Introduction

No major military base closures were implemented between 1977 and 1988, despite the Department of Defense (DOD) recommendation of hundreds of closures and realignments, despite the almost 20 prior years of successful DOD-initiated base closures, and despite the practical allure of saving as much as $2 to $5 billion annually from such closures without reducing national security. Why? This paper seeks some of the answers.

Attempts to close obsolete or inefficient military bases continue to attract academic and political attention—both as a potential source of budgetary savings and as a microcosm of the larger problem posed by distributive politics in a representative democracy. The issue was in the news again in 1988 as key members of Congress struggled—27 years after Defense Secretary Robert McNamara’s renowned efforts to streamline the military base structure—to enact legislation to provide statutory underpinnings for a Commission on Base Realignment and Closure, hoping to surmount existing political obstacles to base closures. Meaningful assessment of the likely efficacy of such reform requires analysis of the role of changing institutional constraints in shaping observed degrees of parochialism.

Political science and economics both provide theoretical models that offer significant insight into the base closure issue. Analyses
grounded in distributive politics (Fiorina 1977; Ferejohn 1974; Mayhew 1974) stress reelection as a driving motive: Self-interested politicians predictably use constituent service in ways that, while furthering their reelection objectives, may undermine government efficiency. The public choice model, on the other hand, suggests rent-seeking efforts by legislators, bureaucrats, and their constituents that often undermine broader societal goals (Tullock 1965, 1967). Both approaches recognize the unique ability of the political process to concentrate benefits while dispersing costs, differentially rewarding politicians who serve constituents' parochial ends—in this case, maintaining local jobs associated with military bases.

Whether to enhance reelection prospects, maximize votes, or maximize power and the perquisites of office, self-interest in these models typically impels politicians to act on what Randall Fitzgerald and Gerald Lipson (1984, p. xviii) have called the “parochial imperative.” Recent studies have drawn attention to the role of ideology in shaping politicians’ perceived self-interest (Kalt and Zupan 1984; Kau and Rubin 1979), as well as the role of government augmentation of transaction costs in molding the constraints politicians face (Twight 1988; Nordlinger 1981). Still the self-interested politician, responsive to the demands of competing pressure groups, remains the centerpiece of much economic analysis of regulation and the political process (Stigler 1971; Peltzman 1976; Becker 1983).

With respect to base closures, empirical analyses are consistent with both the distributive politics approach and the public choice paradigm. Douglas Arnold (1979, 1987), for example, has shown that key members of Congress have significant ability to influence DOD decisions regarding military base closures and new base locations. Studying the DOD’s Army and Air Force base decisions between 1952 and 1974, Arnold (1979, pp. 108, 113) found “strong support for the hypothesis that military committee members were better able to protect their installations than were rank-and-file congressmen. . . . Installations without representation on the military committees are still more than twice as likely to be closed as the others, even with such alternative explanations as base size controlled.” Lewis Dexter (1963, p. 311) provided corroborative evidence that, in the words of one congressman, the House Armed Services Committee “is a real estate committee.” A staff member described as “perhaps the most experienced staff man on military matters on the Hill” reiterated the point, stating, “Our committee is a real estate committee. Don’t forget that. If you study our committee, you are studying real estate transactions.”

1Quoted in Dexter (1963, p. 311). Dexter concluded (p. 312), "By that, he meant that
While these empirical studies show distributive politics and rent seeking at the operational level, they pay little heed to the crucial role of institutional or legislative structure in determining the scope of effective parochialism. This paper will show that observed political behavior surrounding base closures is a strong function of the institutional structure under which such decisions are made. Statutory mechanisms for closing major bases have often encouraged and institutionalized parochialism in these decisions. Once embedded in the formal mechanisms of law and the informal habits of decision-makers, this parochialism becomes enormously difficult to erase. By examining the political forces underlying congressional changes in institutional mechanisms to close bases, this article seeks insight into the broader question of congressional parochialism in the national defense program. The latter part of the article evaluates recent reform efforts and potential policy measures for reducing the institutionalization of parochialism.


Between 1961 and 1988, major upheavals occurred in the institutional mechanisms for handling major base closures and realignments. Cycles of closure announcements, handled administratively in ways anathema to Congress, gave rise to cycles of restrictive legislation curtailing DOD’s flexibility to implement major military base closures or realignments.

Closing obsolete or inefficient bases became a major policy issue in 1961. Shortly after his inauguration, President Kennedy announced his intention to have Secretary of Defense Robert McNamara look into the matter, and McNamara followed through with a vengeance. During this early period, DOD was not encumbered by heavy statutory constraints on its base realignment decisions. The general pattern was that DOD would announce intended base closures, legislators in affected districts would protest vehemently in congressional hearings, and DOD would close the bases it wanted to close. Within this institutional environment, McNamara slated large numbers of installations for closure in the early 1960s: 73 in 1961; 33 in 1963; 63 in April 1964; and 95 on November 19, 1964.

From Congress’s perspective, the November 1964 announcement was the final straw, coming as it did only two weeks after the presidential election. After an aborted attempt to create what would have amounted to a one-house veto over DOD base closure proposals,
Congress enacted compromise legislation (H.R. 8439) that mandated a 120-day delay between the defense secretary’s providing Congress with detailed justification for base closures and DOD’s implementing those proposals. H.R. 8439 also specified that closures could be proposed by the executive branch only between January 1 and April 30 of each year, thereby preventing the president from proposing closures during eight months of each year. Only President Lyndon Johnson’s veto on August 21, 1965, prevented the measure from becoming statutory law.

Rather than attempt to override Johnson’s veto, Congress quickly enacted a watered-down provision that merely established a 30-day delay in implementing closures. The bill required the secretary of defense to give a full justification to the armed services committees for proposed closures affecting bases with more than 250 military and civilian personnel, after which the 30-day waiting period commenced. Signed into law on September 16, 1965, the mild provisions of the new law did little to curtail DOD’s base-realignment efforts. Announcements of additional closure packages continued to arouse congressional ire: 149 closures or realignments proposed on December 8, 1965; 39 announced on January 19, 1967; then after an election-year hiatus, 40 on April 24, 1969; 280 on October 29, 1969; and 341 on March 6, 1970.

Congressional resistance solidified following DOD closure packages announced in 1973 and 1976 as part of a general reduction in forces due to termination of the Vietnam War. When Defense Secretary Elliot Richardson announced 274 separate realignment or closure actions on April 17, 1973, Congress was furious. Several key committees held extensive hearings, and individual legislators advocated statutory solutions (U.S. House of Representatives 1973; U.S. Senate 1973a, 1973b). The time was ripe for congressional action when DOD announced 147 additional bases as candidates for closure or realignment in 1976.

The legislation that Congress enacted later that year did not represent a mere gradual swing of the pendulum: It was a thunderous crash, shifting significant political power from the executive to the legislative branch of government. The first measure to win congressional approval, section 612 of H.R. 12384, imposed in essence a

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3The 250-employee threshold was significant: Of 127 military installations in the United States and Puerto Rico affected by the base closure announcement of December 8, 1965, only 16 came under this statute’s provisions.

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mandatory one-year delay before DOD could implement any base closure or major realignment. President Gerald Ford promptly vetoed the bill, citing section 612 as the objectionable provision (Ford 1976a, p. 1113). An attempt to override Ford's veto passed in the House but failed in the Senate, with 51 senators favoring the override (Congressional Record, 22 July 1976, pp. 23373, 23433). With such strong sentiment for the legislation, Congress took less than three months to pass an alternative version of the bill.

