to consolidate five into three

Few in Congress or on the Base Closing Commission accepted the Air Force's explanation Representative Don Nickles R-OK, noted "What's California? Ten percent of the electoral votes It makes one wonder " Other congressmen, including House Majority Leader Dick Armey of Texas were less subtle, claiming depots were "improperly spared closure for purely partisan reasons "[10] Whether or not the depots were left off the list for political reasons or

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[7] Ibid

[8] Hill Staff Member with ties to the 1995 Base Closing and Realignment Commission, interview with author at National War College. 28 October, 1997

[9] Cassata, Donna, "GAO Faults Air Force Decision to Shut No Repair Depots," *Congressional Quarterly* 53, no 15, (15 April, 1995) 1075

[10] Congressional Quarterly Almanac 104th Congress, 1st Session 1995, (Washington D C Congressional Quarterly Inc , 1996), 9-20 It is worth noting that Representative Armey of Texas made his comment before it was apparent that Kelly AFB, Texas would be one of the depots closed

for sound economic reasons, the perception was for the first time partisan politics had been injected into the process—and the perception was all that mattered

The Commission was no less convinced by the DoD justification for leaving the depots off the list From the first day they were suspicious of the Air Forces savings figures[11] and a Government Accounting Office report issued in April 1995 seemed to confirm their suspicions [12] To make matters worse, at least one member of the commission staff was convinced the Air Force really wanted to include the depots, but had been overruled by a Secretary of Defense to avoid antagonizing the electoral vote-rich states of California and Texas [13]

Amid these accusations of political tampering, the commission elected to put Kelly and McClellan back on the table [14] After emotional testimony by the California and Texas congressional delegations and an 11th hour visit by the Secretary of the Air Force and Chief of Staff of the Air Force, the commission voted to close both bases [15] Former Senator Alan Dixon, the commission's chairman, citing the panel's obligation to save money for the services noted "this [was] the most significant deviation from the secretary's recommendation in the history of base closures "[16]

The perceived politicization of the process and subsequent debate galvanized the parties on both sides of the depot issue The supporters of the Kelly and McClellan depots had been dealt a substantial economic blow and were desperately looking for any formula to mitigate the damage The opponents of Kelly and McClellan, mostly the congressional delegation from districts with other depots, felt they had won a major victory by undoing the partisan actions of the Secretary of Defense—and securing jobs for their districts as workload transferred out of the closing depots

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[11] Cassata, Donna, "Panel Votes to Slash Depot Despite Air Force Protests." *Congressional Quarterly* 53, no 25, (24 June 1995) 1855
[12] Cassata, "GAO Faults Air Force," 1075
[13] Hill Staffer, 28 Oct 97
[14] Ibid
[15] Congressional Quarterly Almanac 104th Congress, 9-21

In politics, though, few issues are ever final The day of the vote, Senator Dianne Feinstein called on the president to "step in "[17] With his 1996 election just getting in gear, President Clinton agreed with the need to assuage California and Texas workers without resorting to the politically extreme measure of rejecting the entire Commission report His solution was privatization-in-place

The Privatization-in-Place Decision

The depot debate during the commission hearings highlighted the adverse impact of closings on three constituencies key to President Clinton's 1996 reelection campaign and the Democratic Party unions, Hispanics, and Californians A majority of the workers who would lose their jobs were unionized government employees By somehow protecting their jobs, Clinton could not only garner the support of the sizable government employees unions, but also appeal to the larger traditionally Democratic labor constituency nation-wide

At the same time, he could shore up the Hispanic vote represented at both depots Although the Hispanic workforce at McClellan itself was comparatively small, there were 618,000 new Hispanic voters in California, an increase of almost 45% since 1992 [18] More significantly though, 61% of Kelly's workforce was Mexican-American, including 40% of all Mexican-Americans in San Antonio who earned more than $25,000 per year [19] By rescuing the sizable Hispanic middle-class in San Antonio, the president could position himself as a friend of all Hispanics, especially those in the electoral rich states of Texas, California, and Florida

Finally, Clinton recognized California, with its 54 votes, was the ultimate electoral prize He owed California for his 1992 victory and needed to solidify it for the 1996 campaign Saving

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[16] Cassata, "Panel Votes to Slash Depots," 1856
[17] Ibid, 1855
[18] Barnes, James A , "Along the Campaign Trail", *National Journal* 28, no 43. (26 October, 1996) 2296
[19] Jarboe, Jan, "Grounded," *Texas Monthly* 23, no 8, (August 1995) 5

California jobs would go a long way towards that end, particularly since California had been the hardest hit by previous rounds, losing 22 bases and 82,000 jobs [20]

These three constituencies created a powerful incentive for the Clinton administration to find a loophole in the commission's recommendations to close Kelly and McClellan With one exception, the commission report authorized DoD to transfer the depots' workloads to other depots or the private sector as it saw fit [21] The Clinton administration seized on the idea that if the workload was privatized, there was no reason they couldn't order the Air Force to privatize the functions in place in Sacramento and San Antonio While this formula wouldn't save every job, it would, presumably, cause commercial companies to hire many of the former government workers, thus appeasing the key constituencies

The decision energized and polarized congress To the Texas and California delegations, the decision was a justifiable way to protect federal workers and they immediately began efforts to change or repeal the 60/40 rule to allow more work to be privatized in place To the Depot Caucus, a bipartisan group of over 100 Representatives and Senators formed to promote government work at the depots they represented, the president's decision was a direct attack on the defense benefits in their districts And to the leadership in both houses and in both parties, the decision represented a breach of faith in a base closing process designed to spread the pain and blame between the executive and legislative branches

