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# DEFENSE ISSUES

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*BRAC is a four-letter word to many community leaders. New laws, procedures and programs, however, mean a base realignment or closure can be a win-win-win proposition that sparks unprecedented economic growth.*

**Volume 13 Number 7**

## **Base Closure Pain Today Can Mean Profits Tomorrow**

*Prepared remarks by Secretary of Defense William S. Cohen at the U.S. Conference of Mayors, Washington, Jan. 29, 1998.*

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Thank you. ...

Some of you may be wondering why the secretary of defense, whose concerns are traditionally thought to be across the oceans and in foreign lands, has asked to speak to our nation's mayors, whose concerns are here at home and among the people. But we have a lot more in common than you might think. For starters, I, too, was once a mayor in my hometown of Bangor -- Maine's third largest city -- and I know how tough the job can be.

Ed Koch once observed at an unfriendly rally in New York City: "If you don't like the president, it costs you 90 bucks to fly to Washington to picket. If you don't like me, 90 cents for the subway ride." So I know that mayors are closer to the people.

As a former mayor I also appreciate your efforts. I appreciate how your leadership has fueled our national prosperity and made you partners in our national security. Over the years, you have provided hometowns for our troops and their families, and hard-working labor for our bases and facilities. And always, the character of your cities has been illuminated -- a character defined not just by strong reaction in times of challenge and crisis, but also by solid action in times of peace and prosperity.

And that is why I am here today to call upon you again for solid action in the name of national security, in a time of unparalleled peace and prosperity.

Today, America is the wealthiest, most powerful nation in the world, the sole global superpower. But if we want to keep it that way, we cannot rest on our laurels or declarations. The Soviet threat that shadowed America and the Free World for over four decades has given way to new threats that are harder to define and in some ways harder to defend against. Threats such as regional aggression and ethnic conflict; terrorism, such as we have seen in Saudi Arabia and at the World Trade Center; and chemical and biological weapons. What we saw in the subways of Tokyo, we can just as easily see in the streets of any of your cities.

We have adjusted to this new environment by cutting our defense budget by 40 percent and cutting our force structure by 36 percent. At the same time, we have reoriented our forces to meet these new challenges.

Today, America's forces must be ready to go on a moment's notice wherever we need to send them -- and that means we must keep them well-trained, keep their equipment well-maintained, and it means offering an attractive quality of life -- decent pay, housing, health care and other support programs -- that keeps the best of our service members in the service.

This is a difficult task, but perhaps an even more difficult one is finding those resources that will carry our forces and our security into the 21st century. Our future security depends on building a military force

that is the smartest, fastest and most flexible anywhere, one that can not only quickly and soundly defeat any foe, but can deter potential adversaries and prevent conflict from ever starting.

Building this force requires more than an evolution to newer weapons. It also means new strategies, doctrine and operational concepts for employing our forces.

In short, it means a complete revolution in military affairs -- a revolution that harnesses America's strengths: our brains, our creativity and, especially, our technology; a revolution that employs the power of the microchip to make our troops on the battlefield to be all-seeing, all-knowing and all-powerful while denying sight, knowledge and power to the enemy.

If I can paraphrase Lincoln Steffens, "I have seen this future -- and it works."

If you travel to Fort Irwin, Calif., and watch the Army's Force XXI conduct advanced warfighting experiments, you will see soldiers with satellite navigation sets in their backpacks, M-16s in their hands equipped with thermal sensors, laser rangefinders and image-intensifiers. You will see Humvees with computer screens bolted to the dashboards showing troop locations across an area the size of Rhode Island. You will see similar technological marvels at the warfighting experiments of the Navy, Marines and Air Force -- marvels that make what we saw during Desert Storm look as dated as a pinball game. But technology, whether it is pinball or laser tag, is never free. And right now DoD's biggest challenge is finding the resources to both keep today's force ready to fight, while at the same time investing now in future technologies. Our defense budget, as I mentioned, has been reduced 40 percent over the past decade, and it will remain flat for the foreseeable future.

Many of you in this room understand this all too well because you actually felt these cuts. Cold War military budgets not only provided security, they provided jobs. Today, that connection between national security and jobs still remains strong, but as the world has changed so has that relationship.