Nothing of substance was changed in the relevant provision of the new bill, H.R. 14846. While on paper the one-year mandatory delay was shortened to 60 days, the change was meaningless because mandated National Environmental Policy Act (NEPA) procedures would take at least a year anyway. Congress also held fast in its insistence that DOD provide incredibly detailed justification of proposed closures or realignments. Congress first required notification that a base was a "candidate" for action, then mandated compliance with NEPA, and last demanded a "detailed justification" of any final decision reached by the secretary of defense, including "the estimated fiscal, local economic, budgetary, environmental, strategic, and operational consequences of the proposed closure or reduction."

President Ford (1976b, p. 1422) signed this bill into law on September 30, 1976, calling it a "substantial compromise on behalf of the Congress." The statute, codified as 10 U.S.C. section 2687, was the prototype of legislation that throttled all DOD attempts to close or realign major bases between 1977 and 1988. Made permanent in 1977, the legislation was, as a DOD spokesman later described it, "the functional equivalent of giving Congress a veto" over base closure and realignment proposals.

DOD nonetheless attempted to implement base closures under the new institutional arrangement. Defense Secretary Harold Brown released a list of 85 proposed closures and realignments on April 26, 1978, followed by proposals for 157 realignments on March 29, 1979. Congress had a field day contesting these proposals as well as fighting realignments first announced in 1976, which were retroactively covered by the 1977 legislation. Congress now had a profusion of tools

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6U.S. Senate 1985, p. 11, testimony of Dr. Lawrence Korb.
with which to undercut proposed closures: NEPA court challenges, congressional hearings on the candidate bases and on the detailed justifications DOD submitted, congressional demands for environmental studies during the authorization and appropriation process even when not otherwise required by law, denial of design funds for base consolidation, disapproval of construction funds to effect closures or realignments, imposition of requirements for alternate-use studies or one-year delays before implementation, and “remedial” legislation to block entirely DOD’s decision to close or realign a military base.

These tools were used with zeal: As noted above, not one major closure or realignment was allowed between 1977 and 1988. DOD gave up proposing realignments, submitting no new closure packages between 1979 and 1985. Thus DOD spokesman Korb testified in 1985 that “With major bases now, it is almost impossible to close them, based upon my experience over the last 4 years” (U.S. House of Representatives 1985, p. 16).

It was one thing to reduce DOD’s closure of major military bases, but quite another to stop it cold. In the face of obvious inefficiencies and waste sustained under prevailing institutional arrangements, political pressure mounted for “reform.” That effort culminated on November 8, 1985, when a couple of modest changes to the 1976 legislation were signed into law. First, recognizing that the old two-step procedure of declaring a base a “candidate” for realignment and much later rendering a “final decision” invited resistance to base realignment efforts, Congress compressed the procedure into a single-step approach. Thenceforth DOD would have to announce only its final decision to close or realign a base. However, the 1985 statute also mandated that DOD submit its base closure decisions in conjunction with its annual request for authorization of appropriations, in that regard making it easier, not harder, for Congress to block DOD’s closures.

One important question is, what made it politically feasible to implement these changes in 1985 and not at other times? Several factors appear to have been conducive to this outcome. As we will see below, Congress recognized that the 1977 law made it politically

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9Interestingly, President Reagan raised no constitutional objections to the bill, despite the similarities between it and the one President Johnson had vetoed in 1965 because it required base closure proposals to be submitted only between January and April.
impossible not to resist base closures, a role some legislators viewed with increasing discomfiture. The Reagan administration was strongly pro-defense, as was the mood of the country, suggesting greater tolerance of DOD autonomy. The defense budget in the early 1980s was growing in real terms beyond anything ever before experienced in peacetime, which reduced the likelihood of extensive closures not offset by additional spending elsewhere (Stubbing 1986, pp. 13–14, 29–30). No major closures had occurred for over seven years, making the reality of their economic impact less tangible to voters. Moreover, the federal budget deficit loomed larger than at any previous time in U.S. history, increasing the political attractiveness of savings wherever they might be found. The confluence of these circumstances created a political environment more supportive of base closure policy reform than at any time in more than a decade.

In practice, however, the 1985 reforms proved totally ineffective. DOD first tried to use the new statutory mechanism in its closure requests for FY 1988. Each service offered one base for possible closure or realignment. Action on the Army’s candidate—the Army Materials Technology Laboratory at Watertown, Massachusetts—was stopped cold after the Army withdrew its request, citing data inaccuracies. However, a DOD official stated in a telephone interview that the real reason for the withdrawal was political pressure exerted on the Army by key legislators from Massachusetts. Perhaps most alarming was congressional response to the Air Force’s candidate, Mather Air Force Base (AFB) in California. When DOD identified Mather, Congress immediately enacted defense bill language to prevent expenditures even to study closure of Mather.

Hence, despite DOD’s efforts, the 1985 statutory changes brought forth no major closures or realignments. NEPA procedures, as well as Congress’s enhanced ability under the 1985 provisions to embed blocking provisions in mammoth, almost veto-proof, omnibus military construction authorization acts, sustained the institutional invitation to congressional resistance. Equally important, the 1985 provisions still required DOD to ask Congress to fund specific construction projects needed for base closures or consolidations.

To remedy the situation, Representative Dick Armey (Tex.), Senator William Roth (Del.), and others sponsored bills in 1987 and 1988 to empower the defense secretary to expedite implementation of military base changes. In October 1988, after more than two years of political maneuvering, Congress approved a modified version of Armey’s proposal, which the president subsequently signed into
law.\textsuperscript{10} Its centerpiece is a newly established Commission on Base Realignment and Closure.\textsuperscript{11}

The legislation required that by December 31, 1988, the Commission on Base Realignment and Closure transmit to the defense secretary and Congress its conclusions and recommendations regarding which U.S. military bases should be closed or realigned. Contingent on his approval of all the commission's recommendations by January 16, 1989, the defense secretary was empowered to implement the recommended changes without regard to both 10 U.S.C. section 2687 (the 1977 rules) and statutory restrictions on base closure or realignment expenditures included in appropriation or authorization acts. The new law also specifically provided a "DOD Base Closure Account" designed to reduce the appropriations barrier to implementing base closures. Receipts from disposal of surplus real property and facilities at military bases closed or realigned under the act are to be placed in the account, making these funds available to enhance facilities that accommodate relocated missions without the necessity for specific congressional appropriations.

Earlier versions of the bill elaborately specified the composition of the commission, reflecting congressional fears that particular partisan views would dominate. Much political horse trading surrounded the statutory language that actually emerged. The Senate came to accept appointment of the commission's members by the defense secretary in conjunction with preappointment of most Commission members and with insertion of another provision that made the Commission's recommendations an "all-or-nothing" proposition from the secretary's perspective.\textsuperscript{12} To assuage historically well-grounded fears that base closures might be used to whip recalcitrant


\textsuperscript{11}Although the 1988 law gave the Commission on Base Realignment and Closure its formal authority, Defense Secretary Frank Carlucci established the commission and appointed its first nine members earlier in the year under a special "charter" agreement signed May 3, 1988. The commission held its first hearings on June 8, 1988—a novel political relationship between bureaucratic cart and statutory horse. One rationale for the procedure was to reassure members of Congress of the commissioners' integrity, expertise, and nonpartisan outlook before Congress faced a vote on the bill. The final bill increased the commission's membership from 9 to 12, a compromise between those wanting to broaden its geographic representation to 15 members—a number DOD believed unworkable given the statutory time constraints—and those desiring to retain only the original 9 members.

\textsuperscript{12}See footnote 11 for discussion of the preappointment strategy used to reassure Congress of the commission's nonpartisan nature.
members of Congress into shape, the bill provided that the secretary of defense had to accept all of the Commission's realignment and closure recommendations or none: The secretary was not allowed to pick and choose. Congress explicitly reserved its right, via expedited joint resolution, to disapprove the commission's plan within a period of 45 session days commencing March 1, 1989, but it also contemplated an up-or-down vote on the entire package.