Unintended Consequences

It's not surprising, therefore, that the privatization-in-place decision has had consequences far beyond the short term election gains that drove it The lingering bitterness over the

[20] Congressional Quarterly Almanac, 104th Congress, 9-21

[21] Dixon, "Alan J "Defense Base Closure and Realignment Commission Report to the President," published as "House Document 104-96, Defense Base Closure and Realignment Commission Report to the President, Message from the President of the United States Transmitting His Certification of his Approval of All the Recommendations Contained in the Commission's Report," (Washington D C GPO, 13 July, 1995), 84, 108 The commission recommended ground electronics equipment maintenance transfer to the Army's Tobyhanna Depot

politicization of the process and the continuing efforts to reverse or expand the decision have affected defense policy far beyond the simple monetary issue of where the defense dollars go It has fundamentally damaged the defense policy process in two critical areas future base closings and the relevancy of the defense authorization process

Recognizing there has been a 33% reduction in force structure with only a 21% reduction in infrastructure, the Quadrennial Defense Review (QDR) report DoD submitted to Congress in May 1997 called for two more rounds of base closings—the savings from which would go to pay for modernization [22] However, the perceived politicization of the base closing process led Congressman Joe Hefley (R-CO), Chairman of Military Installations Subcommittee of the House National Security Affairs Committee to declare another round of base closings would occur only "over my dead body" Even after Secretary of Defense Cohen agreed to prohibit privatization-in-place in any future rounds, both houses of Congress, but particularly the House, replied Clinton had "poisoned the well" while he is president [23] If Congress's position remains firm, another round of closings could not occur until well after the turn of the century—too late to offer offsetting savings for Air Force modernization programs

More importantly, however, the debate over the final disposition of the depot work nearly brought the defense authorization bill to a standstill and called into question the relevance of the defense authorization committee process

In 1996, when the Senate proposed changing the 60/40 rule to 50/50 to allow more privatization (in place or otherwise), House members of the Depot Caucus first raised the specter of the destruction of Western civilization However, because it was an election year, the debate was muted and the bill was passed on time by deferring any changes

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[22] Hudson, Rebecca J, "Spence Responds To Cohen On Additional Base Closures", *Sea Power* 40, no 7, (July 1997) 20

[23] Kitfield, "Collision Course," 1274

But in 1997 there was nothing to constrain either side The administration and Kelly/McClellan delegations again fought to change the 60/40 rule to 50/50 (or delete it entirely) to allow more efficient privatization [24] The depot caucus fought just as hard to impose other changes to nullify the privatization-in-place plan The authorization bill passed both houses of congress in July with the Senate version taking the side of the depot caucus and the House taking the side of the privatization-in-place plan [25] However, the conference committee debate dragged on into November as both sides refused to compromise

Representative Curt Weldon summed up in two words what finally broke the stalemate "International Affairs " He was referring to the fact the foreign affairs authorizing committees had failed to produce a foreign aid bill since 1985, making them virtually irrelevant as the appropriations committees went on without them The defense authorizations committees were in danger of suffering the same fate as adjournment approached with no solution in sight "You can be an active player early on, [or] an active player later No bill—you're completely irrelevant," lamented Representative Ike Skelton [26]

Thus the fear of being trumped by their Appropriations Committee counterparts forced the conference committee to compromise, at least for this year The conference language reduced the 60/40 rule to 50/50, which the Kelly and McClellan supporters demanded, but it also added the Senate language making it much harder to privatize depot work The two provisions counteracted each other and nothing was resolved [27] Under such circumstances, the relevancy of the authorization committees could still be questioned

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[24] Martin, Gary "Tejada abandons fight to repeal 60-40," *San Antonio Express News*, 9 May 96, database on-line, http //www express-news net. One Air Force estimate called for at least 52% authorization at McClellan before meaningful privatization could occur

[25] Cassata, Donna, "Conferees, Rearing 'Irrelevancy,' End Months-Long Stalemate," *Congressional Quarterly* 55, no 42, (25 October, 1997) 2621

[26] Ibid

[27] U S Congress, House, *National Defense Authorization Act for Fiscal Year 1998*, 105th Cong , 1st sess , Conference Report on H R. 1119, *Congressional Record*, (23 October, 1997) H9377

Who Won?

It is difficult to find anyone who has actually benefited from the privatization-in-place decision Very little of the depot's work has been privatized to date and the added criteria for privatization in this year's bill make additional significant privatization unlikely The decision's effect on the election is also questionable By April of 1996 the president led in the polls by 12 percentage points in California[28] and trailed by 13 points in Texas[29] With that large a margin, it is difficult to argue the decision made a difference DoD has also lost It cannot expect to be allowed to close additional bases any time soon and will feel the effect in the procurement budget Even where already authorized to close depots, it is unable to make the most efficient decisions to privatize or transfer depot work in the presence of contradictory congressional pressures

But far and away, the biggest loser is the national defense policy process The congressional authorizing committees came perilously close to irrelevancy this year and have, most certainly, lost credibility The added unwillingness of Congress to even consider a major policy issue, such as base closings, until the president is out of office does not bode well for the overall quality of policy likely to appear in the next few years

The actions of the president and congress over depot closings will probably not, as House members assured Senator McCain, lead to the destruction of Western civilization Although when future generations finally write the history of Western civilization, this episode will not be listed as one of its prouder moments

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[28] Mason-Dixon Political/Media Research, *Nando Election 96 Home Page*,(July 1996), database on-line, http //www nando net/newsroom/nt/Elex96/polls/ca796 html

[29] Mason-Dixon Political/Media Research, *Nando Election 96 Home Page*. (September 1996), database on-line, http //cgi2 nando net/newsroom/nt/Elex96/polls/tx996 html