It took a huge standing force to face the threat from the Soviet Union. Today, we need a smaller, more mobile and more lethal force, built to face the uncertainty of today's threats. We need the structures that support our forces to be every bit as lean and agile. And while today the department is certainly smaller than it was 10 years ago, many of our support structures and business practices are still stuck in the past.

And if we do not change that, we will not only be cheating the taxpayer, but even more importantly, it will become increasingly difficult to keep today's force ready to fight, and it will become virtually impossible to properly equip the force of tomorrow. In short, there will be no revolution in military affairs unless there is also a revolution in the business affairs of the Department of Defense.

That is why two months I unveiled DoD's Defense Reform Initiative. This is not just another study; it is a set of decisions designed to take our forces into the next century. It rests on what we call the four pillars of reform: re-engineer, consolidate, compete, eliminate. Many of you will undoubtedly recognize these pillars: We learned them from reform efforts in the business world and your own cities.

We have learned about re-engineering from mayors like your president, Paul Helmke, who is using modern decision-making processes to reinvent the way city hall works in Fort Wayne, [Ind.] and mayors like Richard Daley, who is completely re-

engineering how Chicago educates its 400,000 public school students.

At the Pentagon, re-engineering means adopting state-of-the-

art business practices from the private sector and innovative local officials, moving to a paperless weapons buying system so we can acquire the latest technology faster and cheaper, and streamlining our logistics operations.

We have learned about consolidating from mayors like Deedee Corradini of Salt Lake City, who reduced the number of city departments and dramatically increased efficiency. In DoD, our goal is to consolidate

and reduce my staff at the Office of Secretary of Defense by 33 percent over the next year and a half, with similar sized cuts to the Joint Staff and defense agencies.

Mayors like Patrick McCrory of Charlotte [N.C.] have showed us how to ensure the best services by enabling the best people to do the job. In DoD, we are doing that by opening up a lot the work we now do in-house to competition. In 1997 alone, we initiated more than 10 times as many public-private competitions as the year before.

And like mayors and managers across America, we know that in order to compete in the future we must eliminate excess overhead. For DoD, this means reducing our infrastructure -- our massive network of bases and facilities that were built in a different era to meet a different threat.

As reformers at home, all of you know that more than anything else, excess real estate creates an incredible drain on the bottom line. This is the drain we are feeling right now at DoD. We have reduced our force structure by 36 percent since the height of the Cold War, but in that same time period we reduced our infrastructure by only 21 percent.

You see these numbers reflected across the force. We have far fewer submarines, but the pier space supporting them has not fallen accordingly. We have far fewer aircraft, but we have not seen a corresponding decrease in air bases.

This gap between force structure and infrastructure represents billions of dollars going to bases we don't need, the very same billions of dollars we need to maintain readiness and modernize our forces.

There is a piece Walter Lippmann wrote in 1938 about a Russian czar who saw a sentry standing next to a patch of weeds. He asked the sentry why he was there, and the sentry said, "Well, I don't know. I've just been ordered to stand here by the captain of the guards." So the czar asked the captain of the guards, who replied, "The regulations require it." He continued to ask other officers and court advisers on up the chain of command, but could find no one who could explain it. Finally, he went back to the archives. There he discovered that Catherine the Great had planted a rose bush on that spot over 100 years earlier and had ordered a sentry to guard it. The rose bush was long since gone, but the guard remained.

That metaphor captures where we are today. Our military personnel are standing guard at bases whose missions, like Catherine the Great's rose bush, have withered and gone away. That is why President Clinton, the Pentagon and respected independent groups have called for two more rounds of base realignment and closure, or BRAC. These two additional rounds will free up \$2.8 billion each year toward maintaining readiness and force modernization.

But as you well know, DoD cannot embark on new rounds of BRAC without the support of Congress. When the call goes out for more rounds of BRAC, we need the Congress to resist the temptation to respond with, "Not yet, not here, not now, not mine."

I said in my confirmation testimony that all the easy choices were behind us. It is time to make the tough choices if we want to keep our defense strong and our future secure. We have to ask ourselves: Do we want depots in government hands or high-tech weapons in soldiers' hands? Do we want to protect facilities or protect troops? Do we want to preserve local defense contracts or promote solid enlistment contracts?

But we need more than support from Congress, we need support from you and your communities. To many, BRAC has been a four-letter word but to others, it became a rally-cry for redevelopment. The nation needs to hear from those of you who have been through successful base closures, how you struggled, survived and even thrived, how you pioneered and preserved, and turned the pain of BRAC into profit for the future.