As of this writing, the commission has made its recommendations, the secretary of defense has approved them, and the 45-day clock has expired. There were some local outcries, and congressional hearings allowed affected members their predictable fulminations. Joint resolutions of disapproval were introduced in both houses. Nonetheless, for political reasons explained more fully below, Congress failed to enact a joint resolution of disapproval, despite the fact that the commission's plan targets 86 bases for complete closure.

Again one can ask, why now? Despite strong efforts by opponents to scuttle the bill, Armey was able to overcome most resistance by hard work, compromise, and a systematic media campaign. His bold, last-minute move to substitute the original language of the bill for the amendment-gutted shell on the House floor proved strategically decisive. Politically, many viewed 1988 as a window of opportunity for such contentious issues, allowing the political heat to be directed toward the outgoing Reagan administration. Moreover, as described later, the statutory language that emerged from the House-Senate conference incorporated key changes to Armey's original bill that—from Congress's perspective—left the door to parochial base closure opposition comfortably ajar.

The power of the new law's approach lies in its attempt to put the entire package rather than individual bases on the margin in the political decisionmaking process—for Congress as well as for the

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13See the third section of this paper, “Congressional Resistance: The Nonparochial Rationale.” See also Armey (1988).
14The joint resolution of disapproval (H.J. Res. 165) failed in the House by a vote of 43 to 381. Therefore the Senate was not required to bring the issue to a vote, since passage by both chambers was prerequisite to rejecting the commission's plan. The commission's recommendations affect 145 installations and are predicted to imply a 20-year savings with a net present value of $5.6 billion (using a 10 percent discount rate and 3 percent annual inflation rate). The commission's report states that "Of this number, 86 are to be closed fully, five are to be closed in part, and 54 will experience a change, either an increase or a decrease, as units and activities are relocated" (U.S. Department of Defense, December 1988, p. 6).
16Loopholes in the statute are discussed in the fifth section of this paper, “Commission on Base Realignment and Closure: A Viable Reform?”
secretary of defense. It is an effort to prevent the process from unraveling in the parochialism and interbranch suspicion that historically have attended congressional and executive branch decisions on individual bases. The fifth section of this paper analyzes to what extent the statutory language accomplishes this goal and whether it provides a viable long-term solution to the base closure problem. In the following two sections, we will examine how conflicting motives—parochial and nonparochial—have stymied previous congressional attempts to close bases that DOD labeled as obsolete and inefficient.

Congressional Resistance: The Parochial Rationale

It is the perceived duty of every senator and representative to block military base closures in his or her state or district, within the bounds of existing law. Constituents demand it; reelection requires it. Throughout U.S. history, particularly once the 1977 legislation was in place, legislators have used all manner of openly parochial maneuvers to keep “their” bases open. There is both a cynical and a sincere side to this resistance. Even if they abhor waste associated with inefficient bases, members of Congress often feel they owe it to their constituents to defend home district military bases as part of a general obligation to represent local interests. During hearings in 1973, for example, Representative Jerome R. Waldie (Calif.) asked with apparent sincerity, “How can a member of Congress from Rhode Island give up his advocacy of employment for his constituents, no matter what the source of that employment is, when they are out of work? . . . Does he say, well, that is okay, because it was a mistake to have operated Rhode Island as a defense installation over the years . . . ?” (U.S. House of Representatives 1973, pp. 7—8). Given DOD incentives and behavior described in the following section, it is difficult to dismiss such pleas as purely self-interested maneuvering for reelection.

One can find enough self-interested maneuvering for reelection without scratching so hard. It was hardly subtle when Senator John Glenn (Ohio) testified that “I am here today also on a very parochial basis, because I feel that the State of Ohio is being asked to bear a disproportionately large share of the Defense Department’s cutbacks” (U.S. House of Representatives 1979, p. 109). Nor is there reason to ignore DOD’s assessment of congressional resistance to base closures during the late 1970s and early 1980s. DOD’s Lawrence Korb stated in 1985 that during the previous 10 years, of 601 major bases in the continental United States, 24 had been studied as primary candidates for closure, 8 of which were closed. He reported
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that “Of the remaining 16, most were deterred from closure as a result of Congressional action or the threat thereof. . . . It is political pressure, at times subtle and indirect, that usually precipitates a Departmental decision not to pursue an announced closure plan.” Perhaps “undocumentable” would be a better label for such political pressure. Dr. Korb stated that “Lots of times as soon as people overhear we will even do the minor things, the phone is picked up and it is if you want my vote on this, don’t do that. . . . I can tell you that on at least 10 occasions, that has happened to me” (U.S. House of Representatives 1985, pp. 53–54).

The resistance that can be documented is impressive. Congress has not hesitated to write specific measures into military construction authorization and appropriation statutes prohibiting base closures desired by DOD. For example, in 1971 Congress ordered that “Notwithstanding any other provision of law, none of the lands constituting Camp Pendleton, California, may be sold, leased, transferred, or otherwise disposed of by the Department of Defense unless hereafter authorized by law.” In 1986 Congress ordered that the correctional facilities at Fort Riley, Kansas, cannot be “closed, transferred, or relocated” unless the secretary of defense notifies Congress and a 180-day period elapses after Congress receives that notice.

Congress’s resistance to closing the Naval Academy’s dairy station provides a particularly intriguing glimpse at parochialism. Although this Maryland dairy was established in 1911 “to provide the midshipmen with a source of pure milk following an outbreak of typhoid fever attributed to the unprocessed milk purchased for the midshipmen’s mess,” by the mid-1960s commercial dairies could satisfy the Navy’s needs for pure milk products at lower cost. Based on a General Accounting Office (GAO) report showing potential savings of $83,803 per year if this facility were closed, the Navy in 1965 initiated plans to phase out the dairy farm. In response Congress enacted legislation in 1967 that specifically prohibited the Navy from doing so.

What is unusual is that a representative from Maryland opposed preserving the dairy farm. During House debate of the bill, Representative Charles McC. Mathias, Jr. stated that while he had “a high regard for cows, whether they are found at the Naval Academy dairy farm or elsewhere,” he “made it a matter of high principle to treat

all cows with a fine degree of impartiality." He strongly dissented from "the proposition that 600 cows at Gambrills, Md., should be beatified by this bill and be hereafter considered as sacred cows." Mathias stated that the bill "would exempt these 600 sacred cows from the laws of economics, and ... from the disciplines of the free enterprise system." A holdout from the parochial imperative? The Maryland representative in fact wanted the Navy to be able to close the dairy farm because the federal land was extremely valuable, and he hoped that more federal jobs would be provided on that turf if it were freed up for another governmental use.20

Parochial objectives have been achieved in ways other than outright congressional prohibition of base closure, however. For example, closure of Rickenbacker AFB in Columbus, Ohio, was delayed six years because of local court challenges during the NEPA process. Moreover, in effecting consolidation of basic helicopter training at Fort Rucker, DOD had to prepare five different environmental impact statements. Reacting to the parochial motives underlying such results, one representative commented that "There ought to be some point where there is a cutoff . . . so that we in the Congress can continue and a small group can't continually thwart a decision, and I think one impact statement ought to be enough" (U.S. House of Representatives 1985, pp. 4, 21).

Particularly noteworthy examples of parochially motivated congressional resistance surround DOD's attempts to close Loring AFB in Limestone, Maine, and Fort Dix in New Jersey. Of these two installations, Assistant Defense Secretary Korb stated: "There is no secret that some bases were not closed in the 1970's because of politics. I refer specifically to Fort Dix and Loring Air Force Base" (U.S. House of Representatives 1985, p. 3).

Loring AFB first appeared in a major realignment package on March 11, 1976, when DOD proposed that base as a candidate for an 83 percent reduction intended to reduce Loring from a main operating base to a forward operating base. The Maine delegation led by Senator Edmund S. Muskie rose to the occasion, becoming prime movers in initiating the restrictive base closure legislation enacted in 1976. Hearings were held in Limestone, and a parade of local residents, bolstered by the Save Loring Committee, told sad tales about how

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20 Congression Record, 1 August 1967, pp. 20798–20799. The "sacred cows" remark of Representative Mathias appears on p. 20799. As previously noted, the "parochial imperative" phrase is from Fitzgerald and Lipson (1984, p. xviii). Fitzgerald and Lipson define the "parochial imperative" as "an excessive preoccupation with the local impact of spending decisions at the expense of the national interest," which they regard as a "congressional compulsion."
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their own businesses and Maine's economy would suffer if Loring were cut back (U.S. Senate 1976b). When DOD made its decision final in 1979 to reduce Loring AFB, the Maine delegation participated vehemently in realignment hearings, where Senator Muskie averred that reducing Loring was "unsound, inconsistent with our national interests, and an economic injustice to the people of northern Maine" (U.S. Senate 1979b, p. 113). Undeterred by GAO's independent finding that "The reduction of Loring appears economically justified," Maine delegates threatened to enact legislation specifically prohibiting the realignment unless DOD relented (U.S. House of Representatives 1985, p. 22).

The ploy worked. The Maine delegation used the reprieve to make Loring impregnable for the foreseeable future. In the early 1980s they engineered congressional approval of huge expenditures on Loring's facilities—against DOD's wishes. By 1985 DOD's Korb had thrown in the towel, stating that "because of the expenditure of new construction money that was basically jammed down our throats by the Congress, it no longer makes any sense to close that installation."

It proved to be a long-term victory for parochialism: Loring AFB was not targeted for closure in the Commission's 1988 report. Korb pointed out that in the case of Loring, "We are not just talking about saving money. . . . We actually have endangered national security because you have planes that are in an area where they can be considered to be very close to being shot by submarine-launched cruise missiles" (U.S. House of Representatives 1985, pp. 8, 60).

Fort Dix, New Jersey, also proved politically difficult for DOD to dispatch. The Army first examined Fort Dix for possible realignment in 1971 and 1972 when it decided that it needed only one infantry basic training facility in the region, not two. Consequently in its 1973 realignment package, DOD announced studies of Fort Dix and Fort Jackson, South Carolina, to evaluate which to discontinue. This process dragged on until March 29, 1979, when DOD announced its "final" decision to transfer Army training functions from Fort Dix to four other bases including Fort Jackson.

The New Jersey delegation screamed. They vented their spleens at four separate hearings. They demanded a GAO report. To their dismay, the GAO report concluded that "annual savings should be about $15.8 million and the net one-time cost should be about $72.5 million," interpreted to imply a "payback" period of 4.6 years or

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The New Jersey delegation fought on. They managed to insert in the House-Senate conference report on the military construction bill for FY 1980 a mandate that Fort Dix could not be realigned or closed unless impact statements were created that emphasized the socio-economic factors in the affected regions. In the early 1980s they fought for huge new expenditures at Fort Dix not requested by the Army.

By 1985 Fort Dix was still in business. For its part DOD was down but not out. As part of the "illustrative" list of 22 bases that DOD said might be evaluated for realignment or closure if the 1985 reform initiative were successful, DOD listed Fort Dix. Nonetheless, by 1988—17 years after the initial investigation of the closure of Fort Dix—parochial pressure still kept it alive. The defense secretary's commission recommended in 1988 that Fort Dix be reduced to semi-active status and that its entry-level training functions be relocated.

Congressional Resistance: The Nonparochial Rationale

Congress is not the only body whose members often allow politics rather than the national weal to influence their actions. As one representative put it, "The history of decisions made exclusively within the executive branch of the Government is one too littered with arbitrariness, parochialism, and caprice." The belief that DOD has played politics with base closures runs deep in Congress. Representative Patricia Schroeder (Colo.), chairwoman of the Task Force on Grace Commission recommendations for the Committee on Armed Services, commented that "The lists which come out of the Pentagon seem to be more based on politics than on military utility."

This assessment partially underlies congressional restrictions on DOD's flexibility to implement closures and realignments. During

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22U.S. General Accounting Office 1979b, p. 2. Hearings were held in 1979 by the House Appropriations Committee's Subcommittee on Military Construction, by the Senate Armed Services Committee's Subcommittee on Military Construction and Stockpiles, and by the Senate Appropriations Committee's Subcommittee on Military Construction. For a critique of the payback period computation, see footnotes 35-36 and accompanying text.

23See, for example, U.S. House of Representatives 1981, p. 23. The $18.6 million barracks modernization at Fort Dix was not requested by the Army.

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floor debate on the 1985 amendments, numerous senators and representatives spoke of the historical tendency of DOD to play “hardball” with base closures. Senator Dale Bumpers (Ark.) reminded his colleagues that “the reason the [1977 base closure] law is as it is, is to keep Secretaries of Defense and Presidents from punishing individual Members who happen to disagree with them.” Senator Carl Levin (Mich.) concurred that “these protections against untrammeled executive power to close bases came because Members of this Senate and this Congress felt that the power to close bases had been abused and had been used as a club over Members of Congress” (Congressional Record, 23 May 1985, pp. S6987–S6988).

In particular, members of Congress express much concern about selective use of base closures to secure congressional acquiescence on the defense budget. As Senator Arlen Specter (Pa.) put it, it is “not a matter of mere coincidence that, at the time the Department of Defense issues come before the country and at the time we are considering the budget, there are a series of releases from the Department of Defense about the prospects for reduction in forces, layoffs, and base closings” (Congressional Record, 23 May 1985, p. S6986). During May 1985 the Washington Times ran a story by Ralph S. Hallow entitled “Back the Budget or Lose Bases, Weinberger Warns Republicans.” Although some doubted the story, the fear was real. In Senate debates on the reform proposals, Senator Bumpers remarked that “President Reagan is not a vengeful man. Secretary Weinberger is not a vengeful man. Neither of them would close an air base just to shape up a Senator’s conduct. But they are not going to be around forever, and you do not know who the next President might be.”

Congress has other complaints as well, many of which pertain to information cost manipulation (Twight 1988). Senators and representatives cite instances in which they have been lied to by DOD, have had information withheld, and have not been notified of impending DOD actions. Take the case of Representative Peter Frelinghuysen, Jr. (N.J.). In McNamara’s March 1961 round of base closings, Raritan Arsenal in Pennsylvania was designated to be closed. Yet in early January 1961 in response to Frelinghuysen’s inquiry, Brigadier General H. A. Gerhardt wrote to Frelinghuysen, “As to the immediate future of Raritan, there are at present no Department of the Army plans to discontinue the arsenal.” During hearings on these closures, as information emerged that documents suggesting closure were produced much earlier, Frelinghuysen asked the Army representa-

In response, "I wonder, General, how you could help me justify that statement with the statement you just made, that the survey of Raritan Arsenal had been completed in July 1960, and that your firm determination to close this arsenal entirely was made on the 14th of February? How in the beginning of January could any representative of the Army make a flat statement that there are at present no Department of the Army plans to discontinue the arsenal?" Frelinghuysen went on to label Gerhardt's statement "obviously untrue and I can think of no more charitable way to describe it" (U.S. House of Representatives 1961, pp. 158–159).