I know the tough road you traveled to succeed. I have been personally involved with base closings since 1968, when I was a Bangor city councilman. One day the Air Force showed up and said, "We are closing Dow Air Base in your town, but don't worry, we'll give it to you for a dollar." Well, we could not even

afford to plow the runway, much less embark on a dramatic reuse effort.

As a senator, I watched as Loring Air Base in northern Maine was ordered closed with little assistance provided by DoD. And so as a senior member of the Senate Armed Services Committee, I vowed, along with some other colleagues, to change the process.

So we drew up new laws and procedures and started programs to jump-start communities' redevelopment. As a result, BRAC today can be a win-win-win proposition -- a win for the government when it frees up money for more important military uses, a win for the communities when they create new jobs, and a win for businesses that seize new opportunities to grow and flourish.

And recent history has shown this to be possible. You will hear critics say that DoD consistently underestimates the cost of closing a base and overestimates the savings. In fact, a forthcoming report from the defense inspector general shows that for the 1993 round of BRAC it was just the opposite: DoD overestimated the cost by 18 percent and underestimated the savings by 23 percent.

More importantly, around the nation you can find stories of mayors and communities that replaced the stable, but static, sources of income provided by military bases, with dynamic, growth-oriented private enterprises. Ask any one of these mayors to share their stories how they turned the death knell of BRAC into a starting bell for the future.

Ask Mayor Ed Randolph of Alexandria, La., how they created nearly 1,300 new jobs since the air base there [England] closed in 1992 -- more than the Air Force employed during its heyday.

Ask Mayor Stephen Goldsmith of Indianapolis how to conduct the largest and most complete privatization ever of a U.S. military facility, saving 2,400 Indianapolis jobs and creating over 500 new ones.

Ask Mayor Wayne Brown of Mesa, Ariz., how they turned Williams Air Force Base, Ariz., into Williams Gateway Airport -- an international aviation and aerospace center that has attracted twice as many jobs as before.

Ask mayors like Ralph Appezato of Alameda, Calif., Glenda Hood of Orlando [Fla.] and Joe Riley of Charleston, S.C., how to turn closing Navy bases into burgeoning business centers with thousands of new jobs.

These success stories have been repeated across the country. In each case, the principles of success are no secret. Each community had the vision to see a brighter future and the insight to find the right path. They organized early. They created base reuse plans that fit the needs of the community and its vision for the future. They articulated those plans with a single, coherent voice. And lastly, they seized upon the offers of assistance from DoD and other federal agencies.

These offers are both genuine and generous. DoD is now using the experience we have gained to help workers find training and new jobs. We are turning property over faster and speeding up environmental clean-up. And we are providing grants to plan for base reuse.

DoD offers this help not because we are soft-hearted, but because we are hard-headed. We cannot build our force for the future without your support, and we cannot get your support unless we can contribute something in return.

We are also hard-headed because we realize that building a modern military is a national imperative. We live in peaceful times, but times inhabited by threats to our national security whose only limits are the boundaries of science and the imagination of terrorists and fanatics. We have it in our power to give our men and women in uniform the technology and the know-how to succeed in a new American century, but only if we put our own house in order and adapt our defense infrastructure accordingly.

And that choice is as much yours as mine. You are not only leaders of your communities, you are also

leaders of your country. We can all say we are concerned about the Air Force not being able to keep its best pilots, about how the blistering pace of deployments to places like Bosnia, the Persian Gulf and elsewhere is putting a strain on our military families, about how we may not have enough money to keep our equipment well-maintained or up to date. But our cries are hollow when at the same time we are knowingly putting money into maintaining excess real estate whose value to America's national security ended with fall of the Berlin Wall, now nearly 10 years ago.

In a recent book called "On the Origins of War," Daniel Kagan wrote, "A persistent and repeated error through the ages has been the failure to understand that the preservation of peace requires active effort, planning, the expenditure of resources, and sacrifice, just as war does." America cannot afford to make this mistake -- and we need your help to make sure we don't.

I am here today because I need your help to fulfill the pledge I have made to our troops -- the men and women who come from your cities and towns -- to keep them well-equipped and well-cared for as they work to preserve freedom around the world.

Thank you for working with me.

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DEFENSE ISSUES

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