Congressional concern about DOD's withholding information and not giving Congress adequate notice of impending base closures suffuses the hearings and congressional debates. For example, with regard to the closure announcement of November 19, 1964, Representative William J. Randall (Mo.) stated that a "complete factual blackout" occurred, adding that "Information was first given to the press, then sometime afterward Members of Congress were notified" (Congressional Record, 10 June 1965, pp. 13244–45).

Regarding the New England base closures of April 1973, withholding of information extended well beyond the date the closures were announced. Representative Margaret M. Heckler (Mass.) was concerned not only about bases in her state, but also about the Quonset Point Naval Air Station and the Naval Complex in Newport, Rhode Island, both of which had major employment effects in her district. DOD's official reports to Congress on each base closure consisted of a three-page report that stated DOD's conclusions without providing justification for the savings claimed. When Heckler tried to obtain the "Case Study and Justification Folder" for each base, the Navy refused, claiming they were "internal documents." Asked by Heckler for statutory justification for withholding these documents from Congress, the Navy replied that "there is no statutory authority but a policy guideline." Even more disturbing was the Air Force's response that the case studies had been "partially destroyed" and that what remained were "internal documents" that would not be released to the congresswoman. By June 21, DOD and the services still had not turned over justification folders to the Senate Armed Services Committee, creating what Heckler adjudged "the issue of secrecy, the potential for military coverup" (U.S. Senate, 1973a, p. 96; U.S. House of Representatives, 1973, pp. 78–79). Only later were the documents finally given to Congress.

Congress also has expressed concern over whether the DOD's expected savings from closures or realignments are realistic. One major dispute involved DOD's failure to state nonmilitary govern-
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mental costs that would be incurred as a result of a closure. As early as 1965, senators complained that DOD’s savings were often illusory, stating that “The savings announced by the Secretary of Defense reflect only military savings. They in no way reflect governmental savings.” Retirement costs, unemployment benefits, and other non-military costs attributable to the realignment were not tallied. One result of such complaints was President Carter’s issuance on March 27, 1978, of Executive Order 12049, which required DOD to evaluate all federal costs associated with base realignments, not just military costs.

More fundamental questions can be asked about DOD’s assessment of marginal costs and benefits associated with closure or realignment. The federal budget in general and military budgets in particular use cash accounting, implying that treatment of capital assets is seriously misguided from a present-value perspective. It is as if the concepts of investment, capital assets, and opportunity cost were foreign to the lexicon of government budgeters. GAO’s independent analyses of proposed closures often are not reported in terms of net present value. Absent such crucial considerations, it is no wonder that members of Congress have labeled existing procedures as “woefully inadequate,” claiming that “in far too many cases, such actions now end up costing American taxpayers more than they allegedly ‘saved’” (Congressional Record, 22 July 1976, p. 23429).

Finally, there are the closure decisions that appear to reflect either ineptitude or political gamesmanship. Consider the case of Richards-Gebaur AFB, Missouri, located near the Kansas border and of immense parochial interest to politicians on both sides of the line. Richards-Gebaur became home for the Air Force Communication Service (AFCS) in 1970 when that facility was moved to Richards-Gebaur from nearby Scott AFB in Illinois, only 500 miles away. The move was defended at the time as a cost-effective realignment in that the

26Congressional Record, 28 June 1965, p. 15006, remarks of Senator Thomas J. McIntyre (N.H.); see also Congressional Record, 22 July 1976, p. 23430, remarks of Representative Silvio O. Conte (Mass.).

27Economists can only cringe listening to the following exchange between Representative Richard S. Schweiker (Pa.) and Paul Ignatius, then Assistant Secretary of Defense, that took place in the 1966 hearings on base closures:

“Mr. Schweiker. Are we figuring here at all in this savings structure any figures relating to the capital assets that we lose by shutting down the base?

Mr. Ignatius. No, sir, we do not, because the Government does not in its accounting system amortize investment costs. We pay for the costs at the time the property is acquired, and we do not amortize or take account of any residual costs. By the same token... in our reported savings we did not take credit for what we might gain through selling these facilities” [U.S. House of Representatives 1966, p. 6414].

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AFCS would be consolidated in a modern facility that more closely matched the requirements of the mission, enabling AFCS to function effectively as a force-wide communications system.28

The twist to the story came in 1974. A scant four years after moving AFCS from Scott to Richards-Gebaur, the Air Force decided to move it back to Scott, again citing “efficiency” as the primary rationale. Held up by NEPA challenges in 1975, the proposed move reappeared in the DOD realignment package issued in March 1976. Senator Thomas Eagleton (Mo.) commented that “If that move had been made 40 years ago, then one could say it was a long time ago and a different world,” but, he asked, “How can a decision in 1970, and an efficient decision made then, be completely reversed and became an efficient decision going back the other way, 6 short years later?” (U.S. Senate 1976a, pp. 78—79).

Although Air Force Secretary Thomas Reed insisted that this was merely a “proposal” rather than a final decision, his protestations did little to soothe affected members of Congress. Representative Richard Bolling (Mo.) cited Speaker Sam Rayburn’s advice to new members of Congress not to seek military bases in their districts: “His point was that the same kind of arbitrary decision that could bring a defense payroll into an area, could later take it away. Mr. Rayburn believed that people’s lives shouldn’t be jerked around that way” (U.S. Senate 1976a, pp. 75—77). The next section examines the role of existing institutions in determining the nature and extent of such political manipulation of base closures.

Institutionalizing Parochialism

Institutions shape behavior, defining marginal benefits and costs associated with political action. As was evident in 1976, pressures always exist to change institutional ground rules to facilitate, rather than constrain, rent-seeking behavior. The question is how to design institutions to reduce such institutionalization of parochialism.

The history of the base realignment struggle since 1961 confirms the paramount role of relevant institutional mechanisms. Before the 1976 changes, the institutional structure gave Congress room to be vocal in resisting DOD-requested base closures but for the most part

28Despite DOD’s brief for the efficiency of the move, testimony later revealed that politics also played a role. Representative William Randall (Mo.) testified that in 1970 another House member procured appointments for him at the White House “all the way up to the Presidential level.” He reminisced that “Everyone in the area worked together to accomplish the objective of reactivation of our base. . . . The Secretary of the Air Force also helped some, but it was the final approval of former President Nixon that led to the establishment of AFCS at Richards-Gebaur” (U.S. Senate 1976a, p. 66).
enabled DOD to act on its judgments. The result? John Lynch (1970, p. 7) reports that between 1960 and 1969, of 954 realignment actions announced by DOD, only 2 were not implemented.

In 1976 the pendulum swung the other way. The new institutional mechanisms so lowered the marginal cost of resisting major base closures and realignments that it became politically untenable for Congress not to block realignments. As Senator J. Strom Thurmond (S.C.) put it, the legislative process established in 1976 "invited interference from the Congress," providing "skillful obstructionists with every conceivable opportunity to delay or totally prevent the closing of nonessential bases" (U.S. Senate 1985, p. 1; Congressional Record, 23 May 1985, p. S6987). Reflecting on that legislation, Korb felt that the issue was "whether we want to sustain a system that basically compels an elected Representative or Senator to use the law to prevent what his constituents want prevented" (U.S. House of Representatives 1985, p. 12). In short, under the 1976 rules parochial desires were almost universally guaranteed implementation by the existing institutional mechanism.

In attempting to nudge the pendulum back in the other direction, the 1985 and 1988 reform efforts provide considerable insight into designing institutional mechanisms less vulnerable to political pressures both from Congress and from the executive branch. Collectively they show that, to lessen institutionalization of parochialism, the law should shape private marginal costs to deflect rather than nurture substantive parochial action, making marginal costs and benefits perceived by individuals more accurately reflect the opportunity costs involved. On the executive side, reform legislation must lower the marginal cost to administration officials and military personnel of implementing cost-effective realignments, while raising the marginal cost to those individuals of promoting politically motivated realignments. On the legislative side, base closure reform must raise the marginal cost to politicians of acting on the parochial imperative (or lower the marginal political cost of not acting on a purely parochial basis). Reform must make the "parochial" less "imperative" to the extent that such behavior is shaped by institutional rules.

It is not wholly fanciful to surmise that such institutional changes might win congressional approval. Despite widespread cynicism about politicians acting in the public interest, people such as Dick Armey continue to do so on this issue, and occasionally they prevail. Adoption of the 1988 base closure measure demonstrates that a modicum of remedial legislation is possible. Moreover, as discussed below, changes in statutory law that reduce substantive parochialism can be
made politically attractive if designed to reduce politicians' costs of winning constituent approval.²⁹

The key issue, of course, is how to do it. One technique is to leave ample room for politicians to demonstrate concern for constituents, while not allowing parochial concerns to be translated into action without a strong nonparochial rationale. Senator Phil Gramm (Tex.) was particularly sensitive to thus accommodating political needs of members of Congress:

The beauty of this [1985] proposal is that, if you have a military base in your district ... under this proposal, I have 60 days. So, I come up here and I say "God have mercy. Don't close this base in Texas. We can get attacked from the south. The Russians are going to go after our leadership and you know they are going to attack Texas. We need this base." Then I can go out and lie down in the street and the bulldozers are coming and I have a trusty aide there just as it gets there to drag me out of the way. All the people in Muleshoe, or wherever this base is, will say, "You know, Phil Gramm got whipped, but it was like the Alamo. He was with us until the last second." The bottom line is the public interest will have been preserved [U.S. Senate 1985, p. 17].

As Gramm's remarks make clear, the challenge from an institutional-design perspective is to take what Mayhew (1974, pp. 52–73) calls a "particularized benefit" out of the realm of credible "credit-claiming" and into the realm of "position-taking." To any legislator who views parochial defense of an obsolete local military base as a necessary evil serving the larger goal of reelection, such a change would reduce the personal costs of winning constituent approval.

The burden of proof concerning base closures also is crucial to institutional vulnerability to parochialism. Under the 1976 rules, this burden was predominantly on those who wanted to close a base, creating a system Senator Gramm described as "totally rigged against closing bases" [Congressional Record, 23 May 1985, p. S6981]. With his 1985 reform proposals, Gramm rightly sought to shift that burden.³⁰

²⁹In addition, some legislators might be swayed by a desire to escape a client relationship with DOD. See testimony of Professor Seymour Melman (U.S. House of Representatives 1973, p. 10).

³⁰Legislators were amply forewarned of the institutional consequences of the two-step process under the 1976 rules. Representative Lawrence Hogan (Md.) warned in 1973 that if candidates for base closure are made known in advance on a "suspect list," the affected congressional delegations "would bring unbearable pressure to bear to try to reverse that suspect list to eliminate their own constituencies from that list. . . . It is a part of the political system of our democracy" (U.S. House of Representatives 1973, p. 32). And in 1976, speaking against the legislation initially vetoed by President Ford, Senator George McGovern (S.D.) said, "All we are going to accomplish if we override this veto is to provide 1 year for the Chamber of Commerce and the various groups in
Also critical to insulating institutions from parochialism is the mechanism for appropriating funds to effectuate base closures or realignments. In the past, to implement a closure or realignment—after complying with all other congressional requirements—DOD had to ask Congress for funds to curtail activities at a base being reduced and to upgrade facilities at a base being expanded. That is, appropriations targeted at named bases were prerequisite to effectuating closures and realignments. Once a targeted base was known, all the familiar logrolling incentives came into play, and the parochial imperative naturally dominated the outcome at the institutional level.

Consider an alternative approach. Knowing that realignments may be necessary in the ensuing fiscal year, Congress might appropriate money to implement such realignments without knowledge of specific bases to be affected. Using Buchanan and Tullock's Rawlsian idea that uncertainty regarding one's future state enables one to make political choices not exclusively driven by self-interest too narrowly defined, this procedure would require that legislators focus on the desirable extent of realignments without becoming enmeshed in parochial devotion to a particular constituency's narrow economic concerns. In a sense the procedure would impose a "constitutional" frame of mind on a very particular decision faced by Congress (Buchanan and Tullock 1962, pp. 77–80). To the degree that this "constitutional" mindset can be incorporated into the day-to-day institutions of government, we might curtail the dominance of the parochial imperative. Regarding appropriation of funds for base closures, Senator Gramm put it succinctly: "You have to get people to vote on the principle and not the practice."31 (U.S. Senate 1985, p. 30). The extent to which the "DOD Base Closure Account" created by the 1988 legislation may or may not serve a similar purpose is discussed in the next section of this paper.

Moreover, to the extent that we dampen community resistance to cost-effective realignments, we further curtail the institutionalization of parochialism. By enhancing existing efforts to help communities convert from military to civilian employment when military facilities are closed or substantially reduced, one can lower the apparent mar-

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31With respect to closures, this was exactly what Gramm tried to do with his 1985 reform proposals, which included a $1 billion annual fund to implement closures generally, not tied to named bases. This provision was stripped out of the reform legislation actually enacted by Congress. Certain members of Congress openly rejoiced that the base closure purse strings remained in parochial hands.
ginal cost of the realignment to the targeted community; benefits from such realignment otherwise may seem largely external to that community.\textsuperscript{32} (See Melman 1974, p. 250.)

The success of economic adjustment programs, which have existed since 1961, has shown communities that they can emerge from base closures as winners, not losers.\textsuperscript{33} A comprehensive study (U.S. Department of Defense 1986, p. 1) of completed economic adjustment projects reported that between 1961 and 1986 "A total of 138,138 civilian jobs are now located on the former Defense facilities to replace the loss of 93,424 former DOD or contractor jobs."\textsuperscript{34}

Richard Stubbing (1986, pp. 253–55) suggests additional techniques for softening resistance to realignments of major bases: Besides countering local communities' fear of the closure's negative economic consequences through governmental efforts to facilitate conversion, he would spread closures out geographically whenever possible to minimize any perception of unfairness. He also suggests mitigating resistance to closures from within the military by rewarding military leaders if they get Congress to endorse closures, perhaps giving them extra funds to upgrade retained facilities.

Finally, to gain public and congressional support for base realignments, it is imperative that DOD and the military services consistently use accounting procedures that more accurately reflect the marginal costs, marginal benefits, and net present value of alternative base-structure proposals. Astonishingly, even very recent official statements issued by DOD treat expenditures and savings occurring

\textsuperscript{32}Although some might denounce conversion assistance as a localized subsidy aimed at solving a problem better handled by market adjustments, the political reality is that the benefits of efficient defense realignments are national in scope. A strong equity argument therefore suggests that its costs should likewise be borne more widely by the public in the form of short-term retraining assistance and the like. An even stronger argument grounded in practical politics is that without such conversion assistance, parochial interests may thwart the public's wider interest in efficient defense and economic productivity. In a sense conversion assistance provides a method of actual, as opposed to potential, compensation to those harmed, a mechanism designed to procure consent to cost-effective realignments. If a proposed move is indeed efficient, the gainers can compensate the losers and remain better off themselves.

\textsuperscript{33}Between 1964 and 1969 economic conversion efforts were buttressed by a "job-guarantee" program that guaranteed permanent DOD employees, whose jobs were eliminated by a base closure, the offer of at least one DOD job elsewhere as well as assistance in finding private employment. Although discontinued in 1969, this program offered another institutional mechanism to reduce parochial pressure on Congress by reducing the perceived private marginal cost to constituents of such closures (see Lynch 1970, pp. 34–43).

\textsuperscript{34}For additional statistics, see U.S. Senate (1985, pp. 6–7). See also U.S. House of Representatives (1985, pp. 25–49) and Duscha (1965, pp. 158–74).
at different times over many years as if they all occurred today. Defying logic as well as fundamental principles of finance and economics, these statements treat a dollar today as equivalent to a dollar 10 or 20 years from now (see U.S. Department of Defense 1988, pp. 4—5). This discrepancy does not just involve nickels and dimes. On May 18, 1988, Defense Secretary Carlucci testified that, with a net one-time cost of $240 million to relocate a mission, and with annual recurring savings of $40 million attributable to efficiencies from relocation or consolidation of missions, the “payback period” would be six years. Nice, simple arithmetic: 240/40 = 6.

However, Carlucci (U.S. Department of Defense 1988, p. 5) also mentioned that “Savings don’t begin to accrue until after the move occurs, normally in the fifth year.” If the move is in the fifth year so that savings do not begin until the sixth year, $40 million per year for six years commencing six years from now (i.e., years 6 to 11 relative to today) would have a present value of only about $109.4 million, using 10 percent as the discount rate—a far cry from the $240 million assumed by the secretary of defense. Viewed another way, the true payback period to compensate for $240 million in outlays today is slightly over 48 years, not the 6 years that the defense secretary asserted before Congress.

Without this crucial analysis of present value, it is hard to envision the expected savings associated with recommended closures and realignments as anything other than moving the walnut shells around. Until DOD and Congress consistently use cost-accounting procedures appropriate to effective business decisionmaking (properly valuing capital assets and opportunity costs associated with different base configurations), military base realignment will remain the bastard child of parochialism. The extent to which the situation has been remedied by the 1988 legislation is evaluated in the following section.

Commission on Base Realignment and Closure: A Viable Reform?

If not overwhelmed by political exploitation of loopholes discussed below, important features of the recently enacted base closure

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30 These computations were made on the assumption that the $40 million in annual savings accrues on a monthly basis ($3,333,333.33 per month).
31 This comparison takes at face value Carlucci’s assumption that the “net one-time costs” of $240 million are incurred immediately. If some of those costs occur in the future, they too must be discounted to present value. If we supposed that the one-time costs for military construction and relocation were incurred gradually over the initial 5-year period (spreading these costs equally over 60 months), using Carlucci’s cost figures (and a 10 percent discount rate) the payback period would still be just under 20 years rather than the 6 years he claimed.
legislation\textsuperscript{37} satisfy certain reform principles suggested above. With respect to closures recommended by the commission, the new law lowers the marginal political cost to legislators of not acting on the parochial imperative: The affected legislator can truthfully blame the commission. That is, the measure partially removes this particularized benefit from the realm of credit or blame for the legislator and puts responsibility for the outcome on the commission. It moves part way toward making legislators accountable for their position rather than the outcome. (See Mayhew 1974 on position-taking and credit-claiming.)

The new law also raises the marginal cost to legislators of acting on the parochial imperative by making certain statutory impediments inapplicable when the commission selects bases for closure or realignment. To the extent that Congress is forced to evaluate the commission’s entire package rather than individual bases, the new law supports a less-parochial appraisal.

The 1988 statute potentially raises the marginal cost to executive branch officials of using closure recommendations for partisan political purposes both (a) by reducing the credibility of recommendations not endorsed by the commission, and (b) by preventing the defense secretary from selectively adopting the commission’s recommendations. It simultaneously lowers the marginal cost to DOD officials of implementing cost-effective realignments by removing statutory obstacles to closing bases selected by the commission, by placing relevant executive decisionmaking authority in the hands of a lame-duck administration, and by providing a partially automatic funding mechanism through the DOD Base Closure Account.

The statute’s explicit provision for DOD expenditures on economic adjustment assistance implies continued support for reducing the perceived marginal cost of realignments to adversely affected communities. In addition, facilitating net present value assessments, the new law requires DOD to report not only anticipated expenditures for and savings from each closure but also the time period in which such savings are expected to occur. Moreover, while not mandated to do so by this statute, the commission chose to make its calculations in present-value terms, setting what could (and should) be an influential precedent for future closure evaluations.

Nonetheless, significant loopholes remain. At every step in the legislative process, members of Congress strove to attach emasculat-

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ing amendments to Armey's bill. To his credit, after four committees effectively recast the "reform" measure into a bill guaranteeing retention of obsolete bases, Armey managed to engineer elimination of the most egregious provisions. Thus Congress ultimately rejected committee attempts to require socioeconomic impact statements, retention of historical sites, certification that no retained overseas base is less valuable than a domestic base selected for closure, on-site hearings to receive testimony from affected communities, active congressional approval of the closure list, and the like.

But Armey had to compromise, and those compromises threaten to undermine the law's original purpose. The major opening wedges for continued parochialism under the new law involve (a) provision of funds to implement base closures, (b) applicability of the Federal Property and Administrative Services Act and the Surplus Property Act, and (c) applicability of the National Environmental Policy Act of 1969.

We have seen that Congress's control of funds necessary to implement base closures historically has enabled parochially motivated politicians to block cost-effective changes in base structure. Unfortunately, that pattern is likely to continue. Despite DOD's new statutory power to deposit certain sale proceeds in the Base Closure Account, it is clear from the floor debates that many members of Congress intend to perpetuate "hands-on" funding for closure of named bases. For example, as a gesture of good faith that at least shifted transaction costs to those seeking future changes in the authorization, the Senate bill that went into conference (S. 2749) authorized appropriation of $300 million for any fiscal year after 1989. In a disquieting move portending future practice under the 1988 law, the conference committee stripped that authorization from the bill, stating that "since the funding requirements for direct appropriations cannot be determined until the Commission has completed its work, the conferees agree to a provision that would require direct funding of the base closure account to be established each year during the

However, Congress retained a provision requiring the defense secretary to study the overseas base structure for possible efficiencies attainable through closure or realignment and to report the study's results to the commission by October 15, 1988. Alan J. Dixon (Ill.), chairman of a 17-member Northeast-Midwest Senate Coalition, quickly impugned DOD's report that no overseas bases need be closed. His coalition by letter urged the Commission on Base Realignment and Closure to consider "regional inequities stemming from the location of existing military facilities." (Quoted in Insight, 21 November 1988, p. 29). The same article noted that the Pentagon had cited three installations in northern Illinois for possible closure.

Actual appropriations, of course, remained an unresolved question.
annual authorization and appropriations cycle based upon the Department's budget request.40 Once again, we face the specter of Congress voting on funds to close named bases. To the extent that DOD must rely on such direct appropriations, the parochial result is likely to follow, and the 1988 law's central effort—to decouple closure funding decisions from logrolling in support of individual bases—could come to nought.

There are other reasons why the Base Closure Account may not fulfill its promise. The new law envisions three sources of funding for base closures: Base Closure Account receipts from DOD sale of surplus or excess properties and facilities, DOD transfers to the account from funds appropriated for other purposes (reprogramming), and monies specifically authorized and appropriated by Congress. Despite the aforementioned problems with direct appropriations, one thus might hope that other receipts and transfers would fortify the account. Yet additional obstacles intervene. For example, the law states that the defense secretary can make transfers reprogramming funds only "subject to approval in an appropriation Act" after providing relevant congressional committees with "written notice of, and justification for" the transfer. Thus the appropriations subcommittees again retain explicit statutory power to thwart the process. Moreover, the defense secretary's authority to sell property under the act extends only to "excess and surplus real property and facilities located at a military installation closed or realigned under this title." In other words, it is not a broad power to dispose of other surplus facilities to generate funds necessary to implement the recommended closures. Finally, as discussed below, procedural requirements under the Federal Property and Administrative Services Act further undercut the Defense Department's ability to transform property disposals into a major funding source obviating direct appropriations.

To facilitate DOD's disposal of excess property, the original reform proposals explicitly waived cumbersome procedural requirements of the Federal Property and Administrative Services Act, permitting sale proceeds to be deposited in the DOD Base Closure Account.41 The enacted statutory language, by contrast, mandates application of the normal regulations governing disposal of excess property: It sim-

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ply orders the administrator of General Services to delegate his functions under relevant statutes to the defense secretary to carry out transactions allowable under the new base closure law. Although the statute for the first time allows DOD to benefit directly from certain sales of DOD-owned real property and facilities, protracted procedures under federal property-disposal regulations impair the ability of the Base Closure Account to function as an automatic funding mechanism. 42 Indeed, the hierarchy established by statute for such disposals makes it possible for some transfers of surplus property to be made without remuneration to DOD. With respect to property disposals, the 1988 legislation thus improves upon preexisting statutory law but falls short of fulfilling the promise of the original bills.

Experience under the 1977 law also attests to NEPA's potency in blocking closure of major military installations. Accordingly, earlier versions of the Armey and Roth reform proposals waived NEPA along with other statutory obstacles to base closures. However, the enacted statutory language only partially waives NEPA. While waived with respect to actions of the commission and the defense secretary in selecting sites for closure or realignment, NEPA requirements are mandated with respect to implementation under the act. Implementing closures recommended by the commission is prohibited until 1990 to allow the NEPA evaluation to occur. Still, NEPA's applicability to base closures has been narrowed significantly, and it is unlikely to prove as powerful an impediment as it has been outside the context of the 1988 act. 43

Besides the vulnerabilities summarized above, other potential problems exist. For example, the scope and sustainability of a key provision—allowing commission-recommended closures to proceed despite certain statutory restrictions on expenditures—is debatable. Although the provision was originally intended to waive statutory restrictions on outlays for specific closures or realignments contained in existing authorization or appropriation acts, its applicability to similar future statutory restrictions is in doubt. 44 Not only would courts likely regard later measures as superseding this provision, but future restrictions on closure expenditures could explicitly modify

42 Thompson (1988, pp. 557–58) reports the previous procedure with respect to land sales: "The military gain nothing from the sale of land; receipts from land sales go not to the military branch holding the asset but to the Land and Water Conservation Fund of the Treasury."

43 For example, civil suits under NEPA against the commission or the defense secretary must be brought within 60 days of the occurrence of the challenged action.

44 I am indebted to Brian Gunderson, congressional aide to Representative Armey, for his insights regarding this provision.
the relevant waiver if that were Congress's desire. The fact that DOD must notify Congress of realignment-related construction projects costing more than the maximum amount for minor construction projects reinforces concerns about future congressional prohibition of particular outlays.

Finally, to achieve long-run success the process must become an ongoing one. One of the weakest aspects of the 1988 reform package is its transitory nature, which envisions a single commission plan to be implemented or rejected within a specified period. No matter how successful on a one-shot basis, the reform will do little long-term good unless established as a periodic institutional curative.

Beyond the new law's strengths and weaknesses, certain political aspects of its final enactment merit reflection. Contemporaneous congressional debates largely provided reruns of familiar arguments detailed earlier in this paper. Of great interest, however, was the legislators' posture on the day of final passage by the House and Senate: Practically no one—friend or foe of the bill—even hinted at the avenues to continued parochialism codified in the language being enacted. Supporters congratulated one another on their victory and applauded anticipated efficiencies. Long-time, publicly committed opponents decried past Pentagon abuses, DOD's likely influence over a "rubber-stamp" commission, the short time allowed to determine the closure sites, the allegedly inadequate geographic representation on the commission, and the like. Yet hardly a soul mentioned the major loopholes documented above. The closest they came was Representative Armey's subdued acknowledgement that "In the coming years, it is almost certain that some members will attempt to reverse the waste reduction program which we are beginning today." He expressed "no doubt" that "some will try to abort the program and break the commitment which we have made" (Congressional Record, 12 October 1988, p. H10035).

Of course, many in Congress understood full well the unstated implications of the language being enacted. In earlier floor debate on language similar to that ultimately adopted, Representative Jon Kyl (Ariz.) stated that, without authorization of appropriations, the bill would "hold hostage the closing of these bases to the whims of the Armed Services Committee or the Appropriations Committee." Calling it the "fundamental flaw" remaining in the bill, Kyl stated that "because of the need to get the appropriation, it puts that back into the hands of our committee . . . and, therefore, instead of saying 'Are we going to close this group of bases or not?' The question is: 'How can we lobby each other so that we will appropriate x amount of money to close these bases, but no funds shall be appropriated for
the purpose of closing Base A, Base B, and Base C? " In the same debate Representative Les AuCoin (Ore.) called it “essential that there be little or no opportunity for congressional intervention once the bases to be closed have been identified” (Congressional Record, 12 July 1988, pp. H5440, H5437).

From the perspective of public choice and political science, congressional floor behavior on the day of final enactment presents no mystery. Creating good copy for their constituents and for the press, those who labored more than two years to enact genuine reform naturally sought to highlight their successes rather than their failures. Why not claim credit, when to do otherwise might erode personal political benefits and threaten alliances on which passage of the bill depended? Vocal opponents on record in strong opposition to the bill likewise sought to document for the public the purity of their positions, not wishing to undermine that posture by acknowledging the soft underbelly of the new law. The public display provided gains for legislators on both sides of the issue, supplying yet another example of legislators’ augmentation of transaction costs facing the voting public (Twight 1988).

Thus we come to analyze the overwhelmingly large margin by which the 1988 Base Closure and Realignment Act was adopted: 370–31 in the House; 82–7 in the Senate. Should we interpret this as an outpouring of support for genuine reform, a fundamental change of heart toward parochialism in these matters? Economics suggests a more plausible explanation. When a “reform” measure is riddled with unpublicized loopholes, it becomes extraordinarily cheap politically for parochially minded legislators to vote in its favor. Existing models of the political process suggest that, from Congress’s parochial perspective, such a result might be perceived as optimal—a continuation of the tangible benefits of parochialism coupled with credit for fighting it.

Conclusion

The evidence with respect to military base closures is overwhelmingly consistent with the hypothesis that the specific institutional mechanisms we adopt through statutory law shape the observed degree of parochialism in a policy area such as base closures or realignments. Institutional structure as embodied in statutory law thus increasingly needs to be brought to the foreground in economists’ and political scientists’ analyses of political behavior. The interesting questions surround the choice of institutional structures. Can we devise institutional incentives that will dissuade legislators
from adopting statutes that facilitate parochialism without severely eroding the concept of a representative democracy? Existing models of political change suggest that, in revising institutional-level rules, parochial motives are likely to drive the outcome as surely as they do when a representative decides to fight to retain an inefficient local base. Rent seeking at the institutional level, coupled with the ubiquitous desire to claim credit for all things perceived to be good, suggests a veneer of reform, not its actuality.

Nonetheless, to the extent that we understand more fully the workings of the parochial imperative, it may be possible to constrain it. Whereas now we most often create institutions that provide a show of reform masking the actuality of parochialism, more thoughtfully devised institutional ground rules may allow legislators to make a political show of parochialism while acting on their nonparochial assessment of proper public policy.

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MILITARY BASE CLOSURES


